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# Doing Business in the Doughnut: The sustainability of worker co-operatives

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## **Abstract:**

The globally dominant form of business organisation, the Investor-Owned Firm or the Corporation, has been challenged in both academic settings and the wide world for falling short on ensuring environmental and social justice and sustainability. Alternative business models like co-operatives, with a rich though somewhat less known history and presence around the world, might prove a better fit for a thriving world and a sustainable future. This study investigates ways in which worker co-operatives can contribute to a more sustainable world, using the theoretical lens of Doughnut Economics (DE) to place enterprises, as a supporting pillar of our economies, at the intersection between meeting social needs and operating within planetary boundaries.

A descriptive multiple case study of six worker co-operatives in the UK indicates that this model can contribute to sustainability primarily by embodying a core purpose of fulfilling the needs of workers and their communities, rather than aiming for financial gains. The research suggests worker co-operatives are enterprises with highly generative design traits, distributive of the wealth they generate, and to some degree regenerative by design. Where challenges occur, either internally or wider in their industry or the co-operative movement, the co-operatives appear willing and interested to work on improving themselves by learning from their peers, experimenting and welcoming change. The study contributes to the body of knowledge on sustainability in worker co-operatives, employing DE as a holistic framework which so far has been seldom used in business research.

**Keywords:** Worker Co-operatives, Sustainability, Economic Democracy, Doughnut Economics, Sustainable Business Models, Sustainable Development

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## **Summary:**

The world of business and corporations is often accused of inflicting harm on our environment and our communities. Enterprise models that are better fit to meet human needs and current global challenges already exist in our societies but remain widely unknown in the sea of businesses run by a board of shareholders and/or a suite of executives. Worker co-operatives represent one such alternative model. This study investigates ways in which worker co-operatives can contribute to a more sustainable world, using a holistic framework that places enterprises at the intersection between meeting social and environmental needs.

A multiple case study of six worker co-operatives in the UK indicates that this model can contribute to sustainability by embodying a core purpose of fulfilling the needs of workers and their communities, rather than aiming for financial gains. The research suggests that worker co-operatives distribute the wealth they generate internally and with their communities, and they are to some degree regenerative of the natural environment they inhabit. Where they encounter sustainability challenges, they appear willing and interested to work on improving themselves by learning from their peers, experimenting and welcoming change.

**Keywords:** Worker Co-operatives, Sustainability, Economic Democracy, Doughnut Economics, Sustainable Business Models, Sustainable Development

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## Abbreviations

<b>BBP</b>	Bristol Bike Project
<b>CAN</b>	Co-operative Assistance Network Limited
<b>CCBSA2014</b>	Co-operative and Community Benefit Societies Act 2014
<b>CIC</b>	Community Interest Company
<b>CICOPA</b>	International organisation of industrial and service cooperatives
<b>CSR</b>	Corporate Social Responsibility
<b>DE</b>	Doughnut Economics
<b>DEAL</b>	Doughnut Economics Action Lab
<b>EE</b>	Ecological Economics
<b>EETG</b>	East End Trades Guild
<b>FCA</b>	Financial Conduct Authority
<b>FSC</b>	Forest Stewardship Council
<b>GA</b>	General Assembly
<b>GHG</b>	Greenhouse Gas
<b>ICA</b>	International Co-operative Alliance
<b>IOF</b>	Investor owned firm
<b>IPSA(NI)1969</b>	Industrial and Provident Societies Act (Northern Ireland) 1969
<b>IYC</b>	International Year of Co-operatives
<b>LLP</b>	Limited Liability Partnership
<b>LWF</b>	Living Wage Foundation
<b>SDGs</b>	Sustainable Development Goals
<b>SEE</b>	Social ecological economics
<b>TBL</b>	Triple Bottom Line
<b>UN</b>	United Nations
<b>WEF</b>	World Economic Forum
<b>WREs</b>	Worker Recuperated Enterprises
<b>WSF</b>	World Social Forum
<b>ZEN</b>	Zero Emissions Network

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# 1 Introduction

“The business of business is business,” posited the economist Milton Friedman (cited in Raworth, 2017, p.68) in his influential neoliberal market philosophy of the 1970s, reinforcing the ultimate goal of companies as that of producing, selling and maximising profit (Wilson and Post, 2013). Today’s mainstream business model of the investor owned firm (**IOF**) operates according to this principle (Raworth, 2017, p.191). An IOF is characterised by private ownership and management in the hands of investor-shareholders who supply the capital and enjoy the firm’s returns (Pencavel *et al.*, 2006), and who are normally absent from the day to day running of the business (Kelly, 2011, p.168). The management of an IOF often follows the belief that a company’s primary aim is to maximise the shareholders’ returns of investments (Kelly, 2012, p.155; Monteiro and Straume, 2018; Raworth, 2017, p.189; Wilson and Post, 2013). The preferred economic organization form of neoliberalism (Stiglitz, 2009) and prevalent in today’s economy (Booth, 1995; Kelly, 2012, p.19), this model has garnered criticism for prioritising the interests of shareholders and top level managers over the interests of all other stakeholders, providing incentives to externalise social and environmental costs (Parker, 2017). Environmental degradation (Gunderson, 2019), job insecurity, and income inequality (Parker, 2017) are but some of the potential dire consequences of primarily profit-driven corporations. Elsewhere, the media has captured public imaginaries with titles of striking inequality such as: “World’s eight richest people have same wealth as poorest 50%” (Elliott, 2017 based on a report by Oxfam, 2017) and with stories of private wealth paraded annually at the World Economic Forum (**WEF**).

In response to these criticisms, and to increasing demands from consumers for businesses to become more sustainable (Horne, 2009), the private sector has started to widen the definition of what constitutes a successful business to incorporate social and environmental goals, alongside financial metrics. *Sustainability* has been interpreted in numerous, often contested ways (Common and Perrings, 1992; Connelly, 2007), with a prevalent description based on meeting long-term environmental, social, and economic goals (Purvis *et al.*, 2019). How one views the relationship between these three spheres of sustainability matters. The sustainable development discourse, for example, has long aligned with the figure of three separate overlapping circles, with ensuing variations based on different ways of problematising the separateness between the environment, the society, and the economy (Connelly, 2007). The heterodox theory of Ecological Economics (**EE**), on the other hand, sees the three dimensions as nested circles, with the economy nested within, and thus subordinate to, the wider social-ecological system (Spash and Asara, 2018, p.120). Chapter 3 expands on these two ways of representing sustainability and discloses the position adopted in the study.

One way to consider sustainability in the world of business is to turn Milton Friedman’s position on its head and redefine “the business of business” as that of contributing “to a thriving world” (Raworth, 2017, p.233). In line with a widespread call from economists, scholars, and civil society alike to reimagine the economic system (see e.g. Fischer *et al.* (2018), Max-Neef (2009), and the World Social Forum (**WSF**) with its famous slogan “Another world is possible” (Pleyers, 2019, p.89)), Kate Raworth describes an economy that lies between a social foundation of human well-being and an ecological ceiling of planetary boundaries (Raworth, 2017, p.44). She calls this, *Doughnut Economics* (hereafter **DE**) (further detailed in the Theoretical Framework section). Reimagining business following this theory would involve redefining companies with “a living purpose, rooted in regenerative and distributive design” (Raworth, 2017, p.234). A regenerative business is designed to embrace biosphere stewardship, reconnecting nature’s cycles and giving back to the living systems it belongs to (Raworth, 2017, p.218). A distributive business is designed to distribute wealth, including income, knowledge, time, and power, in an equitable way (Raworth, 2017, p.174-176). Beyond the nature of a company’s operations and what it produces and sells, a business is regenerative and distributive at its core if it adopts a living purpose of contributing to a thriving world (Kelly, 2012, p.149; Raworth, 2017, p.233).

Many companies today strive for some level of sustainability, following various strategies<sup>1</sup> of shifting from creating value for shareholders to value for stakeholders and taking responsibility for their global impact (Frederick, 2008). Some have updated their perspective from aiming for the bottom line (of making Profits) to the Triple Bottom Line (TBL) (of making Profits while benefitting People and the Planet, as first formulated by Elkington (1994)). Some take their Corporate Social Responsibility (CSR) strategy seriously and aim to enhance the well-being of those affected by the company's operations (Frederick, 2008). Yet, the CSR notion has been sometimes challenged as being merely an add-on to business as usual, a tool of adding social goals to a business but keeping them secondary to the economic goal (Wilson and Post, 2013). As Kelly (2012, p.154) phrases it in systems thinking terms, the “financial feedback loop is stronger than the weak feedback loop of an ethical code,” meaning that financial incentives are stronger than ethical ones. Some companies strive for certification that attests their goals outside of profit-making, as for example the B Corp Certification and its accountability directive to balance profit and purpose (B Lab, 2021), or for sustainability reporting that meets international standards such as the GRI-standards (Global Reporting Initiative, 2021). Yet these standards or certifications are at risk of representing the mentality of current owners, founders or CEOs, replaceable when changes occur in the company (Kelly, 2011, p.159). In terms of the regenerative principle, these sustainability initiatives could be categorised along what Raworth (2017, p.215) calls “the Corporate To Do List” towards regeneration (from business as usual to doing what pays, to doing one's fair share, to doing no harm and to being generous, or regenerative). Companies often stop, though, before reaching this final level which is essential to bringing humanity below the ecological ceiling (Raworth, 2017, p.218). The distributive principle is a separate matter altogether (since corporations might do well on the regeneration to do list but amass power and wealth in an inequitable way, for example by having large pay gaps along their organisational structure (Parker, 2017)).

Sitglitz (2009, p.351) notes that neoliberalism pays “no attention to distribution of incomes or the notion of a good or fair society.” Along the same lines, Max-Neef considers the mainstream economic philosophy to be at fault for the crisis of humanity we find ourselves in, adding that: “we need to replace the dominant values of greed, competition and accumulation, for those of solidarity, co-operation and compassion” (2010, p.201). Kelly (2012, p.5) goes further in arguing that “the multiplying crises we face today are entwined at their root with the particular form of ownership that dominates our world – the publicly traded corporation, in which ownership shares trade in public stock markets.” Thus a “transformation in thinking” (Cheney *et al.*, 2014, p.592) as promoted by Max-Neef will affect practice at different levels, including the firm, with alternative business models required to disrupt the hegemony of the profit-driven IOF. In the aftermath of the economic crisis of the late 00's, Sitglitz (2009) called for an increased focus on the contribution that alternative forms of economic organisation are making to our society.

Co-operatives represent one such alternative form of organisation that can play a significant part in “reimagining and reconfiguring the economy as a whole as well as bringing to the table alternative forms of governance” (Cheney *et al.*, 2014, p.592). The model is broadly characterised by equal ownership and decision-making power in the hands of its members (Johanisova and Wolf, 2012), as opposed to those of distant investors or shareholders (Co-operatives UK, 2021a). According to the International Co-operative Alliance (ICA), “a co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise” (ICA, 1995). To this end, co-operatives worldwide share a set of values including democracy, equality and solidarity, and a set of principles including democratic member control, autonomy and independence, and concern for community (ICA, 1995), further detailed in the next chapter.

Co-operatives can be classified in various ways (Cheney *et al.*, 2014), with one way based on the groups that make up their membership. According to Cato (2018, p.109), the three main membership

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<sup>1</sup> Whether or not companies are committed to these sustainability-related frameworks, or are merely communicating their commitment without substantially backing it in practice (what is commonly known as *greenwashing*, see e.g. Delmas and Burbano (2011)), is a widely studied topic which is outside the scope of this thesis.

types are *consumer* or *retail co-operatives* (formed by the consumers or users of the product or service made available through the co-operative), *producer co-operatives* (where groups of producers join forces to market their products together) and *worker co-operatives* (owned by the employees). Each of these member groups have different sets of needs, different aims and structures, hence it is worth studying these models separately. The present study focuses on the latter type, the worker co-operative.

## 1.1 Worker co-operatives

Worker co-operatives are enterprises owned and controlled by their workforce (Cornforth, 2017). For a more comprehensive description, I use Pérotin's (2013, p.35) definition:

*A worker co-operative is "a firm in which all or most of the capital is owned by employees in the firm, whether individually or collectively; where all employees have equal access to membership regardless of their occupational group; and where each member has one vote, regardless of the allocation of any individually-owned capital in the firm."*

Through this equal access and ownership in the hands of the worker-members, worker co-operatives follow principles of *economic democracy* (Johanisova and Wolf, 2012). Economic democracy is defined as "a system of checks and balances on economic power and support for the right of citizens to actively participate in the economy regardless of social status, race, gender, etc." (Johanisova and Wolf, 2012, p.564). Economic democracy theory recognises the shortcomings of limiting democratic processes to the political sphere. The transition from power imbalances to democratic decision-making in our political systems, and the rights of all to actively participate in politics decisions, have not been replicated in our economic systems. Here, economic power has been concentrating in ever-fewer hands, which not only leads to companies giving priority to meeting shareholder interests over addressing public needs, it can also erode political democracy, with economic interests often shaping political agendas (Johanisova and Wolf, 2012). Additionally, there is a strong connection between economic democracy and political democracy, with co-operative members (i.e. experiencing economic democracy first-hand) becoming more politically engaged (Cato, 2018; Rothschild, 2009).

When translated to the level of a worker co-operative, economic democracy implies equal decision-making power for its members (a one-person-one-vote principle), granting them the right to participate in decisions that impact their work and the future of the business (Gunderson, 2019). These decisions refer to, for example, work schedules, task distribution, production levels, profit distribution, investment, and hiring and firing in the company (Gunderson, 2019). The one-person-one-vote principle is used in different ways depending on the co-operative organisational structure. Some co-operatives are managed as collectives, meaning all employees are equally involved in management decisions, others democratically elect a board or management team that directs the co-operative for a limited period (Co-operatives UK, 2021b). Most worker-owned enterprises have regular General Assemblies (**GAs**), where members can practice their voting rights. The use of agreement by consensus is common, following worker co-operatives' commitment to democratic processes of decision making (Rothschild, 2009).

Worker co-operatives exhibit several characteristics that positively contribute to the pillars of sustainability, with a considerable body of literature focused particularly on economic and social aspects. Research shows worker co-operatives can preserve jobs in deteriorating market conditions better than other firms (Cheney *et al.*, 2014; Pencavel *et al.*, 2006; Pérotin, 2013), foster higher levels of job satisfaction and employee well-being (Pérotin, 2013), and promote income equality (Bretos and Marcuello, 2017). Additionally, they can contribute to development in their community by directing some of their profits, or surplus, to community projects (Cheney *et al.*, 2014), and can potentially create conditions to mitigate climate change (Gunderson, 2019).

On the other hand, worker co-operatives are not immune to challenges that can impede their long-term sustainability. Most notably, they face market pressures that put them at danger of compromising on their principles (Johanisova and Wolf, 2012) and reverting to capitalist practices following what

is known as the *degeneration theory* (Storey *et al.*, 2014). They are also not inherently regenerative (Raworth, 2017, p.233), meaning, for example, that a worker-owned enterprise can still operate according to linear, cradle-to-grave processes of extracting natural resources and turning them into products meant to be disposed of after a short life cycle. This process runs against natural cycles, by depleting resources and creating too much waste (Raworth, 2017, p.212).

In what ways, then, can worker co-operatives function as a sustainable, long-term viable form of economic organisation, both regenerative and distributive, to complement other business models in a “veritable ecosystem of enterprises” (Raworth, 2017, p.190)?

## 1.2 Aim and research questions

Research on sustainability in worker co-operatives has widely focused on single issues, particularly of socio-economic nature (e.g. employment and wages, as above), and few with an environmental focus (e.g. Booth (1995) discussed the potential of co-operatives to reduce resource use). The aim of this study is to investigate the sustainability of worker co-operatives holistically and discuss whether they can be a business model fit for a thriving regenerative and distributive economy. Noting that worker co-operatives have between themselves different structures and behaviours, the objective is not to generalise, rather to create learning material from current cases for other existing or future co-operatives. Following this aim, the study seeks to explore the following research question, aided by two sub-questions:

### **In what ways can a worker co-operative contribute to sustainability?**

- How does a worker co-operative conceptualise and implement sustainability?
- In what ways can a worker co-operative align with regenerative and distributive principles?

## 1.3 Delimitations

The focus on *worker* co-operatives comes from an interest in exploring the effects of governance in the hands of workers on the sustainability of a business (as opposed to in the hands of traditional investor-shareholders). This interest is somewhat following the assumption that the worker-owners in a co-operative have different motivations in their decision-making than those of the shareholders of a capitalist firm (i.e. not purely, or primarily, financial). Worth noting that prior to ICA publishing the revised co-operative guidelines and principles in 1995 (ICA, 1995), a standard hypothesis on the motivation of workers used to be that a worker co-operative’s decisions followed from the goal of income maximisation per member (Craig and Pencavel, 1993). More recently, however, this assumption has been refuted in co-operative literature by showing that the main motivation of workers is secure employment (e.g. Heras-Saizarbitoria, 2014).

The study looks at the worker co-operative sector in the UK, a geographical choice based on the country’s rich history of co-operativism (e.g. Craig and Pencavel, 1993), and not least for the availability of extensive online data in English. Notwithstanding, the worker co-operative movement is present worldwide – from the Basque country with the long-established and well-researched Mondragon worker co-operative (e.g. Heras-Saizarbitoria, 2014), to the Worker Recuperated Enterprises (**WREs**) in Argentina (Vieta, 2010). Chapter 5 provides a background on the history and present status of co-operatives and worker co-operatives in the UK. Chapter 2 following below offers a wider literature review on the intersection between worker ownership and business sustainability.

A theoretical framework based on Raworth’s (2017) DE concept was found pertinent for a study of business sustainability for its foundation in EE, which sees the economy (and thus business) embedded in the social-ecological system (Spash and Asara, 2018). Alternative frameworks that could have been considered relate to previously mentioned theories like TBL or sustainability certifications. These models focus on reviewing a company’s sustainability initiatives – a step that I argue is important but insufficient, as we must also ask if and where a company compromises on

sustainability goals. Another direction could have been to benchmark the co-operatives against the UN Sustainable Development Goals (**SDGs**) (as, for example, in Battaglia *et al.*, 2020). Yet, as this framework, together with the wider sustainable development discourse and its implementation in practice, have been contested for often giving priority to the economic growth goal over social and ecological goals (e.g. Gupta and Vegelin, 2016), I purposefully chose not to use it in my analysis.

Finally, the intention of the study is to seek learnings from relatively successful worker co-operatives (i.e. operational ones), in order to contribute to the body of literature on how a worker co-operative can contribute to or work towards sustainability. Consequently, the case studies chosen are from currently operating enterprises (as explained in the Methods chapter). Further research on the sustainability of the co-operative model could focus on unsuccessful worker co-operatives and the reasons for their failure or demise.

## 2 Previous studies on sustainability in co-operatives

This chapter provides a brief literature review on different perspectives and debates on co-operatives, specifically worker-owned enterprises where available, and their role in a sustainable society, framed around the two principles of regenerative and distributive enterprises.

Research on whether and how co-operatives and specifically worker co-operatives contribute to sustainability is largely focused on single issues, as detailed in the following literature review. This approach has certain limitations as it is not grounded in systems thinking theory, which recognises trade-offs and synergies between interconnected sustainability areas (Capmourteres *et al.*, 2019). A wider perspective is seldom adopted, as, for example, in studies of sustainability in the co-operative model through the lens of the SDGs (Battaglia *et al.*, 2020; Fernandez-Guadaño *et al.*, 2020). Battaglia *et al.* (2020) found that co-operatives can actively contribute to sustainability, understood along the 17 SDGs, particularly on a local level (with reference to a consumer co-operative operating in the food sector). Fernandez-Guadaño *et al.* (2020) noted that, through their values and principles, co-operative enterprises contribute to some of the SDGs, primarily by representing a form of organisation suited for sustainable economic development (as per SDG 8). Importantly, however, benchmarking against the SDGs can quickly lead to enumerating sustainability initiatives that relate to the 17 goals, like in the case of Battaglia *et al.* (2020), without critically evaluating areas of the business that might be lagging. The following literature review looks at both opportunities and challenges of worker co-operatives towards sustainability, following the two principles proposed by Raworth (2017, p.44) as essential for a business operating in the “safe and just space for humanity.”

### 2.1 Distributive business by design

Co-operatives that adhere to the ICA values and principles, what Johannisova and Wolf call “authentic co-operatives” (2012, p.565), aim to benefit their members whilst also contributing to wider societal goals (Co-operatives UK, 2015). Worker co-operatives, specifically, have “the objective of creating and maintaining sustainable jobs and generating wealth, in order to improve the quality of life of the worker-members, dignify human work, allow workers’ democratic self-management and promote community and local development” (CICOPA/ICA, 2005 in Co-operatives UK, 2015). Therefore, the model is, at least ideologically, fit to contribute to several areas of the social foundation described by Raworth (2017, p. 44).

A historical perspective on the main motivation of workers to join a worker co-operative was income maximisation per member (Craig and Pencavel, 1993), not unlike the shareholder financial gains reasoning for a capitalist firm. Worker-owned enterprises are, after all, largely for-profit companies (Hinton, 2020), although non-profit examples exist, including in the UK (for example, co-operatives registered as Community Interest Companies). Other research has proven this perspective incorrect, finding the main motivation to be employment security (e.g. Craig and Pencavel, 1993; Heras-Saizarbitoria, 2014). Workers are, then, not necessarily driven to join by idealistic co-operative values either, but rather by a need to ensure their livelihoods, as exemplified by the WREs movement in Argentina (Vieta, 2010). To this end, worker co-operatives have been shown to preserve jobs better than IOFs in challenging business environments as workers would rather take a pay cut than a job cut (Bretos and Marcuello, 2017; Pérotin, 2013).

Negotiating pay cuts raises the question of whether worker-owners can afford to pay themselves a fair wage, particularly in crisis moments. One way to look at fair wages that seems pertinent for the Doughnut world, in which every person can “lead their life with dignity, opportunity and community” (Raworth, 2017, p.43), is the concept of a *living wage*. Different from a minimum wage, it is defined as “an hourly wage that would provide a basic standard of living for a full-time worker” (D’Arcy and Finch, 2019, p.303). A living wage is a standard rate in the UK set by the Living Wage Foundation (LWF) that companies can voluntarily adopt to ensure their employees earn a wage that meets the real cost of living (Living Wage Foundation, n/d). The basic standard of living in the UK is measured to include more than basic survival needs, meant to also provide “the opportunities and choices



necessary to participate in society” (D’Arcy and Finch, 2019, p.309). Some worker co-operatives have adopted the living wage standard, including Calverts, Daily Bread Co-operative and The Belfast Cleaning Society (Living Wage Foundation, n/d).

Regarding any profit or surplus that a worker co-operative makes, democratic governance means that worker-owners can decide how to use it. Some issue dividends back to the members or increase wages, others invest in community development (Cheney *et al.*, 2014), in developing the business, or a combination of these measures (Vieta, 2010). Through this democratic process, worker co-operatives can end up paying higher wages than conventional firms and contribute to reducing income inequality (Bretos and Marcuello, 2017) by reducing wage differentials (Parker, 2017; Wren, 2020). Pencavel *et al.* (2006) find though that, on average, co-operatives have lower and more volatile wages than capitalist enterprises.

Worker co-operatives can additionally contribute to workers’ non-income related needs. They are likely to foster intrinsic motivation whereby employees care about aspects of their work that are not wage related, leading to higher levels of job satisfaction and well-being than the traditional firm (Pérotin, 2013). They can foster solidarity between employees and a sense of identity and belonging, with one study finding workers report feelings of finding a home in their co-op and a heightened freedom to express themselves (Hoffmann, 2016). Based on their organisational characteristics, worker co-operatives tend to attract members who value flexibility, autonomy (Wren, 2020), shared control, solidarity and equality (Ben-Ner and Ellman, 2013). This in turn can cultivate an engaged work environment where work becomes “more fun, more exciting, less predictable, more co-operative, more likely to engender close relationships and common purposes” (Rothschild, 2016, p.29).

Furthermore, there are various ways in which co-operatives contribute to building a social foundation outside the workplace. Directing profits into community projects (Cheney *et al.*, 2014), or even sharing their physical space with initiatives that align with their values (Vieta, 2010) are examples of how co-operatives put in practice the 7<sup>th</sup> ICA principle of *concern for community*. Cato (2018, p.117) notes that co-operative workers often become more engaged citizens in their community, including by volunteering or through wider political engagement. This view is supported by Rothschild (2009), who argues that increased economic democracy can lead to increased participation in political democracy, thus enabling more inclusivity in political decisions. According to Sitglitz (2009), one reason behind the success of co-operatives is the value of democracy in and of itself, nurtured by democracy in the workplace.

On the other hand, Heras-Saizarbitoria (2014) found a decoupling of co-operative principles and the daily lives of the member-workers in a study of Mondragon in the Basque Country. They found that workers were primarily interested in the principle of secure membership and employment and not actively participating in the governance of the co-operative. Democratic decision making was seen as part of corporate rhetoric more than an incentive to work in a worker co-op. Since Mondragon is an association of worker co-operatives employing over 80,000 people in 2014 (Cheney, 2014, p.593) this attitude might be somewhat explained by the size of the company. Elsewhere, Storey *et al.* (2014) found that worker-members can become passive in periods of economic success, attributing past success to good management and reducing their involvement in business decisions. They are then more likely to exercise their decision-making rights when the company is not performing well, a behaviour observed by Storey *et al.* (2014) in the economic crisis of the late 2000s.

Decreased democratic governance is one example of *degeneration*, a concept referring to a co-operative’s potential of reverting to capitalist business practices in order to survive, by compromising on some aspects of its co-operative identity (Storey *et al.*, 2014). Reviewing the literature on the theory of degeneration, Bretos and Marcuello (2017) note other examples of degenerative practices such as employing non-member workers, concentrating power in the hands of management, or prioritising growth and profit-seeking above member needs. Some scholars point out that co-operatives are not viable in the current globalised economy and are unavoidably destined to fail or degenerate (Dow, 2003). This perspective is in line with the Marxian view of worker co-operatives

as reproducing “the shortcomings of the prevailing system” until the workers themselves turn into capitalists (Marx cited in Rothschild, 2009, p.1027). In other words, this theory posits that worker co-operatives are not a sustainable form of organisation in the most literal sense of the word, meaning that they cannot survive or sustain over time. Such visions of doom lead to what Gibson-Graham (2003, p.126) calls “a reluctance to engage in economic experimentation because of its perceived futility”, which can explain why the worker co-operative model is not necessarily a common form of economic organisation (Booth (1995, p.229) referred to worker co-operatives as a “rarity”). However, other authors find that degeneration is not inevitable, drawing from studies of long-standing co-operatives, and not irreversible, rather a temporary stage followed by a process of *regeneration* into co-operative principles (Bretos and Marcuello, 2017). Sennett (in Heras-Saizarbitoria, 2014, p.660) argues that co-operation “is a matter of skill” rather than an ideological attitude, meaning that co-operative training (which constitutes the 5<sup>th</sup> ICA principle) is essential to regeneration efforts and to the long-term sustainability of a specific co-operative, and of the wider co-operative movement.

## 2.2 Regenerative business by design

The relationship of co-operatives and worker co-operatives with environmental sustainability has received less attention in co-operative literature. Worth noting that the 7<sup>th</sup> co-operative principle of Concern for Community was the last one added to the ICA guidelines, in 1995 (ICA, 2017, p.85), and it is this principle that incorporates notions concerning the environment through the three pillars of sustainable development.

Cato (2018, p.116) notes that an ecological benefit of co-operatives derives from the fact that they are not focused on growth and profit maximisation. Unlike capitalist firms that sometimes, for example, create products with short life-spans to encourage repeat purchases (what is known as *planned obsolescence*, see e.g. Guiltinan, 2009), a co-operative is likely to design products with social benefits and minimal environmental impacts (Cato, 2018, p.116), thus aligning with principles of regenerative design (Raworth, 2017). Following the same rationale, Gunderson (2019) builds the case for worker co-operatives as driven by meeting members’ needs rather than by the environmentally “destructive growth” imperative (2019, p.40) seen in capitalist firms, which results in high energy and material throughput. As such, they have the *potential* for lower Greenhouse Gas (GHG) emissions compared to other firms. However, if worker co-operatives operate as an exception in an environment dominated by the traditional firm, Gunderson (2019) warns that competition will force them to seek growth as well. The growth imperative<sup>2</sup> driven by debt and shareholder demands becomes problematic when it involves squandering resources and creating short-life products, externalising social and environmental costs, and failing to meet basic needs (Johanisova and Wolf, 2012).

In a study on the role of economic democracy as an environmental regulator, Booth (1995) set about asking whether democratically run co-operatives (note: discussing both producer and worker co-operatives) are inherently more environmentally friendly than hierarchical corporations. Worth noting that one assumption made for the purpose of simplification and comparison was that the goal of the co-operative was maximising income per member and the goal of the capitalist corporation that of maximising profits, thus the possibility that both the co-operative and the corporation might have been driven by other factors was discarded. Theoretically it would appear that co-operatives are driven to cut non-labour costs (cost and amount of energy and materials) and are not likely to expand or take investments if the resulting income per worker does not increase. The profit maximising company is more prone to scale expansions and less likely to invest in reducing energy and material use when other alternatives are more profitable. Booth (1995) found evidence for this hypothesis in studies of French, Italian and American co-operatives, with less definitive correlations in co-operatives from the UK. British and American co-operatives seemed less growth prone than their

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<sup>2</sup> For a growing narrative and debate on whether economic growth should be pursued as an objective for industrialised countries altogether, see scholars on the Degrowth and Post-Growth movements (e.g. Asara *et al.*, 2015, Demaria *et al.*, 2013; Jackson, 2019).

capitalist counterparts, with the reverse conclusion for co-operatives in France and Italy, particularly as part of larger systems of co-operatives supported by the government with the aim of reducing unemployment. In a full employment economy however, co-operatives would be less incentivised to grow and only up to the point where income per member is maximised (past this point, more growth would lead to more workers needed and more operational costs, thus not resulting in an increased income per member), whereas capitalist corporations will grow as long as profits increase. Booth (1995) concludes that a co-operative economy would likely be smaller and more resource conserving relative to a capitalist one.

A study done by Battaglia *et al.* (2020) on the sustainability initiatives of a co-operative food retailer in Italy (note: a consumer co-operative) shows that, out of 27 reported initiatives, only five were explicitly environmental in nature. They were formulated around reducing natural resource use by installing modern technology, developing a waste management system, and supporting external green initiatives. However, the paper does not address sufficiently the interlinkages between the three sustainability dimensions used as categories (economic, social, environmental). For example, a program on food waste reduction through product donations is classified as a social initiative without recognising the positive environmental impact of reducing food waste.

Additionally, some worker co-operatives contribute to environmental sustainability through the very nature of the products or services they provide. There are, for example, co-operatives operating in the renewable energy industry, providing eco-friendly cleaning services, or manufacturing natural and handmade products (CICOPA, 2013), to name but a few.

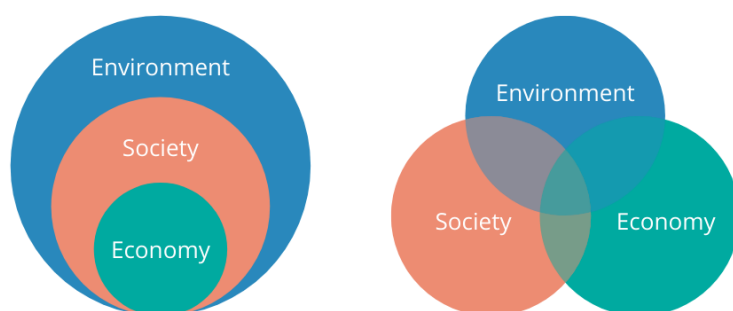
### 3 Theoretical and conceptual framework

In this chapter, the DE theory used as the backbone of the research is detailed, starting with a brief background on the economic school that informed this framework choice. Next the DE model is introduced with a focus on its applicability for business enterprises, followed by potential limitations to this use, as both noted by its creators and reflected on by the researcher.

Our current age of neoliberal governance is defined by the neoclassical economic paradigm (Fine and Saad-Filho, 2018, p.19)<sup>3</sup>, yet this is but one of the many paradigms and theories that make up the varied field of economics (Fischer, 2018, p.2). In the neoclassical school of thought, the economic system is isolated from society and nature and can thus be accordingly analysed in isolation (Spash and Asara, 2018, p.121). Other, “alternative economic concepts” (Matthies *et al.*, 2020, p.380) recognise the interconnectedness between the economy and socio-ecological structures, as well as the complementarity of various economic forms (Matthies *et al.*, 2020).

Social ecological economics (**SEE**) is one such alternative school of economic thought, which this thesis will be adopting. Rejecting the neoclassical assumption that infinite economic growth is possible, even necessary for a healthy economy (Raworth, 2017, p.32), SEE is formulated around the fulfilment of every person’s needs within the ecological limits of our planet (see Spash and Asara, 2018, p.120). SEE and the umbrella school of Ecological Economics (EE) are based on an ontological position (i.e. conceptualisation of reality) that recognises the economy as embedded within, and thus dependent on, a larger social-ecological system (Spash and Asara, 2018). Spash and Asara (2018) argue that EE theory has primarily focused on rooting the economy back into the biophysical reality, with less focus given to the embeddedness of economies within societies. Thus, they propose SEE as a variant of EE that makes explicit the interaction between physical, social, and economic systems.

The EE ontology is often represented visually as nested circles with the economy drawn in the society, in turn drawn in the environment (as on the left side in Figure 1). It is this understanding of the connections between the sustainability pillars, rather than as distinct, interconnected circles on a Venn diagram (as on the right side in Figure 1) often used to depict sustainability (for example in the sustainable development discourse or Elkington’s (1994) TBL concept), that this thesis adopts. This position follows from a critical perspective on the concept of sustainable development, where economic goals, specifically economic *growth* goals, are often prioritised over social and environmental goals (Gupta and Vegelin, 2016).

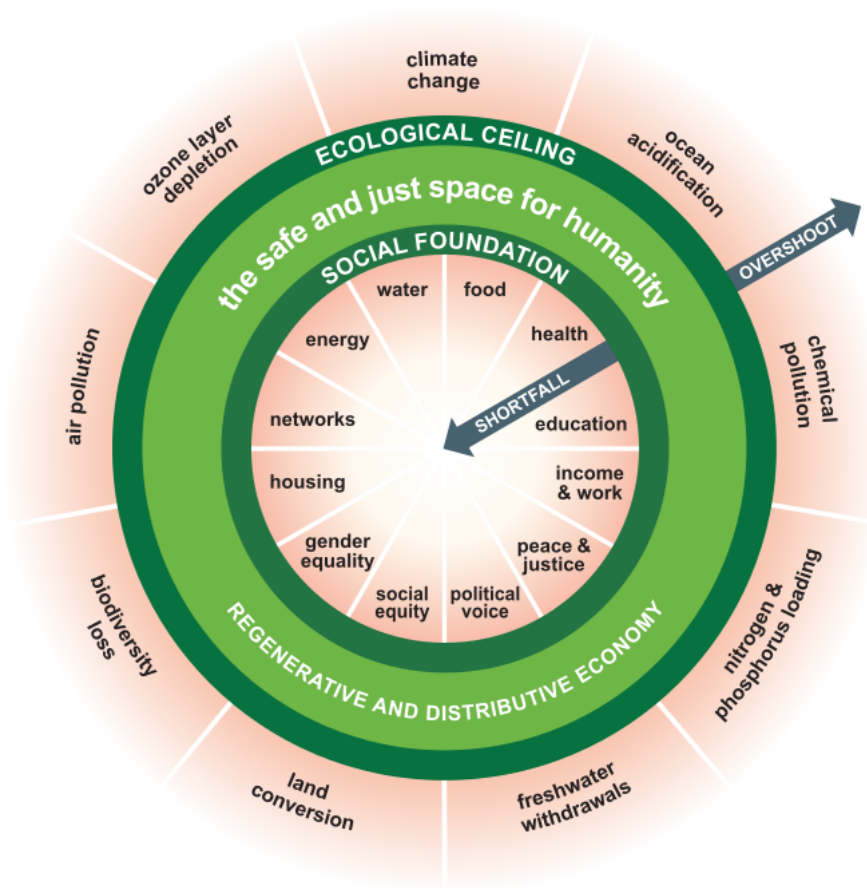


**Figure 1.** Two different visualisations of the sustainability pillars: embedded as per Ecological Economics theory on the left side, and distinct but overlapping as per the sustainable development discourse on the right side (designed by the author based on theory from Ecological Economics and sustainable development).

<sup>3</sup> Neoclassical economics centres on analysing the world of markets and assumes individual agents (e.g. consumers, firms) as rational decision makers in pursuit of optimising personal goals (Fischer, 2018, p.2-3).

### 3.1 Doughnut Economy

Following the principles of SEE, Kate Raworth’s (2017) Doughnut Economy is a vision of prosperity for humanity within the means of the planet (illustrated in Figure 2). In the middle of the doughnut lies the social foundation of human well-being, comprising the basics of life which no one should fall short on. They are crowdsourced from the social targets of the UN SDGs, a set of global development goals adopted by all UN Member States in 2015, with the ambition to be achieved by 2030 (see United Nations, n/d, for the 17 goals and their 169 targets). The outer ring denotes the ecological ceiling which humanity cannot overshoot, made up of the nine planetary boundaries first introduced by a team of systems thinkers led by Rockström in 2009 and reviewed in 2015 (Steffen *et al.*, 2015) as essential to the functioning of our earth’s supporting systems. Between the two rings lies “the ecologically safe and just space in which humanity can thrive” (Raworth, 2017, p.295) and it is this space that economic systems should aim for.



**Figure 2.** The Doughnut model of social and planetary boundaries as proposed by Raworth (illustration sourced from the Doughnut Economics Action Lab, n/d).

The DE concept was chosen for its vision of the economy as driven by social-ecological purposes, rather than profit maximisation and economic growth (Matthies *et al.*, 2020), relevant to a study of an economic organisational form driven by co-operative principles. This model has gained considerable recognition in the Western world, particularly with regards to sustainable city planning. Starting with Amsterdam in 2020, several cities across the world have adopted the doughnut model in an effort to integrate environmental, social and economic objectives in their management (Raworth, 2020).

### 3.1.1 Bringing business in the Doughnut

A framework on how to apply the model to the world of business is yet to be formulated. Doughnut Economics Action Lab (DEAL), a platform co-founded by Kate Raworth that works to put DE principles into practice, discusses the risk of greenwashing or co-opting the concept in the field of business, which would discredit it and undermine its transformative ambitions (DEAL, n/d). As a result, a policy on engaging business with the doughnut is still in the making. Meanwhile, DEAL (2020) has formulated a series of three essential elements for enterprises interested in adopting a DE approach, to be used as an internal exercise of reflection rather than as marketing material. These three elements from DEAL (2020), which form the basis for the analytical framework of this study, are introduced below and explained thereafter:

1. Embracing the Doughnut as the 21<sup>st</sup> century goal.
2. Creating a business that aims to be regenerative and distributive by design.
3. Aligning the design traits of the business itself, through its Purpose, Networks, Governance, Ownership and Finance.

The first directive of DE theory requires changing the goal of the economic system (and by extension, of business) from measuring progress based on economic growth, to meeting the human rights of every person within the means of the planet (Raworth, 2017, p.25). Embracing the Doughnut as the goal of an enterprise would mean asking whether its mission and the way it does business is helping to bring humanity in the safe and just space where everyone can thrive, or whether it is leading to transgressions of either the social or ecological boundaries.

Then, there are two dynamics at play when it comes to bringing enterprises into the doughnut space.

1. Businesses need to be *distributive by design*, i.e. sharing value - from materials and energy to knowledge and income - equitably among those who help to create it and use it (Raworth, 2017, p.176). A distributive design implies a redistribution both of income and of the wealth that helps to generate income (Raworth, 2017, p.205). Examples of this principle in practice include businesses owned by employees, those adopting living wages and ethical supply chains, or committed to paying a fair tax. This principle opposes the centralisation of value and wealth in the hands of a small few, with the aim of reducing inequality from the core of a business.
2. Businesses need to be *regenerative by design*, i.e. working with and within the cycles of the living world (Raworth, 2017, p.218). One element of a more regenerative economy is a circular or cyclical design (Raworth, 2017, p.220). Following *circular economy* theory, this circularity implies three principles: designing out waste and pollution, keeping materials and products in use and in the economy, and regenerating natural systems (Ellen MacArthur Foundation, 2017). To this end, biological nutrients (natural resources) must be captured and reutilised rather than ending up as waste, and technical nutrients (human-made materials) must be restored, repaired or reutilised and only ultimately recycled. Examples of this principle in practice include enterprises that are run on renewables, those using the waste from one process as food for another, or those implementing a modular design in their products. A regenerative design opposes the extractive design of linear business models, focused on extracting financial wealth and maximising profits. In a linear business model, i.e. a *cradle-to-grave model* or what Raworth (2017, p.212) calls the *take-make-use-lose model*, resources are extracted and transformed into goods that are sold to customers and then disposed of at the end of their use cycle. In turn, this model depletes natural resources and creates excessive waste.

Lastly, whether a business is distributive and regenerative is not exclusively dependent on the design of its products or services, it is also dependent on the design of the business itself. Here, Raworth draws on the framework of the *generative enterprise* proposed by Kelly (2012), an enterprise which aims to create “a world where all living beings can flourish for generations to come” (Kelly, 2012, p.14). A generative business is based on five key design patterns (Kelly, 2012):

### 1. *Living purpose*

At the core of a generative enterprise lies its living purpose, i.e. adopting a mission beyond financial returns, that of being of service to the community (Kelly, 2012, p.153). Here we will understand “community” to include both social and environmental structures, similarly to ICA’s formulation of the seventh co-operative principle (ICA, 1995). Kelly (2012, p.152) notes that an organisation is made up of patterns of relationships, held together by a set of values and by a purpose based on those values. Having a living purpose means aligning the company’s behaviour with its declared values and purpose, which makes the company free from contradiction. Here one would ask: What is the firm’s mission, and how is it implemented - both explicitly but also implicitly in the way the firm is designed.

### 2. *Rooted membership*

Kelly (2012, p.167) defines rooted membership as ownership in living hands, i.e. the hands of stakeholders closely related to the workings of the enterprise, rather than absent members disconnected from the life of the enterprise. Drawing from systems theory which indicates that all systems have clearly defined boundaries (Kelly, 2012, p.165), one would ask: Who is included within the boundaries of a company’s membership, who has decision-making power, and who has a claim over the company’s surplus.

### 3. *Mission-controlled governance*

In a generative enterprise, governing control is kept in the hands of those concerned with its mission (Kelly, 2012, p.182). They govern with a long-term view, ensuring the company’s legacy and mission are not for sale with new rounds of owners or managers. Mission-controlled governance can take a variety of forms (as can rooted membership) from a weak form, like having a representative of public interest on the company board, to a strong form, like complete governance in the hands of employees or of the community. Here one would ask: How is an enterprise governed, how are decisions made and by whom, and what metrics of success are being used.

### 4. *Stakeholder finance*

A generative finance design implies re-rooting capital in human hands rather than distant investors (Kelly, 2012, p.197). It implies a shift from capital employing labour (i.e. firms employing and paying workers when there is capital), to labour employing capital (i.e. raising capital from the community or from people who are aligned with the mission of the firm). Here one might ask: Who provides the capital and what are the financial demands on the business, can the company be sold and if so under which conditions.

### 5. *Ethical networks*

Ethical networks represent a design pattern outside the company itself, they are made up of the social and ecological communities that the firm belongs to (Kelly, 2012, p.206). Generative enterprises adhere to ethical design standards, with co-operatives providing a concrete example of internationally agreed principles to aspire to. Here one would ask: How is the company networked into the communities to which it belongs, how does it work with its stakeholders, and what ethical design standards does it adopt.

Kelly (2012, p.14) notes that not every ownership model integrates all these design patterns, but that the more generative patterns used, the more effective the design of the business will be. Therefore, one can conceptualise generative enterprises along a spectrum, rather than through binary labels of generative or non-generative.

## 3.1.2 Limitations of the Doughnut Economy framework

The DE framework has led to some debates on whether its “safe and just space for humanity” (Raworth, 2017, p.44 – see Figure 2 above) can be truly achieved. Currently, there is no country that has met all social needs without transgressing any ecological boundary (O’Neill *et al.*, 2018). O’Neill *et al.* (2018) raise the issue that achieving social thresholds and transgressing ecological boundaries go hand in hand, and that realising the Doughnut space would require a fundamental restructure of global systems for basic needs to be met at a much lower level of resource use. Hickel (2019) argues that the safe and just space is possible in theory but requires a shift away from economic growth as a policy objective in high income countries, in order to create growth space for low income countries.

This thesis adopts the position that a DE transformation is possible (thus worth using as the basis for an analytical framework), although it would require considerable changes to the economic system as we know it. From this starting point, research such as the present one on alternative organisational forms, particularly business models that focus on other goals than the prevalent growth and profit maximisation, is justified and timely. As Spash (2020, p.10) states, “the research agenda must be open to varieties of economic structure [...] and alternative institutional arrangements.”

Secondly, Daly (2017) calls for a more critical discussion on the concept of circular economy than what is formulated in Raworth’s regenerative economy, given that material flows are entropic rather than circular (i.e. materials cannot circulate forever). Raworth (2017, p.220) herself raises this point by mentioning that there is no perfect circularity, also adding that circular economy initiatives are insufficient for a regenerative economy as they tend “to fit in with existing corporate interests” (2017, p.228). Thus, circular strategies should be considered as *one* element of bringing business in the Doughnut, which must be coupled with other regenerative and distributive design patterns.

Finally, the framework presented above for analysing businesses alongside DE theory (based on Raworth and Kelly) is not an assessment tool that can result in a binary verdict on a company’s sustainability. It formulates a sustainability trajectory but does so at a highly conceptual, global scale (Clift *et al.*, 2017). It might have blind spots with regards to specific needs or boundaries that have priority in a specific place for a specific group of people. Certain needs or boundaries might not even be included in the Doughnut but present in other theories of well-being (for example, the framework of Ecological Swaraj incorporates *cultural and knowledge plurality*, i.e. diversity of cultures and worldviews, as key to ecologically and socially just societies (Kothari, 2014)). Therefore, the Doughnut is acknowledged as a conceptual model that builds on different theories and metrics (planetary boundaries, SDGs, generative ownership design patterns); however, as it is a *model*, it represents a “simplified version of the real world” (Meadows, 2009, p.18). DE is used here as a framework to facilitate reflection on worker co-operatives and to build knowledge on potential roadmaps for companies interested in ways of incorporating sustainability into their design.



## 4 Methods

The overarching aim, as well as the researcher's predisposition for qualitative studies, informed the use of qualitative case studies as the research design. This chapter begins with the reasoning behind this methodological approach, followed by sections on how the case studies were selected, the methods for data collection, and for data analysis. Finally, the chapter explains how quality assurance was built in the research.

The study employs a multiple-case study methodology and combines two methods for data collection, namely interviews and reviews of online company documentation. A case study can be built on various methods of data collection and analysis (Eisenhardt and Graebner, 2007), thus it should be understood as a research strategy rather than a method. Using multiple-case studies is a robust research design as it allows for a comparison between cases based on a framework (Yin, 2009). Emergent findings can then be generalised if replicated across cases (Yin, 2009). Using multiple data sources enhances data credibility and contributes to a better understanding of the phenomenon at hand (De Massis and Kotlar, 2014).

The thesis is somewhat following the interpretivist paradigm for conducting research. According to this tradition, evidence is formed in the mind of the researcher (Stake, 2005) and knowledge is constructed, rather than revealed (De Massis and Kotlar, 2014). Humans - including the researcher - are active participants in the creation of knowledge rather than passive recipients and they develop "concepts, models, and schemes to make sense of human experience" (De Massis and Kotlar, 2014). Therefore, I as the researcher recognise the role my biases and my reflectivity play in meaning-making throughout the data collection and analysis process. However, as Miles and Huberman (1994, p.4) point out, the lines between different research paradigms are becoming more blurred with overlapping approaches. A purely interpretivist study would be grounded in inductive techniques (De Massis and Kotlar, 2014), whereas the present study makes use of both inductive and deductive methods (further explained throughout this chapter).

Yin (2009, p.18) offers the following often-cited definition for case studies and their use in research:

*"A case study is an empirical inquiry that investigates a contemporary phenomenon in depth and within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident."*

In this project, the contemporary phenomenon under investigation is the worker co-operative - or, rather, several worker co-operatives - and the real-life context is the wider economy in which they operate.

The research is based on a *descriptive, multiple-case, holistic design* with six worker co-operatives developed as case studies. A holistic case study involves one unit of analysis and is grounded in a thorough understanding of the case through narrative descriptions, rather than through hypotheses formulation (Scholz and Tietje, 2002, p.9). A descriptive case study uses a "reference theory or model that directs data collection and case description" (Scholz and Tietje, 2002, p. 12), and allows analysing in what ways a case can be described from a particular perspective. In the present study, the reference theory in question is based on the DE framework and the perspective to describe the cases from is rooted in sustainability in business.

The units of analysis for the case studies are the co-operatives themselves, as indicated by the research question. Geographically, the cases are all situated in the UK. The temporal focus is loosely defined as the present day, yet references to the co-operatives' past are included (for example, information on when and why a co-operative was formed), as well as elements linking the present to the future (e.g. a co-operative's mission or purpose can be seen as a long-term plan). The reasoning for investigating co-operatives as an alternative business model is based on the aim to contribute to a sustainable *future* economy.

## 4.1 Case studies selection

Cases offering contrasting situations (i.e. co-operatives working in different industries, of different membership sizes and different revenues) were deliberately chosen, thus not seeking direct replication between cases (Yin, 2014, p.61). If similar findings emerge from such case studies, the results form a strong basis for drawing cross-case conclusions (Yin, 2014, p.61).

The case studies were chosen from amongst the worker co-operatives listed by Co-operatives UK (2020) in the 16<sup>th</sup> and most recent edition of their “Organisation data” spreadsheet. The websites of the 379 live (i.e. currently trading) worker co-operatives were mapped checking for available information on 1. Co-operative identity, 2. Sustainability agenda and 3. Annual reports and financial documents. Where financial information was not available via a company’s website, the “Economic data” spreadsheet from Co-operatives UK (2020) was also consulted. From the co-operatives with some published information or policies along these three points, a selection from different industries and different membership sizes was approached as potential case studies. Choosing co-operatives from different industries and of different sizes was informed by the aim to uncover varied lessons from the field of worker co-operatives, rather than specialised lessons from one type of worker co-operative. The final choice was based on the level of interest from the co-operatives contacted. Six co-operatives agreed to be part of the research via an interview (by videocall or by email), and these co-operatives form the basis for the empirical data of the study (introduced in the Empirical Findings chapter).

## 4.2 Case study protocol

Developing a protocol is essential in a multiple-case study, as it guides the data collection and increases the reliability of the research (Yin, 2009, p.79). The heart of the protocol is a set of questions reflecting the line of inquiry of the study (Yin, 2009, p.86). The questions serve as a guide for the investigator about what information needs to be collected for each case study, and from which source of evidence. Specific questions can also serve as prompts for the case study interview, yet their purpose is to act as a reminder for the information that needs to be collected, irrespective of the method of collection.

Borrowing from Wilson and Post (2013), an initial set of protocol questions (presented in full in Table 1) was developed and used as a starting point for data collection from all the interviews and documentation review for consistency. The following areas were to be covered:

- General information on the co-operative (to cross check data from Co-operatives UK),
- The meaning and practice of sustainability in the co-operative (to understand how sustainability is both thought of and talked about in the co-operative, without prompting with the investigator’s understanding of sustainability in order to limit influencing the respondent’s answers),
- Kelly’s (2012) design patterns for generative enterprises, as detailed in the theoretical framework,
- Additional questions referring to Raworth’s (2017) principles for distributive and regenerative businesses (should this information not result from the first part of the interview).

In the interviews, the protocol areas were to be covered with flexibility for the specific questions asked, based on the responses of the interviewees. Special attention was given to formulating the questions at the level of the unit of analysis of each case study (i.e. the co-operative) rather than the level of the unit of data collection (i.e. the individual interviewee) (Yin, 2009, p.88). The company documents were reviewed for information relevant to any of the areas in the protocol and their specific questions.

**Table 1.** Case study protocol used as a guide for the data collection

Theme	Questions (open and flexible depending on the interview flow)	Source of evidence
<b>General information on the co-operative</b>		
	<ul style="list-style-type: none"> <li>• (Intro) Can you tell me about yourself and your role in the co-operative?</li> <li>• Could you tell me briefly about your co-operative:               <ul style="list-style-type: none"> <li>⇒ What does the co-operative do?</li> <li>⇒ When were you established and by whom?</li> <li>⇒ How many members do you have? Any non-member workers?</li> <li>⇒ What is the legal form of the co-operative, and what does it imply?</li> </ul> </li> </ul>	Interview  Company documents
<b>Sustainability</b>		
	<ul style="list-style-type: none"> <li>• What does sustainability mean for your co-operative? (Trying to understand both in ideology and in practice)</li> </ul>	Interview  Company documents
<b>Kelly's design patterns</b>		
<b>Purpose</b>	<ul style="list-style-type: none"> <li>• How would you describe the mission and the values of the co-operative?</li> <li>• How are the mission and values implemented in practice?</li> <li>• What motivates you and your fellow colleagues to establish/work in a worker co-operative?</li> <li>• Are there any challenges in upholding the mission of the co-operative?</li> </ul>	Interview  Company documents
<b>Membership</b>	<ul style="list-style-type: none"> <li>• Does the co-operative have both worker-members and non-members?</li> <li>• How do employees become members?</li> <li>• Who has decision-making power?</li> </ul>	
<b>Governance</b>	<ul style="list-style-type: none"> <li>• How is the co-operative managed, and by whom?</li> <li>• How are decisions made and by whom?</li> <li>• What metrics or key performance indicators do you use?</li> </ul>	
<b>Finance</b>	<ul style="list-style-type: none"> <li>• Who provided the capital for the co-operative to start?</li> <li>• How is the co-operative financed currently, and with what financial demands from the capital holders?</li> <li>• Can the business be sold and if so under which conditions?</li> <li>• How do you handle challenging financial situations?</li> </ul>	
<b>Networks</b>	<ul style="list-style-type: none"> <li>• What local, national or industry-specific communities are you part of?</li> <li>• How does the co-operative work with and within its community?</li> <li>• Who are the co-operative's stakeholders and what relationship is there between them and the co-operative? Who are your customers?</li> <li>• Do you have any ethical design standards that you aim to adhere to (in operations and/or as a business)?</li> </ul>	
<b>Raworth's principles (*to be referred to if not already addressed in the first part of the interview)</b>		
<b>Distributive by design</b>	<ul style="list-style-type: none"> <li>• How is income distributed among members and how are wages decided? (do you use the LWF standard or any other standards to set wages?)</li> <li>• How is profit/surplus shared or used?</li> <li>• Does your business have a supply chain and if so, how does it work?</li> <li>• Do you have any business ethics policies in place?</li> </ul>	Interview
<b>Regenerative by design</b>	<ul style="list-style-type: none"> <li>• Does the co-operative apply principles of circular economy (if applicable)?</li> <li>• How do your operations impact the environment?</li> <li>• Do you have any environmental policies in place?</li> </ul>	

## 4.3 Data collection

The study employed two methods of data collection, namely conducting semi-structured interviews with a respondent from each of the six co-operative and reviewing company documentation, either publicly available or as provided by the co-operative.

### 4.3.1 Interviews

Interviews provide a rich source of evidence in a case study research strategy, as case studies are usually concerned with “human affairs or behavioural events” (Yin, 2009, p.108). In this project, interviews with one worker-member from each business represented the main source of case study information. Each interview lasted between 60 and 80 minutes and was focused around the case study protocol areas in a semi-structured format. The type of interview had a strong influence on the amount and quality of data collected from the interviewees, both types showing advantages and limitations. On the one hand, the videocalls used the protocol as a guide and often moved in unscripted directions unpacking unexpected points that would not have been possible without direct interaction; yet due to time constraints the calls could not address all the protocol questions. On the other hand, the written interview covered all the questions from the protocol, though less in depth that would have been the case with follow up questions. General information on the interview data collection process for the six co-operatives is summarised below in Table 2.

Eisenhardt and Graebner (2007, p.28) warn that, although highly efficient in gathering rich empirical data, interviews run the risk of providing biased data from “image-conscious informants.” Other common problems are poor recall or inaccurate articulation (Yin, 2009, p.108). Eisenhardt and Graebner (2007, p.28) recommend using numerous interviewees who can provide different perspectives on the topic to mitigate the bias. Having just one worker-member interviewed per co-operative is a limitation of the study, since single informants convey only one “distinct window through which to observe an investigated phenomenon” (De Massis and Kotlar, 2014, p.18). However, it is assumed that through the process of selecting the cases via e-mail conversations, the members who agreed to be interviewed are confident they portray a perspective that represents the co-operative and is at least partially shared by their colleagues. Another approach to mitigating bias is to combine interviews with direct observations (De Massis and Kotlar, 2014). Spending time observing the organisational life in the co-operatives would have provided valuable insights, particularly around the question of how sustainability is thought of and implemented in practice; however, visiting the co-operatives was not an option during the ongoing pandemic.

**Table 2.** General information on the interview data collection process

Co-operative	Role of respondent	Type of interview	Date of interview	Duration of interview	Interview summary validation
<b>Bristol Bike Project</b>	Shop Mechanic and Finance Administrator	Email	March 21, 2021	(written)	(not required)
<b>Calverts</b>	Environmental Manager	Videocall	March 19, 2021	60 minutes	April 9, 2021
<b>Co-operative Assistance Network Limited</b>	Co-operative Development Worker and Director	Videocall	March 15, 2021	80 minutes	Mar 31, 2021
<b>Essential Trading</b>	Member of the management committee	Videocall	April 6, 2021	80 minutes	Apr 12, 2021
<b>Leeds Bread Co-op</b>	Worker-member	Videocall	March 18, 2021	60 minutes	May 6, 2021
<b>Outlandish</b>	Worker-member	Videocall	March 26, 2021	60 minutes	Apr 8, 2021

The interviews were carried out with members of the six worker co-operatives who volunteered to participate after the initial email contact. The interviewees were sent an interview summary for validation before the information could be used in the research.

### 4.3.2 Documentation

Yin (2009, p.2) recommends using multiple sources of evidence in case studies for data triangulation, i.e. adopting different angles to observe a phenomenon and make the findings more accurate (De Massis and Kotlar, 2014). Therefore, interview data was supplemented with information from each co-operative’s website, and from any relevant document and policy addressing the co-operative’s mission, structure, or sustainability initiatives (either publicly available or provided by the co-operatives). Some of these materials represent what De Massis and Katlar (2014, p.19) call “more objective factual information” and can be useful in combination with more interpretative data, like semi-structured interviews, for understanding organisational processes. Nevertheless, company-issued documents are not always accurate or bias-free (Yin, 2009, p.103), particularly when they are intended as marketing material written for customers. Company documents were thus reviewed and interpreted keeping in mind their public/consumer facing nature, where they were publicly available.

Yin (2009, p.105) notes that one potential issue with sourcing documentation online is that one can end up with an abundance of materials to review. For the six case studies, the materials were chosen strictly based on their relevance to the areas covered in the case study protocol. Even so, the final amount of documentation to be reviewed was significant, especially since the research deals with six units of analysis. All the materials were scanned for relevant information following the analytical template (introduced in Chapter 4.4 below), yet it is worth noting that since only one researcher worked on data compiling in a rather limited period of time, some information might have been missed. The materials reviewed for each case study are introduced in Table 3.

**Table 3.** Documentation reviewed for every co-operative

Co-operative	Documentation (and source)
<b>Bristol Bike Project</b>	<ul style="list-style-type: none"> <li>• The Bristol Bike Project Co-op Handbook (publicly available)</li> <li>• Certificate of Incorporation of a Community Interest Company, 2011 (publicly available)</li> </ul>
<b>Calverts</b>	<ul style="list-style-type: none"> <li>• Company website (publicly available)</li> <li>• Environmental Policy Statement, 2020 (publicly available)</li> <li>• Fact sheets: Paper and the environment &amp; Print and the environment (publicly available)</li> <li>• UAL, 2019, “Meet: Calverts” case study (publicly available, provided by the co-operative representative)</li> <li>• FCA Mutuals Public Register (publicly available)</li> </ul>
<b>Co-operative Assistance Network Limited</b>	<ul style="list-style-type: none"> <li>• Company website (publicly available)</li> <li>• Rules of Co-operative Assistance Network Limited, 2002 (publicly available)</li> <li>• Workers Co-op Code of Governance Audit, 2019 (publicly available)</li> <li>• Environmental Accounts 2019-20 (publicly available)</li> </ul>
<b>Essential Trading</b>	<ul style="list-style-type: none"> <li>• Company website (publicly available)</li> <li>• Several policies: Supply chain statement, No air freight statement, Palm oil statement, Plastic statement, Packaging information (publicly available)</li> </ul>
<b>Leeds Bread Co-op</b>	<ul style="list-style-type: none"> <li>• Company website (publicly available)</li> <li>• Principles of Leeds Bread Co-op, 2019 (publicly available)</li> <li>• Ethical policy, 2015 (supplied by the co-operative representative)</li> </ul>
<b>Outlandish</b>	<ul style="list-style-type: none"> <li>• Company website (publicly available)</li> <li>• The Outlandish Cooperative Wiki (password protected, supplied by the co-operative)</li> </ul>

Each co-operative had different amounts and types of documentation available publicly, a pattern also observed while reviewing the websites of all the worker co-operatives listed by Co-operatives UK. Public material was supplemented by relevant documents sent by some of the co-operative representatives, based on points brought up during the interview.

### 4.3.3 Ethical considerations

As the study is dealing with contemporary case studies and members who are currently part of the co-operatives, the interview process had to follow ethical practices meant to protect “the human subjects” interviewed (Yin, 2009, p.73). Informed consent was gained by contacting potential co-operatives with information on the nature of the study and soliciting voluntary participation, with flexibility for the interview format that would best suit the interviewee (videocall, phone call, email). Interviewees were asked in advance whether they preferred to identify their co-operative and their own identity or to remain anonymous, and whether they agreed to being recorded. All interviewees agreed to naming their co-operative and to being recorded for the purpose of the research and indicated the position to be shown in the case study.

## 4.4 Data analysis and interpretation

The conceptual framework introduced in the previous chapter, based on the work of Kate Raworth (2017), DEAL (2020) and Marjorie Kelly (2012), served as the structure to support both the data collection, and the analysis of the cases. The videocall interviews were recorded with the interviewee’s permission and summarised in writing, with each summary sent to the interviewee for approval. This pre-analysis step of data reduction through focusing the collected material around the research questions was important for the ease of the analysis (De Massis and Katlar, 2014). The interview by e-mail was already focused on the protocol questions and is included in the analysis in full. The company documentation (website, policies, reports – publicly available or supplied by the co-operatives) was reviewed according to the same categories that informed the case study protocol.

To sort, display and analyse the data sets I turned to the qualitative method of thematic analysis, specifically the *template approach* as outlined by Crabtree and Miller (1999) and King (2004). This approach involves “coding a large volume of text so that segments about an identified topic (the codes) can be assembled in one place to complete the interpretative process” (Crabtree and Miller, 1999, p.166). Coding can be done a priori based on prior research and theoretical considerations, only after some exploration of the data has occurred, or a combination of the two. Compared to other analytical methods, template analysis is a relatively flexible technique that allows researchers to tailor it to match their needs (King, 2004). A hybrid approach incorporating both deductive and inductive coding was adopted, with such cocreated codes preferred by researchers following a constructivist rather than positivist epistemology (Crabtree and Miller, 1999, p.167). Combining the two coding approaches reduces the risk of missing important information from not looking beyond the code (Crabtree and Miller, 1999, p.177).

The initial template was developed a priori, i.e. with codes based on the research question and the theoretical framework (following the case study protocol). Further categories were added as and when the data showed evidence of emerging themes not covered by the a priori codes. The final analytical template is available in Table 4 below. The structure of the template shows the relationships between the themes, with first-order codes informed by the case study protocol, and second-order codes informed in part by the protocol and in part by emerging themes in the data. King (2004) suggests this as an effective strategy for structuring the template when the case study protocol is fairly substantial and most of the topics to be covered in the interview are defined in advance, as was the case in the present study. The template technique helped with focusing the data, condensing it, and systematically arranging it based on the research question at hand, which Miles and Huberman (1994, p.91) claim is a prerequisite for valid analysis. A coherent visualisation of the data enhances the chances of drawing valid conclusions from the data set, noting differences between cases, or detecting patterns and themes (Miles and Huberman, 1994).

**Table 4.** Analytical template developed following the indications of King (2004, pp. 256-270) on supplementing a priori codes with inductive codes emerging from the data

<b>First order codes (deductive, a priori themes)</b>	<b>Sub-codes (mix of <i>deductive</i> from the protocol and <i>inductive</i> as emerging from the data)</b>
<b>Case background</b>	Business activity
	History
	Legal form of incorporation
<b>Sustainability</b>	<i>Sustainability as “continuing”</i>
	<i>Resilience</i>
	Environmental
	Social
	Economic
	<i>Learning and experimentation</i>
	<i>Other (if relevant)</i>
<b>Distributive business</b>	Income and wages
	Profit/surplus use
	Ethical/Business ethics policy
	Responsible supply chain
	<i>Diversity</i>
	<i>Knowledge sharing</i>
<b>Regenerative business</b>	Environmental impact / policy
	Circular principles
<b>(Living) Purpose</b>	Mission and values
	Challenges to upholding the mission
	<i>Motivation for a business to be a worker co-operative</i>
	Motivation to work in a worker co-operative
	Economic democracy
<b>(Rooted) Membership</b>	Members and workers
	Becoming a member
	Who has decision-making power
	<i>Power dynamics</i>
<b>(Mission-controlled) Governance</b>	How is the co-operative managed?
	How are decisions made?
	Metrics of performance
<b>(Stakeholder) Finance</b>	Sources of finance or investment
	Financial challenges
	Selling the co-operative
<b>(Ethical) Networks</b>	<i>Work with local communities</i>
	<i>Belonging to trade or co-operative communities</i>
	Customers
	Suppliers

With the analytical template in hand, I proceeded to hand code and analyse the data for each case study as part of a *within-case analysis*. This step involved descriptive write-ups of each case study, with descriptions central to generating insight (Eisenhardt, 1989). Developing case descriptions as a general analytic strategy is useful when the case study covers a range of topics and data is collected about each of them (Yin, 2009, p.131). Additionally, this approach was deemed appropriate for

organising and interpreting the data given the original descriptive purpose of the study. The within-case analysis resulted in vignettes (Crabtree and Miller, 1999, p.170) of the six worker co-operatives as displayed in the Findings chapter, with the full coded templates in the Appendix. A *cross-case analysis* was then performed to identify potential similarities and differences between the co-operatives, as well as emerging patterns based on the proposed DE framework. Cross-case patterns rely on argumentative interpretation rather than quantitative metrics (Yin, 2009, p.160), a characteristic that relates to the overall interpretivist philosophical tradition adopted by the study. A challenge for case study investigators employing this analysis technique is to develop strong and fair arguments supported by the data (Yin, 2009, p.160). The following subchapter addresses several ways in which quality was built into the research.

Some qualitative scholars claim that the purpose of qualitative research should always be theory construction (Ritchie and Lewis, p.205). However, the aim of the present study is not to generalise into theory, but rather to describe certain phenomena (i.e. the worker co-operatives) with reference to sustainability as understood through the lens of DE. Aaltio and Heilmann (2010, p.73) offer one critique to generalisation as a research requirement, namely that it can lead to a superficial description of the phenomenon studied. By starting with a within-case analysis, detailed descriptions can be developed to illustrate the topic of sustainability within each co-operative. Emerging patterns between the cases are then highlighted at the cross-case level of analysis, which can inform hypotheses and research ideas for further studies.

## 4.5 Quality assurance

In order to ensure the reliability and construct validity of the study at the data collection stage, Yin (2009, p.101) highlights three fundamental principles: a) using multiple sources of evidence, b) creating a case study database and c) maintaining a chain of evidence.

- a) Using multiple sources of evidence is essential for developing converging lines of inquiry (Yin, 2009, p.115). This study is based on a process of data triangulation, whereby data from different strands of evidence (i.e. interviews and documents) were triangulated for each case study.
- b) Creating a case study database, comprising of the raw data that led to the conclusions of the case study, increases the reliability of the research (Yin, 2009, p.119). The database is distinct from the narrative presented in the body of the report. For the present study, interview summaries were written and approved by each interviewee before being coded into a database together with the company documents, following the case study protocol. The database is available in full for all six co-operatives in the Appendix.
- c) Maintaining a chain of evidence from initial research questions to ultimate conclusions is another principle of increasing the reliability of the study (Yin, 2009, p.115). The report makes appropriate citation to the case study database, the database indicates the circumstances under which the data was collected (i.e. time, place, method), and the case study protocol is linked to the initial research questions.

Furthermore, Crabtree and Miller (1999, p.171) describe three common sources of error at the stage of data interpretation, which I sought to avoid. *Fabricating evidence*, whether intentional or more often, unintentional, is minimised with the template approach by keeping a clear trail of analysis and providing the reader with an easily reviewable structure, as can be found in the full data templates. Crabtree and Miller (1999, p.171) additionally recommend relying on the research team for internal replication, which is not possible in a team of one. *Discounting evidence* can be overcome by intentionally looking for potential gaps and new interpretations in the uncoded text, with the data for the six cases reviewed several times during and after the coding process. *Misinterpreting evidence* can be reduced by inviting the research participants to review the interpretations. The interview summaries that were sent to the interviewees for approval were largely formulated based on the researcher's interpretations of what was said in the interview, supplemented by illustrative quotes.



## 5 Empirical background

This chapter provides a brief background on the history and present status of co-operatives and worker co-operatives in the UK, which represents the geographical boundary for the study. The internationally recognised Co-operative Values and Principles are also introduced.

### 5.1 Timeline of co-operatives in the UK

The UK is widely regarded as the birthplace of the modern co-operative, following the model of the Rochdale Equitable Pioneers Society established in the English town of Rochdale in 1844 (ICA, 2018a). Although by no means the first example of co-operation, the Rochdale Society created a prototype for co-operatives as it became a commercially successful enterprise (Cornforth, 2017, p.187). On the back of poor working conditions and low wages, a group of artisans working in the cotton mills of Rochdale, now known as the Rochdale Pioneers, came together to form a consumer co-operative meant to bring to their community basic foodstuffs at affordable prices. A similar motive had led to the creation of the very first co-operatives in the UK one century earlier (Cornforth, 2017, p.186). The Rochdale Pioneers established a set of rules that serve as the foundation of co-operative principles still in use today, including open membership, democratic control, and promotion of education (detailed below). They also introduced a members' dividend on their purchase, partly credited for the success of the Society (Cornforth, 2017, p.187), which translates today into the common practice of dividing profits amongst the members.

ICA was formed in 1895 as an apex body representing co-operatives worldwide (ICA, 2018b). The organisation promotes the interests of co-operatives and provides a forum for co-operative knowledge and expertise. It is the guardian of the *Statement on the Co-operative Identity* (ICA, 1995), a comprehensive declaration of values and principles that are considered “the minimum common denominator” (ICA, 2018b) for all co-operatives worldwide, values and principles that intersect areas of sustainability (presented in full in Figure 3 below).

The year 2012 was significant to the development of the co-operative movement, declared by the UN the “International Year of Co-operatives (IYC)” (United Nations General Assembly, 2010). This recognition highlighted the socio-economic role of co-operatives in generating employment, reducing poverty, and fostering social integration (Cheney *et al.*, 2014). Amongst various initiatives and multi-stakeholder summits and declarations aimed at strengthening the co-operative sector (ICA, 2013, p.3), a vision for 2020 was published by ICA titled a “Blueprint for a Co-operative Decade” (ICA, 2013). Included was a core strategy to “position co-operatives as builders of sustainability” (ICA, 2013, p.6). It noted that, previously, sustainability had not been a concept explicitly associated with the co-operative movement, yet that sustainability was inherent to the co-operative model. In 2020, ICA published a revised blueprint for a second co-operative decade, which builds on the pillar of sustainability by aiming to contribute to the 2030 Agenda of Sustainable Development Goals (ICA, 2020).

In the UK, co-operatives of all sizes and structures are part of the trade body Co-operatives UK (Co-operatives UK, 2021c). Co-operatives UK represents its member organisations internationally, provides resources for co-operative development and measures the impact of the co-operative sector nationally. There are over 7,000 co-operatives in the UK operating across all industries, with over 14 million members (consumers, suppliers, workers, or a combination), and employing more than 240,000 people (Co-operatives UK, 2015, p.2-3). Worker co-operatives are specifically represented in Co-operatives UK by the Worker Co-operative Council. There are around 500 worker co-operatives in the UK of different sizes and operating in various sectors (Co-operatives UK, 2015, p.4), including retail, manufacturing, housing, education, and the media (Co-operatives UK, 2020).



**Figure 3.** Co-operative Values and Principles as defined by the International Cooperative Alliance (designed by the author with text from ICA, 1995).

The Co-operative Identity, composed of the ICA (1995) definition of co-operatives, together with their values and principles as described in Figure 3, is recognised by co-operatives of all types, all around the world. The values and principles inform how co-operatives operate, how they organise and manage themselves, and how they relate with other co-operatives and the wider society. Principle 7 was the last one added to the ICA charter, integrating both social and ecological elements.

## 5.2 Legal status of co-operatives in the UK

In the UK there is no designated co-operative legislation that co-operatives must sign onto (Co-operatives UK, 2015, p.2). Therefore, worker co-operatives can use any legal form including companies, societies or partnerships and self-define as a co-operative. Co-operatives can choose to incorporate, meaning to adopt a legal identity for the organisation that is distinct from its members, or it can remain an unincorporated body, meaning it is treated as a group of people with individual and collective responsibility (Co-operatives UK, 2017, p.13). Common legal forms for incorporated co-operatives are co-operative societies, community benefit societies, and private limited companies. Common forms of unincorporated bodies are associations, partnerships, and trusts. The following information focuses on incorporated enterprises, since the six cases hereby studied are incorporated.

It is important to note the legal form a co-operative adopts because it indicates amongst others how the co-operative is funded, what it is able to do with the profits it generates, and how it interacts with its members (Co-operatives UK, 2021d). Many co-operatives of all types choose to become societies, which are corporate bodies registered in England, Wales and Scotland under the “Co-operative and

Community Benefit Societies Act 2014” (CCBSA2014), and in Northern Ireland under the “Industrial and Provident Societies Act (Northern Ireland) 1969” (IPSA(NI)1969). The six case studies ended up being all from England thus the information that follows draws on English sources. Societies registered in England are administered by the Financial Conduct Authority (FCA), an “independent, nongovernmental body that regulates the financial services industry in the UK” (Co-operatives UK, 2017, p.31) and acts as the registrar of societies under the CCBSA2014. There are two legal forms that societies can adopt, i.e. a co-operative society and a community benefit society, as described below in Table 5. A different common form of incorporation is the community interest company (CIC). CICs are registered with Companies House (i.e. the registrar of companies in the UK) but have two traits that differentiate them from other limited companies, 1. They have a mandatory asset lock, meaning that their assets cannot be distributed among members or shareholders but passed onto charitable organisations or other asset locked enterprises, and 2. They must pass a test demonstrating community interest (Co-operatives UK, 2017, p.26). This and a selection of other legal forms that worker co-operatives can take are outlined in Table 5, to highlight differences in implications for the way the co-operative is owned, financed, and run.

**Table 5.** Summary of key features of different legal forms that co-operatives can adopt in the UK (developed with information from Co-operatives UK, 2017 and Co-operatives UK, 2021d)

Legal form	Characteristics
<b>Co-operative society</b>	<ul style="list-style-type: none"> <li>• Specifically created for organisations that wish to register as a co-operative.</li> <li>• Suitable for organisations that operate a business for the benefit of its members who come together to meet their common needs.</li> <li>• Capital can be raised through issuing withdrawable shares to members only, with members holding one vote regardless of number of shares.</li> <li>• Profit can be used as dividends to members.</li> <li>• Registered with the FCA.</li> <li>• FCA checks whether the society aims to operate in accordance with the ICA Statement of Co-operative Identity (composed of the co-operative definition introduced in Chapter 1 and the co-operative values and principles from Figure 3).</li> </ul>
<b>Community benefit society</b>	<ul style="list-style-type: none"> <li>• Suitable for organisations that wish to benefit the community (a geographical community or a community of interest).</li> <li>• Capital can be raised through issuing withdrawable shares to members only, with members holding one vote regardless of number of shares.</li> <li>• Profits cannot be distributed to members but can be used to pay interest on shares held in the co-operative.</li> <li>• Registered with the FCA.</li> </ul>
<b>Community interest company (CIC) (limited by guarantee)</b>	<ul style="list-style-type: none"> <li>• Suitable for a co-operative whose members wish to work together towards meeting the needs of a particular community.</li> <li>• Must pass a community interest test and have an asset lock (i.e. in the event of dissolution the assets must be distributed to another asset locked body).</li> <li>• Funded via member subscription, grants or debt finance.</li> <li>• Profits must be applied to benefit the community, cannot be distributed to members.</li> <li>• Registered with Companies House.</li> </ul>
<b>Community interest company (CIC) (limited by shares)</b>	<ul style="list-style-type: none"> <li>• A CIC limited by shares differs from a CIC limited by guarantee in terms of its sources of finance and profit use. A CIC limited by shares can issue shares to members who can receive share dividends, subject to a statutory cap. Other than paying dividends on shares, all profits must be applied to benefit the community.</li> </ul>
<b>Limited liability partnership (LLP)</b>	<ul style="list-style-type: none"> <li>• A for profit legal form established by businesses with the aim of making profit.</li> <li>• Usually adopted by self-employed workers who wish to create a co-operative structure to work together and benefit others in their sector.</li> <li>• Registered with Companies House.</li> </ul>

## 6 Empirical findings and analysis

An initial within-case analysis method was used to describe each of the six case studies, following the theoretical framework introduced in Chapter 3. A cross-case analysis was subsequently carried out to identify similarities and differences between the co-operatives, as well as any emerging patterns that might describe the wider worker co-operative movement. This chapter presents the findings from these two analytical steps.

### 6.1 Within-case analyses

Each worker co-operative is described in a short vignette based on the sustainability areas identified in the DE-framework for doing business in the Doughnut. The co-operative's conceptualisation of sustainability is also presented, together with any challenges to the way the business operates, thus paving the way to answering the research questions. Key general information on the six co-operatives is provided in Table 6 below, before turning to the individual case studies where the data is presented in further detail.

**Table 6.** General information on the six worker co-operatives included in the research

Co-operative	Field of work	Location	Year founded	Legal form of incorporation	#members	#total staff
<b>Bristol Bike Project</b>	Bike repairs and workshops	Bristol	2008	Community Interest Company Limited by Guarantee	70	70
<b>Calverts</b>	Printing and digital shop	London	1977	Co-operative society	12	12
<b>Co-operative Assistance Network Limited</b>	Co-operative development and training	Bristol	1989	Co-operative society	5	8
<b>Essential Trading</b>	Wholefoods and organic produce	Bristol	1971 (trading as Essential since 1991)	Co-operative society	100	130
<b>Leeds Bread Co-op</b>	Bakery	Leeds	2012	Co-operative society	5	13
<b>Outlandish</b>	Digital agency	London	2010 (worker co-operative since 2016)	Co-operative society	8	14-15

The six co-operatives were purposefully chosen from different industries, different locations and of relatively different sizes. Although co-operatives can adopt a wide variety of legal forms (as explained in Chapter 5.2), most of the worker co-operatives sampled are co-operative societies, a common form of incorporation since CCBSA2014 was passed in 2014. The difference between number of members and total number of staff presented in the table above indicates which co-operatives employ non-member staff to add to their workforce.

The following vignettes make use of direct quotes from the data for each co-operative, either from the interviews or the company documentation. The full data used to develop the case studies is structured in tables informed by the analytical template (which was previously introduced in Table 4). The six tables containing the coded data used for the analysis are available in the Appendix.

#### 6.1.1 Bristol Bike Project

Bristol Bike Project (**BBP**) is a worker and volunteer co-operative that provides bikes and bike services to communities in Bristol, namely by running a bike shop, holding maintenance classes and do-it-yourself workshops, and maintaining a fleet of bikes for the city council.

**Sustainability** is mainly articulated along environmental elements, with the co-operative focusing on *“re-using bikes and parts that can be renovated rather than scrapped”* and trying to work with materials that are less environmentally harmful where available. Although not necessarily articulated as sustainability by the co-operative representative, the social pillar is seen throughout BBP’s *raison d’être*. Their **mission** is threefold, with the first two aims focused on social causes of inclusion, accessibility, equality, learning and skill sharing (*“provide a valuable and empowering service for underprivileged and marginalised groups of people within our community”* and *“provide an inclusive, non-judgemental, vibrant and supportive workshops environment for volunteers and project-users alike”*) and the third one focused on the environment and circularity (*“divert and redirect functional bicycles and their working parts from recycling and landfill”*).

The three aims are intertwined with **distributive** and **regenerative** principles. The co-operative saves functional bikes and bike parts from ending up in the landfill, in the process promoting ideas of repair and reuse rather than buying new. It is also regenerative through enabling a pollution-free means of transport that not only improves urban mobility but also people’s health. BBP aligns with several distributive ideals, including sharing knowledge and skills, both within the local community, and the wider bike co-operative community (*“We try to democratise knowledge about bikes. We want people to be independent and empowered to look after their own mobility”*). Additionally, it is a not-for-profit organisation, meaning all the profits made from its commercial activities are invested back into its community programmes. Employees are paid a flat rate regardless of their role, a rate set to meet the living wage as set by the LWF. On the question of diversity among the members, the co-operative representative admits they are *“not very diverse,”* although it is something they are trying to change (for example, an internal policy dictates that at least 50% of directors must not be male).

The co-operative has encountered several other **challenges** to fulfilling their mission, particularly during the last year under the pandemic. Although the shop has remained open as an essential service, the work capacity was much reduced when volunteers stopped coming in, meaning the reach and impact of BBP programmes diminished. On the environmental side, the co-operative indicates that the industry of bike manufacturing often acts as an oligopoly, with a few manufacturers worldwide dictating where they can source the bike parts needed for repairs.

Co-operative design traits:

- **Membership:** Established in 2008 by two friends as *“a tiny operation in a back garden,”* BBP now has a membership of around 70 employees and volunteers. Membership is voluntary (based on an annual opt-in) for employees and for volunteers who pass a probation period of four months and commit to volunteering regularly. All members have *“the same say, equal rights and equal responsibilities.”*
- **Governance:** Quarterly General Meetings (one of which is the Annual General Meeting) represent the principal decision-making forum at the co-operative. Different working groups then coordinate the implementation of the decisions made at the General Meetings. They make decisions about their own area and report to the Directors Group, which is elected from and by the members and carries overall responsibility for BBP’s legal and financial obligations, its purpose and its values. Decision-making does not follow a strict recipe. The co-operative supports agile decision-making as a form of breaking down power dynamics associated with different levels of expertise (*“We do not believe in the rigid adoption of a particular form of decision-making, which can place power in the hands of those most versed in that process, often silencing those less familiar”*). Every member is empowered to make decisions as long as they follow the advice principle, whereby they consult everyone who might be affected, as well as people with expertise in the subject matter. The decision-maker must weigh in all advice and perspectives received and then choose the best course of action. Some major, strategic decisions are made at General Meetings based on passing different resolutions (i.e. requiring a 75% majority or a simple 51% majority).
- **Finance:** The co-operative is financed primarily through its trading activities (about 80%) and through some grant funding (20%), with no external capital holders or external financial demands. According to its articles, BBP can borrow or raise funds but in a way that does not

compromise its independence and autonomy (*“We do not make agreements or contracts that would compromise our autonomy and we actively plan to avoid becoming over dependent on any funder, supplier or customer”*). During financially challenging times, it relies on previously accumulated reserves (from surplus), tries to *“control costs and maximise revenue,”* with an exceptional measure over the past year of accessing governmental COVID-19 support schemes.

- **Networks:** The co-operative sees itself as part of a range of communities, including the local neighbourhood that it serves through its services, the Bristol cycling community, and the larger bike co-operatives community, with whom it shares information and knowledge. It considers volunteers and service users as its most important stakeholder groups, with customers and suppliers involved only in trading and not having *“any say in the running of the organisation.”*

As for the **motivation** to work in a worker co-operative, the interview respondent mentioned the importance of self-responsibility and individual autonomy used *“for the collective good”*, as opposed to hierarchical structures and decision-making. Relating to the theory of economic democracy, this lack of a workplace hierarchy means that the members are able and responsible for setting the direction of the co-operative, including in a wider, political sense (*“it’s up to us to set the direction of the organisation and to decide if there are political causes that we want to support, or issues that we want to take a stand on”*). Another drive is the possibility to balance making a living with investing in the community, without anybody else *“profiting from our labour.”*

## 6.1.2 Calverts

Calverts is a design and printing worker co-operative, established in 1977 in London as a *“community arts printer for university communities and campaign groups.”* It now serves a wider pool of customer groups, including corporate, community, government, and arts organisations.

**Sustainability** at Calverts is particularly thought of along the environmental pillar. The co-operative has been a pioneer of environmental initiatives in the printing industry from the early days. It was among the first printers in the UK to source recycled paper back in the 1980s, and switched to using vegetable oil inks as least harmful to work with. Calverts adheres to the ISO 14001 environmental standards (*“an independent, audited benchmark for companies to show they’re operating to a high environmental standard”*), is Forest Stewardship Council (FSC) certified (*“the papers we use can be traced back to responsible forestry through a certified chain of custody”*), and implements several operations-related environmental initiatives like using renewable energy, encouraging cycling to work and recycling their product waste where possible. Social sustainability is less explicit in the co-operative’s marketing or discourse, i.e. there is no social or ethical policy. However, Calverts is a signatory of the Worker Co-operative Code of Governance (with one member having helped draft the code), a booklet that explains how worker co-operatives can implement the seven co-operative principles (which are largely socially focused). A strong emphasis is placed on creating good work for the members (*“doing that responsibly, paid to a decent standard, safe, interesting work, working with interesting and progressive organisations, ones that have social values, environmental values, not just purely commercial, something that has some social benefit”*).

Broadly, the **mission** of the co-operative could be described as combining customer-facing values and responsible business objectives. It was described in the interview as *“keeping high quality jobs, decent jobs, and quality work, quality of product and service. Decent work, i.e. interesting and work that has value, but also doing that well and making sure it is of high quality so that we can retain customers”*. Worth noting that the mission and values of the co-operative are not explicitly written down (*“it’s not something that we have on the website or that you could ask someone and they could easily tell you”*).

A **challenge** at the co-operative is around succession, i.e. bringing new and younger people on board to ensure the business is carried forward, due to low staff turnover (*“hard to find room for new blood when people don’t tend to leave!”*). Additionally, with some members less interested in participating in the self-managing processes established at Calverts, another challenge is to have everyone’s voice heard and important tasks carried out by all rather than the same few.

Calverts aligns with **distributive** principles particularly with regards to its income and profit distribution. The co-operative pays a flat rate per hour for all its members (note: everyone works different hours), which is above the living wage as set by the LWF. An exception was made to hire someone on a higher salary based on the standard industry rate. Any surplus is used to develop the business, improve wages and work conditions, or invest in community projects. The co-operative is keen to work with suppliers “*that treat people fairly, are local, and are cooperatives or other forms of social business*” and is in the process of developing a supply chain policy.

Following its strong commitment to environmental sustainability, Calverts adheres to principles of **regenerative** business by implementing circular processes and meeting the ISO 14001 environmental standards. Its two principal environmental objectives as stated in the Environmental Policy Statement are to “*reduce the impact of our supply chain*” and “*improve resource efficiency*”. It works towards these objectives by working with FSC certified paper, prioritising paper mills that have environmental credentials, using inks that have less impact during production and that enhance the recyclability of paper, recycling various elements in the production process and turning some waste into material for the construction, motor, or print industries. The co-operative also guides its customers in how to source and recycle responsibly, and provides a critical perspective on the rise of digital media replacing print from an environmental and waste management point of view.

Co-operative design traits:

- **Membership:** currently there are twelve members with no non-member employees, although that is allowed. Becoming a member is encouraged should the employee wish to, and requires a probation period of six months, after which the members vote on extending the membership and the new member is required to pay £1. Membership comes with the right to participate in decision making; prior to becoming a member, one can still participate in meetings but without voting rights.
- **Governance:** all members are also directors, meaning everyone shares the responsibility of managing the company. Decisions are made at monthly management meetings on a voting system based on majority voting, mainly for major discussions. Decisions made within departments are less regulated and might happen at department meetings (“*there is a bit more freedom just to get things done, otherwise it would be too slow to progress with any tasks*”). Some sociocratic working methods are used (i.e. organising the team in different departments that have some level of autonomy), although rather unofficially (note: *sociocracy* is further defined in Chapter 6.2.6.).
- **Finance:** the co-operative has previously used various finance sources to pay for equipment, i.e. a loan from a print finance company as well as member loans. Outside investors are not allowed. Members can invest following certain rules, but member loans do not come with increased power in the co-operative. On managing financial challenges, the co-operative emphasises the need for transparency so that all members are kept informed. It has previously relied on the flexibility of members, e.g. “*they might take a temporary reduction in pay to keep the business going*”. Flexibility is considered an advantage of co-operative businesses (“*there’s more flexibility during hard times and people won’t turn up one day and find that they lost their job. That would be the last resort*”).
- **Networks:** Calverts is part of The Worker Co-op Council, a close-knit group (“*people are friends*”) of members from different worker co-operatives that discusses strategy and policy for the movement. It is also active in networks of co-operatives across different scales and industries, a local body of independent businesses, East End Trades Guild (**EETG**), and a campaign group for clean air, Zero Emissions Network (**ZEN**). Regarding its customer base, Calverts works primarily with the social sector (co-operatives, social enterprises, community and campaign groups, charities), the education sector, and the arts and creative sector (artists, small publishers, design agencies). The co-operative has a long history of working with local community groups and charities in the East End area of London (“*almost like a campaign printer*”); nowadays it supports certain projects that need help with better print rates on an ad-hoc basis.



**Motivations** to working at Calverts include good wages and work conditions, the possibility to develop new skills, feeling empowered about participating in decision-making, sharing both power and responsibility, and sharing *“the fruits of our hard work [...] with fellow workers rather than benefitting a boss or outside shareholders”*. Nevertheless, some people are primarily interested in doing their job and care less about the co-operative aspects.

### 6.1.3 Co-operative Assistance Network Limited

Co-operative Assistance Network (CAN) is a worker co-operative that has been providing co-operatives and social enterprises with training and development services since 1989.

**Sustainability** in the co-operative is conceptualised along two main ideas. On the one hand, sustainability is seen as *resilience* to any shocks that might impact the company, with two significant notes: building resilience and sustainability is a long process (*“It takes a long time before you can get to a situation where you really believe that you built in everything that’s required to take whatever shock comes and still be here next year and the year after.”*), and co-operatives are better equipped to handle shocks than organisations with outside owners (*“[the workers] would be like: It’s your business, your problem, so what are you going to do? Whereas when it’s a co-operative, it’s our problem, what are we going to do?”*). On the other hand, sustainability is seen as belonging to *“a sustainable community, a sustainable society and a sustainable ecosphere.”* The co-operative publishes on their website yearly financial statements and environmental reports, with rather sporadic social impact reports. The metrics audited in these reports are self-imposed based on realistic objectives that the co-operative believes it can achieve.

The **mission** of the co-operative is twofold. What appears to be the primary goal and drive behind CAN’s work is to develop the common ownership movement alongside democratic principles (*“We wish to see more property in common ownership, more business in common ownership, more housing in common ownership, more grassroots democracy, more people feeling that they can, and do, have some influence over where they live and what they do and how things work around them”*). This main mission is seen as counter cultural, in opposition to the mainstream economic system (*“We are revolutionists. [...] We are co-operators in a capitalist world”*). Additionally, the co-operative aims to be an example of a socially responsible worker co-operative (*“promoting the physical, emotional, mental and spiritual well-being of the community, especially those who participate in the activities of the Co-operative”*).

The main **challenge** to the co-operative’s work and mission is seen as the low governmental support for the co-operative movement, with funds being unequally directed to primarily *“middleclass, white, rural villages”* rather than community projects. Adding to this systemic issue of inequality in accessing funding is a widespread lack of diversity in the co-operative movement (*“we are absolutely, totally, not diverse enough”*), with CAN experiencing the same issue internally. Earlier company documentation also notes potential challenges in the forms of *“some symptoms of democratic decay born of the Directors forming a majority of the Membership,”* difficulties in ensuring internal substitutability in key roles or accumulating financial reserves, as well as recruiting younger workers to carry on the membership of the co-operative. These challenges could be partly attributed to the small size of the co-operative (i.e. five full members, details below).

CAN appears to be **distributive** both of financial wealth and knowledge resources. Profits are used partly to increase reserves, partly to invest in other co-operatives, with no profit sharing among members for the past seven years. Salaries are set to meet the minimum living wage as calculated by the LWF, which the co-operative representative believes *“is not a very high target”*. Wage differentials between directors, members and probationary members were not discussed. A distribution limitation relates to the above-mentioned lack of diversity, which means that wages contribute exclusively to the well-being of a particular group of people (e.g. not *“ethnic minorities”*). The co-operative is open source (*“which is basically common ownership of IP, intellectual property”*), meaning it shares for free all the tools it has developed over the last 30 years with their users. It has also published a wide set of policies that other organisations can use as templates.



Along **regenerative** principles, it is worth noting that the co-operative provides services rather than goods, meaning that it does not work with long supply chains. CAN aims to minimise negative environmental impacts internally by, for example, encouraging online co-working, meetings, and service delivery to customers, and providing support for the purchase of bicycles – with some targets achieved and others not yet.

Co-operative design traits:

- **Membership:** made up of five full members, out of which four are also directors (any member can choose whether they want to be a director or not), which comes with additional areas of responsibility related to internal organisation systems. CAN also employs non-member workers: full time employees (currently three), associates with various numbers of working hours per month, other people working on project work basis. Should they wish to, employees can become members after a probation time of one to two years, at which point they must pay the minimum amount of shareholding required by the co-operative, at a value of £1 per share.
- **Governance:** the co-operative has about a dozen departments split between the four directors, with decisions made within a department if no other areas are impacted (provided the approval of at least one other director). The directors meet once a quarter, with an Annual General Meeting held once a year (all workers welcome, only members able to vote). In theory, CAN is a democratic co-operative rather than a consensus one, meaning members can vote on decisions. In practice, decision-making is based on sociocracy (*“pretty much everything is chewed over in a sociocratic circle before it comes to a directors’ meeting”*), so voting is rare.
- **Finance:** the co-operative was built on sweat equity, i.e. working for no pay or less pay than the market rate. The three founding members worked fulltime with no salary for the first year, however, no ownership of the co-operative was drawn from this sweat equity investment, which was later paid back. The same system was used twice after in challenging financial times, with employees deciding to put personal money in and/or take a pay cut (*“some people, the ones who could afford it, will have to not get their wages for a while. That is an option that is not available for most businesses, but it was available to us”*). In the event of dissolving the co-operative, its assets cannot be distributed among the members but must be transferred to *“some other common ownership enterprise(s), or to the Co-operative Movement or some other non-profit organisation(s) promoting and supporting co-operative and common ownership enterprises”*.
- **Networks:** CAN considers itself a member primarily of the co-operative community, from the immediate trade family of co-operative development bodies, to co-operatives of all kinds, to organisations and people who share some of the co-operative principles and are working towards similar goals (including the open-source movement). CAN supports other co-ops with investments, in the form of community share issues, loan stock, or giving money out (*“We do think it’s important that, if you say you’re part of a community, you put your money where your mouth is”*).

The respondent discussed their personal **motivation** to work in a co-operative as changing through the years, from being able to control one’s work environment and working for oneself to *“being able to share responsibility with other people, being able to go off on holiday and not worry what’s happening back at base because it is covered.”*

#### 6.1.4 Essential Trading

Essential Trading Co-operative (hereafter Essential) is a worker co-operative that trades in organic and vegetarian wholefoods, ecological household products and cruelty free cosmetics across the UK and internationally. Essential has its roots in two local co-operative shops in Bath (Harvest, established 1971) and Bristol (Nova, established 1979) which joined forces in 1991 (*“It made more sense to cooperate than it did to compete”*). The co-operative imports, manufactures and distributes a wide range of products through its extensive wholesaler and retailer channels as well as through community buying groups.

**Sustainability** is thought of as a value deeply ingrained in the core of the business (“*We were very much a pioneer in developing a food market which was meat-free, free of pesticides, and also we were instrumental in the formation of the fair trade movement in the UK [...] All of that stuff is kind of the DNA of our business*”). It has always worked to provide healthy, organic and ethical food and environmental products, following core ethical beliefs that are both ecologically (e.g. opposing animal exploitation and protecting the environment) and socially focused (upholding human rights in trade and promoting healthy eating). The co-operative has various sustainability initiatives and policies, particularly focused on environmental issues, such as no air freight transportation of supplies, investing in solar panels to power its warehouse, discontinuing plastic bottled water and striving to minimise packaging. On economic sustainability, the co-operative is adamant on supporting local economies and trading exclusively with the independent trade sector rather than with supermarkets, which are seen as trading unfairly. Essential is currently working on their 2021-2025 business plan wherein “*the ethical agenda has been moved up,*” with further ethical and environmental objectives. Sustainability is embedded in the co-operative’s **mission**: “*To pioneer as a truly ethical, sustainable and value-led business, promoting the principles of co-operation and making a positive impact for people and planet.*”

Essential encounters **challenges** both on its sustainability and co-operation ambitions. The co-operative representative mentions as current sustainability challenges the carbon footprint of their distribution networks (i.e. running a fleet of around 15 lorries) and the need for solutions to reduce plastic packaging as a food business. Additionally, the co-operative would like to work exclusively with ethically considered banks, however due to the volume and nature of its financial transactions it resorts to banking with a high street bank which is “*involved in unethical investment practices.*” On running the business as a worker co-operative, a challenge is having a relatively large workforce where not everyone is interested in participatory processes, collective problem-solving, or learning new skills, with some members, onboarded particularly during periods of fast business growth, seen as “*stuck in a rut*” (“*Trying to re-educate old members in new ways, this is a big challenge*”).

The co-operative is **distributive** of wealth and resources at different stages across its value chain. As an importer of global commodities, it aims to maintain provenance transparency by developing close relationships with its suppliers and auditing the suppliers for own branded products. Essential makes a stand against boycotting war-torn countries, focusing on contributing to the livelihoods of farmers and civilians. At the consumer end of the value chain, the co-operative works with independent traders and critiques supermarkets for creating monopolies (“*they undercut the independent trader, and they don’t foster diversity on the shop shells*”). Internally, it pays the workers above the living wage and pays bonuses to both permanent and temporary workers when there is sufficient profit. Surplus is also shared with charity causes and community projects. Lastly, Essential is distributive of co-operative knowledge through supporting local co-operative development agencies and providing advice to co-operative initiatives.

On **regenerative** principles, the co-operative has several environmentally focused policies. They include statements referring to using no air freight in transportation, removing palm oil from their own manufactured products and limiting other products to contain only RSPO certified palm oil (“*to the best of our knowledge*”), and seeking out solutions to minimise plastic packaging and packaging waste across its supply chain.

Co-operative design traits:

- **Membership:** The co-operative has a workforce of around 130 people, with the majority of employees also members (around 100). Occasionally it employs temporary workers, to cover parental leave, seasonality, or long-time illness. To become a member, one must pass an eight-month probation period and agree to working a minimum of 24 hours/week. They are then asked to pay £1 (“*your £1 voting share*”) and to lend the co-operative £500, as a lump sum or spread over two years, paid back with interest when the member leaves. This policy is currently under review as the co-operative does not need this source of funding any longer and because it can be “*a block to open membership*”. Membership is voluntary and not always taken up by workers.

Non-members can still participate in decision-making in their teams but have no vote in general meetings or the right to stand for elected positions.

- **Governance:** Essential has an elected management committee, currently made up of five members, and several teams with elected team coordinators. Teams can make team-related decisions and request help from the management committee for decisions that affect other teams. Both teams and individual members can write proposals for projects that might require a major spending or a consultation of the entire membership, with the management committee ultimately deciding if the proposal is accepted. Proposals related to wages, terms of conditions of employment, contracts, changes to the vision, mission or business plan, or expenditures that exceed £25,000, must go to a General Meeting (GM) of all members (held every three months, one of which a statutory Annual General Meeting), and might require open meetings of consultation. Most votes at a GM are decided on a simple majority, occasionally for important decisions higher thresholds can be set.
- **Finance:** Over the past 30-35 years, Essential has used different types of loans to finance the business and specific projects (i.e. bank overdrafts and a mortgage, supplier loans in the form of long payment deadlines, co-operative finance loans), which have all been paid back. The use of the members loan of £500 to gain membership, started in the early days when it was difficult to access finances, is still in use today but is currently under revision. In times of financial difficulty, like the economic crash of 2008, the co-operative has had to reduce hourly wages, pension contributions, and paid break times and medical time off, all requiring a 75% majority voting. Post 2008 the co-operative has started retaining a large amount of its profits and is currently financially stable.
- **Networks:** Essential is closely involved in the co-operative community, through its membership of Co-operatives UK, its past pro bono support of co-operative bodies and organisations, and its connections with other wholefoods co-operatives in the UK (*“We talk to each other all the time. We trade with each other”*) and producer co-operatives abroad. The worker-member interviewed mentioned both co-operative principles and a feeling of understanding between co-operatives, as reasons for working with other co-operatives (*“I suppose it comes from the co-op principles, but once you start trading with other co-ops, we’re a big family, the co-op is a big family, particularly in the worker co-ops, we understand each other, we all share the same principles, and so we don’t have to explain things to people, it comes naturally. [...] When you get a lot of worker co-ops together it’s quite a good party”*). Additionally, the co-operative seems to have formed a close community with both its suppliers and customers over the years (*“With our customers and suppliers we’ve been trading for 40 years so we’ve got some long-established relationships there. We know each other on first name terms.”*)

### 6.1.5 Leeds Bread Co-op

Leeds Bread Co-op (hereafter Leeds Bread) is an artisan bakery specialising in hand-crafted bread. It was founded in 2012 with the aims to provide the local community in Leeds with good quality, nutritious bread and to create an ethical workplace providing good livelihoods for its workers.

**Sustainability** is one of the stated principles of the co-operative, integrating two main angles. On the one hand, sustainability is seen as ensuring business continuity (*“make sure we’ve got the resources and that we’re meeting our aims and providing the livelihoods and creating the products that we want to be creating”*). On the other hand, it is seen as operating in an ecological manner, aiming to reduce the amount of resources used and waste produced. These environmental aims are described in the company principles alongside several initiatives on how to bring them to fruition, for example by using renewable energy, reducing food transportation, and minimising water use. Socio-economic aims, such as providing *“a secure and meaningful livelihood and fair wage for our staff,”* are understood less explicitly as sustainability, rather captured in other sections of the co-operative’s guiding principles. The principles are, however, a combination of aspirational aims and what the co-operative can currently achieve. As the co-operative representative mentioned, priority is given to the first sense of sustainability: *“Being clear that we’ve actually got an enterprise that functions well, that hasn’t got debt, that has all the policies and processes and the culture that enables us to continue to be able to then do some of the more ecological or socially minded work that we want to do.”*

Workers' reading of this mix of aspirational and realistic principles sometimes constitutes a **challenge**. People "*come with a slight idealistic approach to us as a business*" and would like to do more work with the local community than the co-operative is able to do. Another challenge relates to managing finances to be able to both pay decent wages and source ingredients sustainably. A living wage as set by the LWF was first achieved in 2020 (worth noting that paying the living wage is not a policy requirement, wages fluctuate based on business needs). Lower salary levels have previously affected staff retention and recruitment. Finally, the co-operative has encountered workplace challenges, with particularly the early years marked by "*a level of self-exploitation in how hard some people have had to work*" to meet business needs. This issue is considered prevalent in the baking industry as working hours are anti-social and the work can be hazardous. The co-operative has taken steps to overcome this challenge by changing shift hours and making improvements to the workplace.

The co-operative best describes its **mission** as based on the three words that make up its name. *Leeds* stands for them being a local business that does not intend to grow bigger than the Leeds area. *Bread* represents the product they are committed to providing in a "*socially and environmentally responsible way*." Co-op stands for their organisational model as a democratic worker co-operative, aiming to be an "*ethical and enjoyable workplace for the members and non-member employees*."

Some of the co-operative ambitions relate to **distributive** principles, particularly in terms of wealth distribution. All employees, both members and non-members, are paid the same hourly wage (intended to match the living wage however not always achieved, based on the current financial situation). Surplus is, in principle, meant to be reinvested in the co-operative and skill building for the workers, a rule that has not been implemented outside some refurbishment investments because surplus has not been "*an issue that we've had to deal with*" so far. The co-operative has an ethical policy that includes ideals of trading with responsible suppliers, including other co-operatives, "*small and local producers and service providers, social enterprises, specialist alternative suppliers, or community enterprises in the global south in preference to corporate sources*." Purchasing decisions are a balance between these ideals and their financial costs, for example the co-operative "*will buy organic when the cost of the organic compared to the non organic is not more than 50% greater*." Knowledge is another type of wealth shared particularly within the co-operative movement, with Leeds Bread Co-op learning from other worker co-operatives' best practices ("*We are not paying for one another's services, we're working out of mutual benefit to one another to share our learning and to drive further the aims of us as individual businesses, of co-operatives but also the movement as a wider network of co-ops*").

**Regenerative** principles are captured in the co-operative's environmental ambitions of reducing resource use and pollution or waste. The extent to which these ambitions are implemented in practice has not been discussed in the interview and is not addressed in the company documentation. The co-operative representative describes the aims stated in the company principles as a work in progress ("*Even if we aren't achieving all of those yet, we know that we're still working towards that*").

Co-operative design traits:

- **Membership:** The co-operative currently has 13 members, i.e. five full members and eight members on probation following a recently mandated training program. They are on track to become full members this summer should they choose so. Not all workers have previously chosen to become full members, for example if they were not interested in additional responsibilities. This 2-tier system of full members and non-member employees was created out of necessity for the co-operative to get established and expand when more staff was needed.
- **Governance:** Members meet fortnightly and make decisions based on consensus. Probationary members can participate in decisions made at the team level, affecting day to day operations. Consensus is seen as the most democratic form of decision making for an organisation that aims to have a flat management structure, as it avoids power issues that might be inherent in a voting system ("*we make our decisions by consensus – instead of simply voting and having the majority of the group getting their way, we are committed to making decisions that all members are in*").

*agreement with*”). The co-operative is currently looking into implementing some sociocratic principles.

- **Finance:** The co-operative used several sources of finance in the early days including grant funding, crowdfunding and loan stock (i.e. private investors who do not have any decision-making power). Currently it has no other finance stream other than revenue, except for some grant funding and a donation programme during the pandemic. During financial challenges it operates “*on a shoe-string basis,*” removing staff benefits and any non-essential spending. Borrowing can only happen from small investors and from other co-operatives as loan stock.
- **Networks:** The co-operative is committed to working with the local community through bread donations to local charities and organisations and running a small-scale distribution service for local producers. It is part of the co-operative community and works with other co-operatives on an ad-hoc basis (“*We work with other co-operatives because we know and understand who they are as a business, and because it’s part of the principles of being a co-operative, to co-operate amongst co-ops*”). Different customer groups (retail, wholesale, weekly subscribers) are also thought of as tight-knit communities, based on shared values and reciprocal commitment.

Regarding the **motivation** to work in a worker co-operative, the interviewee mentioned that what drives them personally is the sense of collective achievement that comes with building a value-led business with integrity, despite financial or pandemic-related challenges. Of importance to the co-operative as a whole seem to be values related to economic democracy (“*For us, it’s about the values of democracy, self-responsibility and empowerment of the people who are actually doing the work, and them being genuinely involved in controlling and deciding what it is that they do. It’s just so fundamental on a political level.*”). Some members might join for the job (e.g. to be a baker) rather than out of co-operative idealism. Yet, they can become more involved in democratic processes, both within work and in a wider societal sense, from experiencing a democratic workplace and its practices (“*having to really participate and engage in the type of organisation that we are, you can’t shy away from the politics of it.*”).

### 6.1.6 Outlandish

Outlandish is a digital agency with two main work strands: building tech tools that help organisations to manage and analyse their work, and running workshops focused on building communication skills or designing and testing digital ideas. The business has been worker-owned since its establishment in 2010, however in terms of its legal status it started off as a Limited Liability Partnership (LLP) with less emphasis on co-operation, transitioning to the worker co-operative model (officially a Co-operative Society) in 2016.

Outlandish has different ways of looking at **sustainability**. On the one hand it asks if people want to stay and thus continue the work of the co-operative, and whether they are able to develop their skills, which would ultimately lead to business growth. A great emphasis seems to be placed on economic sustainability, i.e. using resources “*most effectively and according to Outlandish’s goals*” and ensuring the business is financially stable (“*We can’t be frivolous at the risk of not looking after our organisation. We want to support other people who do good stuff, but we have to remain sustainable*”). The business is aware of its environmental impact as a tech company heavily reliant on servers and constantly navigates the trade-offs between different server companies, however, it does not currently have an environmental policy and believes their role in driving environmental sustainability is limited (“*it is less about what we [Outlandish] do and more about what real big structures, like petrol companies do*”). On the social side they carry out work both internally and as part of the local and the tech communities, yet this is not discussed explicitly as sustainability.

The **mission** of the co-operative is discussed along the Theory of Change developed at Outlandish, whereby the final goal is established (of a project, or wider of the organisation), and work happens backwards to reach that outcome. The Outlandish vision is of a “*fairer and better world*” enabled by technology and the building blocks to reach this vision include “*sharing how we run our business, creating a safe working environment, and delivering high quality technical projects.*”

The most significant **challenge** to the way the co-operative is organised and to its mission seems to be the way power is distributed, or used, internally. On the one hand, some members are accustomed to being in a position of power and have difficulties letting go of this position as needed in a democratic workplace. On the other hand, some employees struggle to take power, i.e. to have responsibility over their own work without the supervision of a manager. Power dynamics are now discussed more than ever before in the co-operative, based on honesty as a core value, and a collective desire to “*try and push Outlandish to be the organisation that it says it wants to be.*” A related challenge is the lack of diversity in the co-operative (and wider in the tech industry), with a strategy of improving diversity in the works (“*We are VERY aware of how white, middle class and male we are and are working hard to improve our diversity*”). Diversity and inclusion are considered essential to innovation processes and the sustainability of the co-operative.

Outside of power struggles and diversity challenges, the co-operative is **distributive** of wealth in several ways. Wages are lower than the market rate in the tech industry, in this way “*not contributing to the wealth gap*” but still “*a really good wage*” with a pay ratio of maximum 3:1 including the cleaner. Pay is considered important but not the defining motivation for being part of Outlandish, rather offering what other companies cannot offer in terms of workplace democracy and personal development. Company surpluses are partly used as reserves and partly distributed “*in a fair way amongst all workers in proportion to their labour*” and members can borrow from the co-operative when financially possible. Outlandish aims to share knowledge and opportunity in two ways, i.e. by sharing digital and co-operative knowhow and project work in a UK-wide network of digital co-operatives called Co-Tech that they helped to establish, and by teaching people tech skills to improve their quality of life.

**Regenerative** principles are less discussed and are focused on the choice of server suppliers. Outlandish will offer clients two options of using Amazon web services (considered convenient, safe and capable of holding many users, “*but it’s Amazon, and there are all sorts of implications around that*”), or using a co-operative as an alternative (with zero carbon servers but more expensive and unable to handle as many users), with the ultimate choice up to the client.

Co-operative design traits:

- **Membership:** The structure of the co-operative allows for both freelancers and employees-members, so that the business can scale up, and because in the tech industry freelancing is common. Outlandish has eight (soon seven) full members, two Outlanders who are freelancers committed to working with the co-operative, and four or five active Collaborators who are also freelancers that work sporadically on specific projects. A Collaborator can become an Outlander after three months, and an Outlander can apply to become a member after a year or when nominated by a member. Outlanders are invited to meetings and can vote on most proposals.
- **Governance:** Based on a sociocratic structure with different circles that are open for all members and Outlanders, with circles practicing autonomy over their area of work. Decisions that need to be made formally are made following a consent-based decision-making process, with proposals put up for rounds of discussions. Outlanders are invited to vote on most proposals just like the members (i.e. to avoid surprises of how an Outlander would vote once they become a member). Members can call extraordinary sessions involving members only, where proposals affecting members-only are discussed (e.g. salary and vacation time). Power dynamics must be considered when it comes to voting between members, who are legally responsible for the business, and non-members. When it comes to leadership, the co-operative stresses that everyone is different and has unique ways of contributing, and that learning to lead is an iterative process (“*it means iterating and getting it wrong as much as we get it right. This, I think, is a lifelong process!*”).
- **Finance:** The co-operative is financially stable based on two large projects at the start of the pandemic, and generally reserves funds from profits to manage periods of low revenue flows. It does not take any external investments to avoid other power dynamics coming in the business, it avoids loans and it does not aim to scale up to a big business (“*we just want a nice, sustainable business that delivers good things to good people*”). During previous financial difficulties, some employees left the business, another time everyone took a temporary pay reduction proportionate

to their daily rate, with the amount deducted then paid back. Outlandish is asset locked meaning in the eventuality of the company closing down or being sold all assets must be passed onto another co-operative or charity.

- **Networks:** Outlandish is part of a close community of digital co-operatives across the UK, CoTech, first started with the help of Outlandish as a network (“*a network is an affiliation whereas community is somewhere that we feel safe/happy/care about the people involved*”). They also started a co-working space for co-operatives and co-operators, Space4, which led to a wider co-working project supported by the local council in Islington. Via this project local residents have a space to learn about tech, which represents Outlandish’s way to give back to the local community (“*We work in probably the most unequal borough in the UK in terms of wealth, so we need to try and do our bit with what we can, and teaching people tech skills is a tangible way of changing people’s quality of life*”).

On **motivations** to work in a worker co-operative, the co-operative representative emphasised the close connection between the members and the dedication to the Outlandish mission (“*We are very emotionally invested in the company, we spend a lot of time with each other, we’ve been on holidays together. We care about each other and we’re accountable to each other. It’s almost like a family business. We want to stick around and see it through*”), the importance of workplace democracy (“*I always thought that the workers should have a say, and should be able to choose what they do, and they shouldn’t be pigeon-holed into one role*”) and the ability to enjoy one’s work or find ways to change one’s role rather than leave when a change is needed.

## 6.2 Cross-case analysis

The cross-case analysis follows the broad themes indicated by the conceptual framework, investigating differences and similarities between the six case studies. Additional patterns and observations emerging from the cases, including challenges they share, are presented throughout the analysis, all contributing to answering the research questions as well as indicating directions for future research (further presented in the Conclusions chapter). For this section, information is drawn primarily from the individual case study vignettes, supplemented with notes from the data templates (see the Appendix).

### 6.2.1 Sustainability

During the interviews with the six co-operatives’ representatives, sustainability was not defined or exemplified by the researcher, as the intention was to understand the way the concept is thought of and implemented in each co-operative.

Prevalent in how all six co-operatives conceptualise sustainability is the environmental pillar. Some co-operatives work with products and services that have a direct ecological element (e.g. paper and inks for Calverts, food and household products for Essential, bicycle repairs for BBP) and seem to place most weight on how they implement environmental ambitions, both through what they sell and internally in how they run their business. The other three co-operatives refer to sustainability from an ecological lens but consider other perspectives more relevant to their business, discussed below.

Another common interpretation of sustainability - sometimes considered the most important - is the literal sense of business continuity, meant as either continuing to operate or ensuring the financial sustainability of the co-operative. CAN discusses sustainability as resilience to any shocks that might impact a business, developed through over 30 years of internal observation and experience working with other co-operatives. Leeds Bread sees business continuity, meaning having the resources and practices in place to ensure the enterprise functions well, as the highest sustainability priority, “*to be able to then do some of the more ecological or socially minded work that we want to do.*” At Outlandish the same priority is given to maintaining financial stability, and relatedly the co-operative looks at whether employees and clients want to continue working at or with them, thus enabling the business to continue.

Although all six co-operatives aspire to be socially responsible businesses (at a basic level through committing to the seven Co-operative Principles which are heavily focused on individual and community well-being), social aspects are seldom discussed as or internalised as sustainability. When referring to the mission of the co-operative, all six interviewees mentioned social goals, such as making a positive impact for people and committing to human rights (Essential), working with underprivileged groups in the community (BB), empowering staff and caring for the community (Leeds Bread), creating a space where people can do meaningful work (Outlandish), promoting the well-being of workers and of the wider community (CAN), creating good and interesting work for its members and collaborating with organisations that provide a social benefit (Calverts). These social goals are then put in practice to various degrees through the way the business operates, who it works with, or how it is structured.

A recurring theme in the interviews was that sustainability, alongside what the co-operatives aim to achieve and how they go about implementing their goals, are work in progress and require continuous learning, experimentation and adaptation. Both Calverts and Essential indicated that other businesses in their trade have greater sustainability achievements, yet that they are doing their best and constantly trying to improve – be it through following strict environmental standards and working on a supply chain policy (Calverts) or scaling up ethical ambitions in their updated business plan (Essential). Similarly, CAN mentioned that becoming sustainable is a long-term process and that they set social and environmental objectives with realistic expectations of what one organisation can achieve (“*One big part of sustainable is sustainable objectives and sustainable progress, not trying to go too fast, go too far, do too much*”). Constantly learning and re-evaluating what practices and modes of governance work best for the co-operative has proven important for both Essential and Leeds Bread in difficult financial times. Both BBP and Outlandish referred to experimentation and learning from the new as requirements for innovation and business continuation.

A final observation, referring to both sustainability ambitions and wider company goals, is that some of the co-operatives pointed to the difference between achievable and aspirational aims. Leeds Bread explicitly discussed their objectives as a combination of idealistic and currently realisable. CAN on the other hand mentioned they set achievable targets based on what the team believes as important to contribute with (“*the worst possible thing is that at the end of each year to discover that you are a complete and utter abject failure at everything*”). Outlandish highlighted the importance of turning policies (i.e. aims, values) into practice (“*Our practice – our behaviours – are what makes the difference – not just the intention we hold*”).

The data indicates that sustainability is mostly seen as compartmentalised and something that a business *does* (adopting environmental policies, adhering to standards, building resilience, securing financial resources), rather than what a business *is* (at its core). In this regard, Essential stands out by thinking of sustainability as embedded in the core of the business. That is not to say that the other co-operatives do not have a purpose aligned with sustainability objectives, rather that they discuss and present sustainability differently. Arguably mainstream ways of portraying sustainability are also based on *doing* rather than *being*, for example the 2030 Agenda for Sustainable Development is based on measurable targets and action points to be taken towards a sustainable future.

### 6.2.2 Distributive business by design

On income distribution, several of the co-operatives have a flat rate per hour policy across all roles (Leeds Bread, BBP, Calverts), one co-operative has a pay ratio of maximum 3:1 (Outlandish); for the remaining ones this information is missing. All six businesses are committed to paying their staff at a minimum the living wage as defined by the LWF (note: for Leeds Bread this commitment is flexible depending on the business needs), although one interviewee pointed out that adhering to the living wage is “*a good badge to wear [but] not a very high target*” (CAN). Worth noting that the co-operative that described their salaries as “*really good*” (Outlandish) still has lower salaries than the going rate in their industry, with the intention to maintain a balance between attracting skilled people and not contributing to the wealth gap associated with the tech industry.



Financial surplus, when available, is used in different combinations at the six co-operatives. Most frequently, part of the profits is retained as reserves to carry the business through periods of low revenues, with financial crises in some cases proving significant for starting a reserve policy (e.g. Essential after the 2008 crisis). Profit sharing among members in the form of a salary increase and/or bonuses is used in some cases (Outlandish, Calverts, Essential), and is rare in others (CAN, BBP). Common is using surplus outside of benefitting the co-operative and its workers, by supporting other co-operatives (CAN) or community programmes (Calverts, BBP, Essential, CAN).

Knowledge sharing is an overarching pattern among the six worker co-operatives, particularly within the co-operative movement. Co-operatives share knowhow with other co-operatives and learn from each other's best practices, including within their own industries, indicative of the role of co-operation over competition (although it is worth noting that relationships of direct competition have not been addressed). Notably, CAN is explicitly open source, sharing freely tools with their users and policy templates with other organisations, based on their vision of seeing "*more property in common ownership*," including intellectual property. Some co-operatives also share their expertise with their local community, as an act of empowering people (e.g. BBP teach locals bike maintenance skills to help them be independent, Outlandish teach people tech skills to help improve their quality of life). The pattern of knowledge sharing can be linked to the ICA Co-operative Principles 5 and 6, which require co-operatives to engage in training and development and to support the work of other co-operatives in order to strengthen the co-operative movement.

A theme that emerged inductively in the data from several co-operatives is a poor diversity in their membership group. CAN, BBP, Outlandish and Leeds Bread all point out that they are not very diverse or not diverse enough, although some of them have a diversity policy in place. Calverts mentions an aging workforce as a co-operative challenge, brought about by the fact that workers tend to stay for a long time. Having worked with other co-operatives over the span of three decades, CAN notes that diversity is a general challenge in the co-operative movement ("*we are absolutely, totally, not diverse enough*").

Outlandish brought up a related point, concerning power dynamics among its workforce. The co-operative representative openly discussed the challenge some of the members have of letting go of their position of power, at the same time as other members struggle to take power or participate as needed in a democratic organisation. This challenge could potentially be explained by the lack of diversity in the co-operative as well as (or connected to) a structural lack of diversity in the tech industry, which might lead to more power being assigned to, or assumed by, "*white, middle class, and male*" (Outlandish) members than to any other group. The idea that not all workers are keen to assume a position of responsibility was common across several co-operatives (although not expressed as an issue of power), seen as a reason why not all employees want to become members. The topic of power was also briefly captured by BBP in mentioning their decision-making process tries to avoid power accumulation in the hands of those most experienced with any specific decision-making mechanism. Leeds Bread on the other hand argued that a consensus-based decision-making process is best suited to avoid power being held by a group of people (i.e. the majority voters). Finally, one assumption could be that the co-operatives that use a committee- or board-based system of governance can encounter issues of power among the members, and that the co-operatives that have non-member employees can see power imbalances between members and non-members.

### 6.2.3 Regenerative business by design

The six co-operatives work across different industries and trade both in products and services, meaning there are different degrees to which they can apply principles of a circular economy. BBP has a business model based on circularity at its core, by working to redirect functional bicycles from the landfill (thus also avoiding waste), as well as teaching people how to care for and maintain their bikes. Essential contributes to regeneration and circularity through the products they sell, for example a large amount of their product range comes with organic and/or Fairtrade certification and is never genetically modified, all indicative of agricultural practices that aim to avoid exploitation of resources and of people. Similarly, Calverts embeds circularity in how it sources and produces its

print products. At a smaller scale, most of the co-operatives have at least some circular ambitions, including using renewable energy providers (Essential), minimising pollution and resource use (Leeds Bread, Calverts) or working with environmentally certified suppliers where possible (Calverts).

Waste in one form or another is relevant to all six co-operatives, yet has only been touched on briefly in some cases. Leeds Bread has solid ecological aims, including minimising waste, pollution and resource use, however the data is missing on whether and how these aims are achieved. Essential considers plastic packaging one of its most significant challenges and has achieved some milestones in tackling plastic waste (e.g. discontinuing bottled water); still it recognises that more work is needed on reducing food plastic packaging. BBP takes what some might consider waste (bikes and bike parts about to end up in the landfill) and reintroduces them into circulation, and sources products with less or no packaging where possible. Calverts recycles some of its used printing parts into material for other industries and uses inks that enhance the recyclability of paper. Other than these waste-related initiatives, waste management and disposal have not been properly addressed, a potential focus point for future environmental work in the co-operatives.

A theme that emerged from the interviews was that working with suppliers can restrain the co-operatives' environmental ambitions. One challenge is relying on suppliers whom one cannot control or influence. For example, BBP is dependent on a few large suppliers that are often not providing the most environmentally friendly option, with smaller suppliers unable to cover all their needs. Essential have a strict supply chain policy – which potentially they can achieve as an established business with strong buying power – still they cannot control suppliers' operations (e.g. the type of packaging they use). Another challenge is having to put in balance value/costs and ecological requirements. Leeds Bread will, for example, buy organic when the cost of organic is not more than 50% higher than the non-organic alternative. Outlandish mentions the trade-offs (price, convenience, reliability) between using two server suppliers that have different takes on environmental sustainability, with the ultimate decision up to the client. Similarly, Calverts balances out value, environmental impact and other considerations in their sourcing decisions.

Lastly, an observation pertaining to both regenerative and distributive principles is that most of the co-operatives do not have publicly available environmental or social reports. CAN is the only exception, publishing a yearly environmental report alongside its financial report (less regular social reporting). Calverts refers to environmental metrics by adhering to the ISO 14001 standards, an environmental certification for which they get audited regularly. Having policies focused on the environment is more common (Calverts, CAN, Essential) or at least organisational aims with an ecological focus (Leeds Bread, BBP). As Outlandish so eloquently puts it, however, “*the challenge is matching practice with policy,*” so that the company behaviour matches its intention (be it a social, environmental, or co-operative intention).

## 6.2.4 (Living) Purpose

The co-operatives have different ways of defining their mission though one common thread is identified: aiming to create purposeful work that provides employees with decent livelihoods and a workplace that cares for their well-being. Outlandish values “*useful, meaningful work*” and developing a structure that “*maximises worker freedom, support and effectiveness.*” BBP works towards an “*inclusive, non-judgemental, vibrant and supportive environment*” for all its volunteers and users. CAN aims to be “*a good employer and an active democracy*”, Leeds Bread to build an “*ethical and enjoyable workplace*” and Calverts to carry out “*decent work, i.e. interesting and work that has value.*” Interwoven with the aim of caring for the workers are sustainable business ambitions, either in the sense of ensuring business continuity through delivering quality work and retaining customers (Calverts, Outlandish), or by being a fine example of a sustainable and responsible worker co-operative (Essential, CAN, Leeds Bread).

Most co-operatives couple internal-facing goals with an external-facing vision of contributing to the well-being of their communities. Essential's mission is focused on driving sustainability in the food

and retail industries and making “*a positive impact for people and planet.*” For Leeds Bread, the Leeds part of their name refers to being a responsible member of their local community. BBP’s mission is rooted in empowering people, democratising knowledge on bicycles and caring for the environment. CAN is on a quest to develop the common ownership movement and to promote democracy and co-operation in society at large.

The motivation to work in a worker co-operative is also considered of interest in this section on purpose, as it links the mission of the co-operatives with that of the co-operators. It might also serve as a starting point for a study on differences between intrinsic motivations to work in a co-operative compared to other types of businesses. Most of the co-operative representatives discussed values of workplace democracy as strong incentives: giving workers control and decision-making power over their own work (Outlandish, Leeds) and over the direction of the co-operative (BBP); participating in decision-making (Calverts); individual autonomy (BBP) and self-responsibility (Leeds); as well as the sharing of power and responsibility among the members (Calverts). The interviewee from one of the longer established co-operatives (CAN) focused on the evolution of their personal motivation from having control over their own work to trusting and sharing responsibility with other members. Worth noting that most of the co-operatives note differences in their members’ contribution to the participatory processes that govern their workplace, with some members primarily interested in getting their job done and less about co-operative organisational aspects. Another set of reasons is connected to the type of work done and work conditions: Outlandish values being able to change one’s role when a change is needed as well as having a good time working with people who care about each other; Calverts values interesting work and the ability to develop new skills. Calverts was the only co-operative to indicate (good) wages as an incentive, with both Calverts and BBP mentioning the satisfaction of sharing the fruits of the labour with fellow workers and/or the community, rather than having external shareholders profit from their work. Three of the interviewees (CAN, Leeds Bread, Outlandish) discussed being invested in and committed to the business, its mission and its values even through difficult times.

Lastly, some of the respondents seem in one way or another politically motivated to work in a worker co-operative. Essential believes this model is an “*alternative way of being,*” CAN sees themselves as “*revolutionists here to change the world [...] counter-cultural [...] co-operators in a capitalist world,*” Leeds Bread thinks the values of democracy at work are “*so fundamental on a political level.*” The interviewee from Outlandish jokingly referred to themselves and other members as “*frustrated activists, where we can’t get paid to be an activist so we’re doing it through our job.*” Working in a worker co-operative appears almost as an act of deliberate rebellion against mainstream business, with the interviewees displaying a strong feeling of pride in their work and in their co-operative model.

## 6.2.5 (Rooted) Membership

Membership at the six co-operatives is voluntary and extended to all employees who meet certain conditions (generally having completed a probation period, in specific cases working sufficient hours or completing a training program), in accordance with the first Co-operative Principle: Open and Voluntary Membership. Most co-operatives (CAN, Essential, Outlandish, Leeds Bread) have both members and non-member workers, with one co-operative’s (BBP) membership comprising of both staff and volunteers. Non-members are employed for different reasons, including to work on freelance projects, to help cover seasonal roles or a member’s absence, or to help the business to expand. Workers are always encouraged to become members, nevertheless some choose not to, usually because they do not want additional responsibilities. Membership comes with voting power and responsibility, although in some cases non-members are invited to attend meetings and can participate in decision-making within their teams.

Becoming a member requires successfully passing a probation period (ranging between 4 – 24 months), at which point in most cases the current members vote on extending the membership. Regarding financial contributions, some co-operatives mentioned the new member is asked to contribute a nominal membership fee of £1, which corresponds to one’s voting share. Essential is an

exception, requiring both a £1 voting share and a £500 loan contribution to the co-operative's financial reserves pot, a historical policy now under review to be scrapped.

## 6.2.6 (Mission-controlled) Governance

An organisational pattern across all co-operatives is the use of teams or departments that are, to a greater or lesser extent, responsible for their work and decision-making. Essential and BBP, as relatively large co-operatives (100 and 70 members, respectively), form additionally a management committee/directors' group that is elected by the members and has overall responsibility for the business. For the majority of the co-operatives, the main decision-making forum is represented by General Meetings where the entire membership is convened (most commonly quarterly meetings out of which one is an Annual General Meeting). The exceptions are Leeds Bread, where meetings for all members happen fortnightly and Outlandish, where meetings seem to happen on an ad-hoc basis. By relying on members' participation in governing the business, the six co-operatives adhere to the 2<sup>nd</sup> Co-operative Principle: Democratic Member Control.

The co-operatives use a variety of decision-making mechanisms. Most common (CAN, Outlandish, partly Calverts) is to follow principles of *sociocracy*, whereby the team is organised in several circles that practice autonomy (i.e. can make decisions) over their area of work and decisions are made by consent (i.e. when a proposal has no objections). Leeds Bread makes decisions by consensus (i.e. when everyone agrees on a proposal) but is showing interest in sociocratic methods. At BBP and Essential, major decisions are made by voting at General Meetings, either by a simple majority or in specific cases a higher majority threshold. With decades of experience in observing co-operatives, the interviewee from Essential noted that it is manageable to make decisions by consensus in smaller co-operatives and that "*the magic number 7, between 7 and 12 is the transition zone between consensus and voting.*" BBP stands out with a unique mentality on decision-making, i.e. they aim to be agile and are not committed to any one method of making decisions, to avoid power issues that might arise from some people being more skilled in one method than their colleagues.

One way of investigating whether the governance system used in a co-operative is driven by its mission is comparing its aims with its metrics of performance. For the co-operatives where this information is available (CAN, Leeds Bread, BBP), the metrics seem to be a combination of financial and non-financial, mostly in line with their missions. Following its goal of developing the co-operative movement as a socially responsible business, CAN has developed a grid with definitions of what it means to be a co-operative, a socially and environmentally responsible company, and achieving business objectives, with annual targets measured and published in performance reports. Leeds Bread aims to be an ethical worker co-operative that provides the local community with a good quality product and measures performance through a mix of business metrics (profit and streams of income, number of customers), staff-related metrics (turnover and retention, pay rates and staff benefits) and bread donations in the community. BBP measures various financial metrics as well as the number of bikes given out or repaired, perhaps missing here from the co-operative's mission are people-related metrics (i.e. volunteers and project users), and workshop-related targets.

## 6.2.7 (Stakeholder) Finance

The 4<sup>th</sup> Co-operative Principle on Autonomy and Independence emerged as a significant pattern in the co-operatives' financial policies. Most of them have, at times, made use of internal or external financing (from bank loans and governmental grants, to co-operative financing and member loans), yet always ensuring that the funds did not come with demands that would compromise their autonomy or co-operative values (for example, a loan would not come with any decision-making power). In times of financial difficulties, all six co-operatives have seen the members agree on taking a temporary pay cut (in some cases the amount was later paid back), with some also cutting back on staff benefits, and making use of available reserves.

Five of the six co-operatives are registered as co-operative societies, a legal form which implies capital can be raised by issuing shares but only to co-operative members, and they are withdrawable

at any time by the member. Several of the co-operatives have made use of this option of raising capital from the members at one point or another.

The sixth co-operative is incorporated as a CIC, meaning it is a not-for-profit organisation that must use its surplus for social aims and which has a mandatory asset lock, thus in the event of a foreclosure, all assets are to be transferred to a charity or a similar asset locked enterprise.

## 6.2.8 (Ethical) Networks

True to the 6<sup>th</sup> Co-operative Principle of Co-operation among Co-operatives, the six cases showed clear evidence of working with and within their co-operative community. Co-operation happens particularly in the form of sharing knowledge, skills, advice, ideas and/or organisational best practices (all six), trading with other co-operatives (Essential, Leeds Bread, Calverts), participating in national worker co-operatives bodies (Calverts, Essential), setting up co-operative communities in their trade (Outlandish) or in the case of CAN, literally existing to assist other co-operatives. Outlandish and BBP have both mentioned they co-operate with other businesses within their own trade, thus pointing to the value of co-operation over competition.

Some of the co-operatives also work with and within their local communities, linking to their external-facing mission as per the 7<sup>th</sup> Co-operative Principle of Concern for Community. BBP directly serves the local neighbourhood through the services it produces, Calverts is active in a body of independent businesses and a local environmental campaign group, Leeds Bread supports organisations with bread donations, Outlandish runs a co-working project with the local council to teach residents tech skills.

Lastly, some co-operatives discussed their relationship with their customer or supplier networks. Essential is adamant about supporting independent trade rather than supermarkets and has long-established relationships with both their customers and their suppliers. Similarly, Leeds Bread sees their customer groups as a tight-knit community that shares their values. Calverts' client base is heavily focused on the social, education and arts sectors with a historical reputation of working with community groups and charities in the local area.

## 7 Discussion

Drawing on the research questions introduced in the first chapter, this chapter attempts to interpret the findings from the case studies and the cross-case analysis and formulate some potential answers. Results are discussed in relation to other studies on sustainability in co-operatives and worker co-operatives, with new insights that emerged from the analysis covered in detail.

This thesis had as a broad starting point the call to rethink one of the structures that supports our current mainstream economic system, namely the ubiquity of the IOF as the primary form of economic organisation. IOFs are driven by the belief that companies must prioritise maximising profits and shareholders returns (Raworth, 2017, p.189; Monteiro and Straume, 2018; Wilson and Post, 2013; Kelly, 2012, p.155), often leading to violations of environmental and social justice. However, the IOF is not the sole form of organisation we have available in our economies. Alternative models such as co-operatives have been around for centuries, their presence more widespread than one might expect – at least 12% of all people worldwide are members of co-operatives (ICA, 2018c). The present study set about asking in what ways a worker co-operative can be a model better fit for a sustainable future, where the economic system is recognised as embedded, and thus subordinate to, the wider social-ecological system that is our Earth.

### 7.1 Sustainability

To address the main research question on ways in which worker co-operatives can contribute to sustainability, it was considered essential to first understand the way the co-operatives themselves think of and implement this concept. The six worker co-operatives conceptualise sustainability primarily as being an environmentally responsible business, and one that can sustain itself in the literal sense, i.e. having the ability and the means to continue to operate. When it comes to implementing sustainability, some co-operatives see business continuity as the priority, with environmental or social goals to be pursued once that is achieved. Others prioritise environmental work, particularly where their line of business involves working with material resources. It would appear then that at least in some cases the different pillars of sustainability are understood as separate and interconnected, in line with the overlapping circles diagram (Figure 1 from Chapter 3). Visualising sustainability in this manner could potentially lead to environmental (and/or social) goals being at times sacrificed in favour of economic goals.

A first unexpected observation from the analysis is that most co-operatives do not recognise their people-centred design traits and their ambitions focused on social well-being, particularly with regards to employee well-being and empowerment, as sustainability. This is a rather different finding from Battaglia *et al.*'s (2020) study on a food retail co-operative where a high number of reported sustainability initiatives were social in nature. Yet, social responsibility is embedded in the mission of all six worker co-operatives and in the way they are run. Even through holding the international co-operative values (i.e. self-help, self-responsibility, democracy, equality, equity, and solidarity) and implementing them in practice (e.g. by striving for an equal workplace where people feel valued and listened to, or working where possible with suppliers that hold the same values), worker co-operatives work towards becoming socially sustainable businesses. Selling themselves short on social sustainability could mean that work along this pillar is overlooked by their communities, or that any sustainability benchmark they might use internally fails to include progress on social factors.

A significant finding is that none of the six co-operatives claims to be sustainable (at most, one of the longest running from the cohort said “*we are beginning to look like we might be sustainable*” after more than 30 years in business). There is a degree of humility even for the more established co-operatives, which remark that other businesses in their industries are achieving more on sustainability than they are, meaning that they have more to achieve as well. This theme of sustainability (as well as of co-operative principles) as a work in progress, based on experimentation, learning and adaptation, was recurrent in the results, reminiscent of Dryzek's (2013, p.161) observation that sustainability “is largely about social learning, involving decentralized, exploratory, and variable

approaches to its pursuit.” It could be argued, then, that sustainability for the co-operatives is not about perfection but rather about progress, not based on an end game where they can proclaim themselves sustainable but rather on a journey to doing and becoming better by experimenting and learning.

## 7.2 Aligning business with the Doughnut Economy model

The following section brings the DE framework from Chapter 3 back into the conversation on sustainability in the realms of business. It addresses the second part of the research question by discussing the three directives for regenerative and distributive enterprises.

### 7.2.1 Mission

The first directive for businesses to be regenerative and distributive and align with the DE concept is to be guided by a core mission of contributing to a thriving world (DEAL, 2020). The red thread in the data on mission and values is the desire to create decent livelihoods and caring workplaces as sustainable, responsible, successful worker co-operatives. There are also some aspirational or revolutionary ideals coming through, yet all six co-operatives are well rooted in the reality of having to meet their business needs (alongside striving to meet wider community needs) and working with achievable expectations. For example, costs might still dictate what suppliers a co-operative uses with priority over environmental considerations. However, the reason behind this prioritisation is not to increase profits and returns to the member-owners, rather to make sensible business decisions, maintain customers, create a pot of financial reserves, and ensure the continuity of the co-operative.

The main motivation to work in a worker co-operative closely follows the same red thread. Employment security is a key motivator as found in other studies (e.g. Heras-Saizarbitoria, 2014), still it is not just any employment, rather employment that is meaningful, interesting, ethical, and aligned with co-operative and democratic values (for most but not all employees, as most of the co-operatives noted). It can be argued that this type of work contributes to the workers’ well-being and can foster intrinsic motivation, meaning not related to income, supporting previous literature findings (Pérotin, 2013). A good wage is in fact mentioned by only one out of the six co-operatives as one of the reasons to work in the co-operative. Income maximisation per member, what Craig and Pencavel (1993) gathered from earlier studies as the main incentive for workers, was not once mentioned, on the contrary, most of the co-operatives studied do not prioritise profit sharing among members (e.g. *“None of us at Outlandish really want to get rich and retire at 35, none of us have two houses, that’s not the kind of lifestyle that any of us have individually chosen”*). This heightened intrinsic motivation could be linked to strong feelings of investment in the co-operative that some interviewees expressed; they are in it for the long haul, thus likely to set long-term goals and protect the co-operative’s mission. Throughout the interviews, there was an unspoken feeling of pride in their own co-operative and in belonging to the wider co-operative movement. These feelings of pride, belongingness, dedication, could prove a differentiator between worker co-operatives and IOFs or other business models, with implications for how companies set their missions and how their missions are then translated into behaviours.

### 7.2.2 Regenerative and distributive by design

The second DE directive is for enterprises to be regenerative and distributive by design. An enterprise is distributive by design when the wealth it generates (be it income, knowledge, power, time) is shared in an equitable manner among those who help create it, those who use it, and those who are impacted by it (Raworth, 2017). A regenerative business is designed to work with and within nature’s cycles, following a circular design that keeps materials and products in use, minimises waste and pollution, and restores the living systems it resides in (Raworth, 2017).

The explicit way in which the worker co-operatives studied align with **regenerative principles** is through the products or services they sell, supplemented by some circularity initiatives in their

business operations (similar to how CICOPA (2013, p.19) described environmental sustainability based on a co-operative's line of business). Although there is no clear indication that the co-operatives have these circular aims and initiatives *because* they are worker co-operatives (i.e. they might have the same aims and initiatives as a different business model), it could be posited that their co-operative values and principles (e.g. Principle 7 of Concern for Community) would deter them from making decisions that negatively impact the environment for the benefit of private financial gains.

Previous academic literature is focused on how co-operatives contribute to environmental sustainability by not being profit or growth oriented, which has the potential to reduce energy and material use compared to a profit maximising company (Gunderson, 2019; Booth, 1995). For the co-operatives studied here it appears indeed that profit maximisation is not a goal, and business growth is seldom discussed. The one co-operative that referred to growth mentioned that they want to grow through increasing efficiency and reducing non-labour costs rather than producing more, which is in line with Booth's (1995) remarks.

Two observations on significant gaps pertaining to generative environmental ambitions follow. The first one refers to waste management, namely whether and how the co-operatives aim to minimise their waste streams (outside a few initiatives currently implemented by two co-operatives). Designing out waste is a key component of a circular economy (Ellen MacArthur Foundation, 2017), with each co-operative having the opportunity to enhance their environmental achievements by investigating more closely all the waste streams they contribute to (e.g. food waste, material waste, e-waste). The second observation refers to the general lack of environmental (or social) reporting in the co-operatives (with one exceptional case). Measuring progress on environmental and social metrics could serve as an internal benchmark for co-operative performance, and help the co-operatives hold themselves better accountable to their communities.

Finally, a challenge discussed by all the co-operatives that in one way or another work with suppliers is that environmental ambitions can be limited when they are not shared across the supply chain. It is worth noting that these worker co-operatives at the very least recognise that they are part of wider systems, thus their work impacts and is impacted by external actors. Some attempt to take responsibility over driving sustainability across their value chains. Particularly for the more established co-operatives, working with supply chain policies and certified suppliers is crucial – as well as easier, through their stronger buying power. At the other end of the value chain, some also prioritise working with customers that share co-operative and social responsibility values (or are downright against working with specific customer groups). A question for further consideration could be whether, and how, a worker co-operative can nurture environmental goals across its value chain.

There are several strands through which the co-operatives are proving to be **distributive by design**. Firstly, they distribute financial wealth, internally through wages that at a minimum meet the LWF standards, and which are often flat or with a low ratio between highest and lowest paid, thus contributing to reducing income inequality (as also observed by Wren (2020) and Parker (2017)). Where addressed, the co-operatives had different views on whether their salaries were good or sufficient, yet prevalent was the idea that wages were not a main driver. Worker co-operatives also distribute financial wealth externally, by supporting other co-operatives or community projects, reflecting previous findings from Cheney *et al.* (2014) and Vieta (2010). A second strand of wealth distribution is based on sharing knowledge with fellow co-operators and within society in general, as well as learning from other co-operatives' expertise, an idea less reflected in previous literature.

Perhaps less explicitly, worker co-operatives are distributive of democratic practices and skills in the wider society, with implications to the strength of democracy as an institution. Results show that people often learn to be engaged and to participate in their co-operative, and through enhancing their participatory skills they can become more engaged with happenings in the society at large. Some members expressed political motivations to joining their co-operative (in the sense of making a difference in the world), yet this is not a requirement or all that common for new workers. What was observed in some cases, though, is that some members become more political once they experience



democratic principles and participatory processes at work, which they then apply to matters outside of work. This benefit of advancing democracy in the society reflects previous findings by Cato (2018, p.117) and Rothschild (2009).

One unexpected finding on the topic of distributive design is an insufficient diversity among the members, which was noted by all the co-operatives where this issue was brought up and additionally mentioned as an overarching challenge in the UK co-operative movement. It can be posited that this challenge means that co-operative wealth in all its forms is not equitably distributed in the society, benefitting some groups more than others. Dedicated studies are needed on why the co-operative movement is lacking diversity, what the implications are for a business (e.g. one co-operative noted that diversity is essential to innovation), and potential ways of tackling this challenge.

The results show another surprising challenge, given the nature of a co-operative's participatory model, in the form of power imbalances between members. Co-operatives can be easily idealised as being equal or flat structures and giving everyone the same voice, in the form of power and responsibility – yet worker co-operatives do not exist in a bubble, power dynamics that happen in society at large can be replicated even within a democratic organisation. Thus, it can be posited that what Johansova and Wolf (2012) referred to as the transition from power imbalances to democratic decision-making as a characteristic of economic democracy is exactly that, a transition, thereby a process that takes time and effort, and begins with the recognition of where power imbalances lie in the first place.

The preceding findings come with a reflection on the data supplied by the co-operatives either by interview or company documentation. Worker co-operatives value transparency and self-criticism, with some of the insights from the interviews particularly honest. Conversations about internal power dynamics, about the lack or even extreme lack of diversity (one co-operative stated they routinely score 0 out of 10 on diversity), are indicative of transparency being important internally. These shortcomings appear to have already been discussed in the co-operative so there is no need to hide them, on the contrary, by sharing them the members can hold themselves and their co-operative accountable. One other potential explanation for the honesty shown by all interviewees is that they do not respond to any authoritative figure the way an employee does in a hierarchical organisation, thus there are no similar repercussions to sharing the more uncomfortable truths. It seems like in a worker co-operative it is more about identifying an issue and trying to find collective solutions, and less about finding culprits and waiting for someone else (possibly, management) to fix it. As one respondent mentioned elsewhere, this is a major difference between worker co-operatives and organisations with outside owners: “[workers] would be like: *It's your business, your problem, so what are you going to do? Whereas when it's a co-operative, it's our problem, what are we going to do?*”.

### 7.2.3 Generative enterprise design patterns

Finally, for a business to align with DE principles it must aim to align with what Kelly (2012) refers to as the five design patterns of a generative enterprise: Living Purpose (discussed above in the subsection on Mission), Rooted Membership, Mission-controlled Governance, Stakeholder Finance and Ethical Networks.

An overarching observation on the worker co-operative model is that at its core, it is a model emulating Kelly's design patterns, starting with a Living Purpose. All six co-operatives have shown a mission that is clearly focused on meeting the needs of their members in a holistic sense (i.e. not just the need for a job and an income) as well as meeting wider societal needs in one way or another. The other four patterns flow towards the generative side of the spectrum as a result of this Living Purpose. Had some of the co-operatives been more financial wealth-inclined, say by seeking profit to distribute as members' dividends, the results might have proven significantly different.

The six co-operatives studied take the Co-operative Values and Principles (see Figure 3 in Chapter 5) to heart, which translates into the way they are organised and run. From ensuring membership is

open to all and voluntary, to working closely with and learning from other co-operatives, to holding onto ideals of autonomy and independence particularly in challenging financial situations, they either implicitly or explicitly adhere to these internationally recognised directives - as both guidance and an accountability framework. Here lies a learning opportunity for other business models to reflect on establishing similar charters to function as an internal moral compass.

There are nevertheless some signs of degeneration shown in the findings, following Storey *et al.*'s (2014) theory that a co-operative will revert to some capitalist practices to survive in the current globalised and competitive economy. The main practice concerns employing non-member workers (who have fewer rights and responsibilities). However, a more just interpretation would be that this practice aligns with the first Co-operative Principle on voluntary membership (with some workers actively choosing not to become members), or is often temporary (e.g. a co-operative employing temporary staff to cover seasonality), thus showing that a period of degeneration is often followed by regeneration into democratic co-operative ideals, as observed elsewhere by Bretos and Marcuello (2017).

### 7.3 Contributions to the sustainability field

This study adds to the body of knowledge on sustainability in worker co-operatives in several ways. Firstly, it provides new insights into how worker co-operatives in the UK conceptualise sustainability and how they can contribute to its different dimensions, highlighting several unexpected findings that were not found in previous literature. Secondly, it brings to light various challenges encountered in the co-operatives sampled, with the hope that this can serve them as a self-reflective exercise and provide learning material for other co-operatives. Additionally, the workers' motivations to work in a democratic workplace are discussed together with the wider mission of their co-operative, unravelling a red thread of long-termism and care for human well-being that dictates how the co-operatives operate.

Finally, the thesis attempts to formulate the DE model into a framework to investigate real businesses. Kate Raworth's and DEAL's indications are followed humbly and never assuming that results from this application of the framework can provide definite answers on whether a business is regenerative and distributive and/or sustainable. The study provides an example of how the Doughnut can be used by organisations as an internal exercise to hold themselves accountable for how they impact the lives of their workers, their communities, and the environment they inhabit.

### 7.4 Limitations of the study

Several limitations have already been presented when discussing the theoretical framework (Chapter 3.1.2) and the methods of data collection (Chapter 4.3). Here a final one is offered, as part of a retrospective reflection on what could have added to the richness of the discussion. The topic of growth was not prompted by the researcher and was very seldomly addressed by the respondents. As growth seeking appears to be an important indicator of environmental impact (Booth, 1995), the open-endedness of some of the questions asked in the interviews could be considered a limitation. For example, complementing the question "What is the mission of the co-operative?" with "Does the co-operative aim to grow?" could have revealed significant new information. It cannot be definitively inferred from the respondents not *discussing* growth that they do not *aim* or *plan* to grow. Arguably, the relationship of worker co-operatives with growth, and what this relationship entails, is a wider discussion than what this thesis allows, deserving a separate, stand-alone investigation.

## 8 Conclusions

*“While you’re here you’re a caretaker, [the co-operative] is not yours, it’s commonly owned, it’s there forever. You come in and you look after it like looking after a garden, you keep the soil good, you eat well. When you leave the garden, that’s it, bye bye.”* (Essential member)

*“We are counter cultural. We are co-operators in a capitalist world”* (CAN member)

This project began with quite a broad research question, fuelled by the aim to look into an enterprise model that might be better fit to contribute to a “thriving world” (Raworth, 2017, p.233) than the ubiquitous capitalist firm. It asked, “In what ways can a worker co-operative contribute to sustainability?” and chose to formulate sustainability along the DE framework developed by Kate Raworth. With the Doughnut in hand, it set about investigating how six worker co-operatives in the UK align with regenerative and distributive principles and design traits.

The overarching contribution that worker co-operatives can make to sustainability is to exemplify how a business can function when driven by a mission outside making private financial gains, where the values that are held dearest are focused on worker and community well-being. As both Raworth (2017) and Kelly (2012) remarked, it is the purpose of an enterprise that dictates how its other design traits fall into place, and having a Living Purpose is “the single irreducibly necessary core of every generative enterprise” (Kelly, 2012, p.153). For the six co-operatives studied, this translates into an embedded mission of creating decent livelihoods in their communities and operating as sustainable, responsible, successful worker co-operatives with a long-term mind-set. It is not a mission printed at the top of a marketing material, in some cases it is not even explicitly written down, but rather internalised by the worker-members.

Worker co-operatives can show that, despite the worker co-operative model being sometimes considered destined to fail (Dow, 2003), they are able to sustain themselves in the literal sense through waves of challenging times and have been doing so for decades, in some cases. Co-operative workers are committed to, and proud of, their co-operative; they welcome experimentation and continuous learning, and value flexibility and transparency in order to see their co-operative through.

The co-operatives studied contribute to the three dimensions of sustainability often in interconnected ways, although not always articulated as such by the co-operatives themselves. For example, what the co-operatives refer to as providing “good” or “decent” employment relates to economic sustainability (through keeping wages in circulation in the economy, taxes, reduced unemployment etc.) as well as to social sustainability (via worker well-being as well as community well-being) and wider still to environmental sustainability, when seen from the prism of the co-operatives’ environmental ambitions. Arguably, sustainability is thought of along the sustainable development discourse whereby the environmental, social, and economic pillars are distinct and thus can be treated separately or as additions to the co-operative’s operations. Still, some of the co-operatives seem to conceptualise sustainability as the core of their existence.

Moving to the second half of the research question, on how worker co-operatives align with distributive and regenerative principles, what clearly transpires is that the six cases have numerous success stories to tell, yet they are not without fault. Worker co-operatives are almost by default a distributive structure and these six cases are no exception, showing examples of being distributive particularly of financial wealth, knowledge and skills. Perhaps most importantly, where they currently face challenges, i.e. in widely lacking diversity and facing internal power issues, they discuss them with a strong sense of awareness and honesty, and they appear willing to do the work needed to improve.

On regenerative principles, the six co-operatives are focusing their energy on minimising their environmental impact or causing less ecological damage, through various circular initiatives. Yet it is essential to note that for an enterprise to be truly regenerative, it must move past causing less damage into restoring living systems. This is what Raworth (2017, pp.215-218) referred to as moving

up the Corporate To Do List, from “doing our fair share in making the switch to sustainability” or from “doing no harm” to “giving back to the living systems of which we are part.” It is in this area that worker co-operatives have most work to do to align with the Doughnut. With the spirit and the interest already there, the question is how to proceed, with relatively limited resources (financial, skills, knowledge, time). One avenue to look into is amplifying regenerative work across the co-operative’s value chain; another is setting more ambitious environmental targets and committing to regular environmental reporting to demonstrate accountability.

Further research could focus on Why and How questions, following up on the descriptive findings of the present study. Specific calls for research directions have been noted throughout the Discussion chapter, most notably around the causes and implications for the low diversity seen in the co-operative movement. An additional, and final, suggestion is to investigate a) potential reasons why the worker co-operative is what Booth called back in 1995 a “rarity” (1995, p.229), nowadays still not a widespread form of economic organisation (or why it is more common in some countries – when referring to Europe, see Italy, Spain, France, to a lesser extent the UK - and not in others), and b) how common ownership could become more common. A significant factor to include would be the history of co-operativism in different regions and political regimes across Europe and the world, and how this history influences current perceptions and practices of co-operative enterprises.

Beyond research, perhaps what is needed is more practice, more successful examples brought to light past the bookshelves of academia, to serve as inspiration for this generation of entrepreneurs - or, for regular people like you and I who might forgo working for a corporation with absent shareholders and climbing the proverbial ladder and who might try working with others on equal terms. Perhaps what is needed is a greater general awareness of this model, or as Anu Puusa (2021) concluded in a recent TED Talk (referring to co-operatives of all kinds), better marketing of this somewhat secret solution to the shortfalls of mainstream business models.

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# Appendix

## Data template for Bristol Bike Project

First order codes (deductive, a priori themes)	Sub-codes (mix of deductive from the protocol and inductive as emerging from the data)	Data source: Interview summary (all direct quotes, unless in [] as short notes by the researcher)	Data source: Documentation (all direct quotes, unless in [] as short notes by the researcher) <ul style="list-style-type: none"> <li>The Bristol Bike Project Co-op Handbook (hereafter Handbook) (<a href="#">public</a>) n.b. all data from the Handbook, unless marked by [Constitution] as below</li> <li>Certificate of Incorporation of a Community Interest Company, 2011 (hereafter Constitution, as referred to by the co-operative) (<a href="#">public</a>) n.b. used to supplement with relevant information not covered in the Handbook</li> </ul>
Case background	Business activity	The main aim of the co-op is to provide bikes and bike repairs to disadvantaged people who would not otherwise be able to afford them. We also aim to teach people bike maintenance skills in a friendly and supportive environment which is welcoming to everyone. We have lots of other activities that support these aims: a bike shop; maintenance classes; DIY workshop sessions; maintaining a fleet of bikes for the city council.	
	History	[Established] In 2008, by two friends, James Lucas and Colin Fan, who had been on a bike tour together and were inspired by what bikes could do to promote social inclusion. Neither of them is directly involved in the co-op any longer, which I think is a great success. To start something and get it to a point where it can survive without you is a real achievement.	The Bristol Bike Project was started in 2008 as a tiny operation in a back garden. Since then it has grown into one of Bristol's best known, successful and well supported social enterprises.
	Legal form of incorporation	It's a Community Interest Company Limited By Guarantee. This means that it is a private company, but it is not-for-profit. Staff can be paid (although wages are regulated), but nobody can take money or assets out of the company for any reason other than achieving it's social aims. If the company is closed down, any assets must be passed to another not-for-profit company. The 'Limited By Guarantee' part means that the company directors cannot be held personally financially liable for the company debts. So if I was a director and the company went bankrupt, my own money could not be used to pay company debts.	The Bristol Bike Project is a Community Interest Company with a co-operative structure. This means that we are an organisation whose focus is community benefit rather than private gain, and that we are a Member-led organisation.
Sustainability	<i>Sustainability as "continuing"</i>		
	<i>Resilience</i>		
	Environmental	It's very important. A lot of what we do is about re-using bikes and parts that can be renovated rather than scrapped. And we're promoting a pollution-free form of transport that improves people's physical and mental health.  We try to buy stock that is less environmentally-harmful where we can. There isn't always a lot of choice with bike parts: there are a few main manufacturers worldwide and you basically have to use their stuff. But where there is more choice, we do use it. We buy inner tubes and tyres that contain a proportion of recycled material; we buy natural cleaners and lubricants; we buy products with less or no packaging.	To divert and redirect functional bicycles and their working parts from recycling and landfill. Through doing this, we help to lower the demand for raw materials, promote the ideas of reuse within our community and offer an alternative to simply buying new.

		[Sustainability challenge] The lack of choice over many parts and components. Some small manufacturers make a real effort with sustainability, but they're a tiny part of the industry.	
	Social	And we're promoting a pollution-free form of transport that improves people's physical and mental health.  [Mentioned by the respondent in another section, not under sustainability] The main aim of the co-op is to provide bikes and bike repairs to disadvantaged people who would not otherwise be able to afford them. We also aim to teach people bike maintenance skills in a friendly and supportive environment which is welcoming to everyone.	To provide a valuable and empowering service for underprivileged and marginalised groups of people within our community whose lives would greatly improve through the benefit of having accessible, affordable and sustainable transportation;  To provide an inclusive, non-judgemental, vibrant and supportive workshop environment for volunteers and project-users alike, from all walks of life, that encourages and promotes skill-sharing and independence, where new skills are learned in a way that is empowering for all and friendships are made;
	Economic		
	Learning and experimentation		We recognise people have different but equally valuable skills and experience. We actively encourage, motivate and reward these different skills - and seek to uncover untapped talent in the Project.  We encourage experimentation as this is where creativity and innovation flourishes.
Distributive business	Income and wages	Income isn't distributed among members. All surplus is reinvested in BBP's social aims. There's no financial benefit to being a member. Staff are paid as much as BBP can afford. We have a flat wage structure, where everyone earns the same amount per hour no matter what their job is. It's currently around £12 per hour. For comparison, the minimum wage in the UK is £8.91, so we do better than that! Wages are reviewed every year and any change is decided by the directors, based on changes to the cost of living and what BBP can afford.	Pay is scheduled to be reviewed annually, in July. Pay is expected to rise in line with the cost of living, as long as it is deemed affordable. The agreed cost of living index is the Living Wage Foundation (livingwage.org.uk).  BBP currently pays a single-rate of pay for roles. This policy was reached through a wide consultation. Balancing all the arguments out it was felt that an equal pay rate for all staff supports the cooperative ethos and reinforces the principle that all roles are important and that everyone has an opportunity to contribute equally. This single rate of pay would also apply to new employees who might require a short period of training. Where longer training schemes (such as an apprentice scheme) might be implemented, an exception could be made to this policy.
	Profit/surplus use	All the profits from these commercial activities are used to fund our community programmes.  It's also really important to me that it's a not-for-profit organisation. We are working to make a living, but nobody else is profiting from our labour. We are investing our work in the community.	The surplus of the Co-operative shall be applied in the following ways, in such proportions and in such manner as the general meeting shall decide from time to time a) To create a general reserve for the continuation and development of the Co-operative, b) In accordance with the Co-operative Principle of concern for community to make payment for social, co-operative and community purposes which would further the community benefit [Constitution]
	Ethical/Business ethics policy		These policies have been reviewed and agreed upon by BBP membership, and we expect all those involved in BBP to adhere to the policies. There is an opportunity to review our policies on an annual basis at the AGM. *All our policies are currently under review
	Responsible supply chain		

	<i>Diversity</i>	<p>Not very diverse! We're aware of that and have been for a long time, but it's a slow process trying to change it. We're majority white, even though we're based in an area of the city that has a very large Black community. The gender split is probably a bit better, although still not great. Perhaps 75% male, 20% female, 5% non-binary. I guess we're more diverse in terms of age. A pretty good spread from people in their early 20s up to people in their 70s.</p> <p>We have various working groups for particular areas of the business: premises; funding; representation and diversity; operations.</p>	<p>To provide a valuable and empowering service for underprivileged and marginalised groups of people within our community whose lives would greatly improve through the benefit of having accessible, affordable and sustainable transportation;</p> <p>To provide an inclusive, non-judgemental, vibrant and supportive workshop environment for volunteers and project-users alike, from all walks of life, that encourages and promotes skill-sharing and independence, where new skills are learned in a way that is empowering for all and friendships are made;</p> <p>We recognise people have different but equally valuable skills and experience. We actively encourage, motivate and reward these different skills - and seek to uncover untapped talent in the Project.</p> <p>We encourage experimentation as this is where creativity and innovation flourishes.</p> <p>There are six directors, including a 'finance', 'HR' and 'community' director, at least 50% of whom must not be male.</p>
	<i>Knowledge sharing</i>	<p>We also aim to teach people bike maintenance skills in a friendly and supportive environment which is welcoming to everyone.</p> <p>We try to democratise knowledge about bikes. We want people to be independent and empowered to look after their own mobility.</p> <p>We're part of the bike co-ops community (I'm not sure how many there are in the UK now, but there are a few that we're in touch with quite a lot and with whom we try to share information and knowledge.</p>	<p>We also provide education and information to the general public to inform them about the nature and benefits of co-operation.</p> <p>In order to serve our members most effectively and strengthen the co-op movement, we work together with co-ops in Bristol and beyond, sharing intelligence, trading, referring business and engaging in partnerships.</p>
<b>Regenerative business</b>	<i>Environmental impact / policy</i>		
	<i>Circular principles</i>	<p>A lot of what we do is about re-using bikes and parts that can be renovated rather than scrapped. And we're promoting a pollution-free form of transport that improves people's physical and mental health.</p> <p>We try to buy stock that is less environmentally-harmful where we can. There isn't always a lot of choice with bike parts: there are a few main manufacturers worldwide and you basically have to use their stuff. But where there is more choice, we do use it. We buy inner tubes and tyres that contain a proportion of recycled material; we buy natural cleaners and lubricants; we buy products with less or no packaging.</p> <p>Our biggest and longest-running community programme is called 'Earn-a-bike', because service users aren't just given a bike; they work with a volunteer to renovate the bike, so that they understand a little about how it works and how to fix it. Even in the shop, where people are paying us to repair their bikes, we try to explain the reasons for undertaking particular work, and what people can do to keep their bikes running well.</p>	<p>To divert and redirect functional bicycles and their working parts from recycling and landfill. Through doing this, we help to lower the demand for raw materials, promote the ideas of reuse within our community and offer an alternative to simply buying new.</p>

<p><b>(Living) Purpose</b></p>	<p><i>Mission and values</i></p>	<p>The main aim of the co-op is to provide bikes and bike repairs to disadvantaged people who would not otherwise be able to afford them. We also aim to teach people bike maintenance skills in a friendly and supportive environment which is welcoming to everyone. I guess in terms of values, the most important things to me personally are that:</p> <ul style="list-style-type: none"> <li>• We try to democratise knowledge about bikes. We want people to be independent and empowered to look after their own mobility.</li> <li>• We try to be inclusive and to welcome people who may not always feel welcome in bike shops or represented in the mainstream bike industry.</li> </ul> <p>A lot of our activities are based around skill-sharing and learning. Our biggest and longest-running community programme is called ‘Earn-a-bike’, because service users aren’t just given a bike; they work with a volunteer to renovate the bike, so that they understand a little about how it works and how to fix it. Even in the shop, where people are paying us to repair their bikes, we try to explain the reasons for undertaking particular work, and what people can do to keep their bikes running well.</p>	<p>Anything we work towards must be in line with our core purpose, which is:</p> <ul style="list-style-type: none"> <li>• To provide a valuable and empowering service for underprivileged and marginalised groups of people within our community whose lives would greatly improve through the benefit of having accessible, affordable and sustainable transportation;</li> <li>• To provide an inclusive, non-judgemental, vibrant and supportive workshop environment for volunteers and project-users alike, from all walks of life, that encourages and promotes skill-sharing and independence, where new skills are learned in a way that is empowering for all and friendships are made;</li> <li>• To divert and redirect functional bicycles and their working parts from recycling and landfill. Through doing this, we help to lower the demand for raw materials, promote the ideas of reuse within our community and offer an alternative to simply buying new.</li> </ul> <p>We share the co-operative values of self help, self responsibility, democracy, equality, equity and solidarity. Our values are reflected in the way we work and govern.</p> <p>The purpose of the Co-operative is to carry out its objects and function as a co-operative and to abide by the internationally recognised values and principles of co-operative identity as defined by the International Co-operative Alliance. [Constitution]</p>
	<p><i>Challenges to upholding the mission</i></p>	<p>There have been many challenges during the last year, when the UK has been under quite strict covid restrictions for long periods. Bike shops are considered an essential service, so we have been allowed to stay open, but community programmes have been much reduced. We’ve not had any volunteers coming in (normally we might have between 5 and 15 each weekday, and around 10 on two evenings each week. Usually these volunteers do almost all the repairs and bike building for community programmes, but the shop staff had had to do almost all of it since April 2020. So we’ve been operating at reduced capacity and have not been able to help everyone who needs help.</p> <p>[Sustainability challenge] The lack of choice over many parts and components. Some small manufacturers make a real effort with sustainability, but they’re a tiny part of the industry.</p>	
	<p><i>Motivation for a business to be a worker co-operative</i></p>		
	<p><i>Motivation to work in a worker co-operative</i></p>	<p>For me it is very important not to have a hierarchy. We are all responsible for our own conduct and for working in ways that are good for the people around us. Of course we’re all imperfect human beings – we don’t always work well together – but it’s good to have this as our aim. To be autonomous individuals, but to use that autonomy for the collective good. And because we don’t have an owner or a boss, it’s up to us to set the direction of the organisation and to decide if there are political causes that we want to support, or issues that we want to take a stand on. That’s what being a co-op means to me. It’s also really important to me that it’s a not-for-profit</p>	



		organisation. We are working to make a living, but nobody else is profiting from our labour. We are investing our work in the community.	
	Economic democracy	And because we don't have an owner or a boss, it's up to us to set the direction of the organisation and to decide if there are political causes that we want to support, or issues that we want to take a stand on. That's what being a co-op means to me.	
<b>(Rooted) Membership</b>	Members and workers	Members are all active volunteers or members of staff.  I think around 70 members. We've just had our annual opt-in, where we have to confirm that we want to continue to be a member and commit to a certain level of engagement with the co-op (hours of volunteering and attendance at meetings).	Co-operatives are nothing without Members. Anyone who volunteers regularly can become a Member in order to become more involved in the running and the direction of the Project.  Membership of our Co-op is open to anyone who volunteers regularly at the Project over the age of 16. No-one is forced into joining, and no-one will be excluded because of discrimination. All volunteers are provided with meaningful information about membership and how to join.  <ul style="list-style-type: none"> <li>• Volunteer members are expected to volunteer a minimum of two sessions a month.*This may refer to a workshop or another session of volunteering, i.e. admin.</li> <li>• Members are expected to attend a minimum of 3 Members' Meetings each year, with special importance given to attending the AGM. If members can't attend, they are expected to send apologies and a proxy.* *We acknowledge that people's circumstances vary and we want to be flexible and inclusive - if you're worried about meeting this expectation please be in touch.</li> <li>• Members will be asked once every 12 months to opt back into membership including re-signing the 'Safer Space Commitment'.</li> </ul>
	Becoming a member	Employees automatically become members. Volunteers have to volunteer for a couple of months and then commit to doing a certain number of sessions each month (two, I think).	Anyone who is employed by the Project, or who volunteers regularly (after an initial period of four months) can apply to become a Member.  Membership is opt-in (offered to volunteers rather than automatic) and is self-regulating, meaning that volunteers are entrusted to decide if they meet the criteria for membership.
	Who has decision-making power	We work collectively to make decisions.	Anyone who volunteers regularly can become a Member in order to become more involved in the running and the direction of the Project.  We do not believe in hierarchies and we place equal value on the work of all our staff and members, regardless of their role. Our members have the same say, equal rights and equal responsibilities. We have a single rate of pay for all those employed through the project (currently being implemented).
	Power dynamics		We do not believe in the rigid adoption of a particular form of decision-making, which can place power in the hands of those most versed in that process, often silencing those less familiar. Instead, we adopt agile decision-making which means any individual or group is empowered to make decisions  No colleague, whatever their importance, can tell a decision-maker what to decide. Usually, the decision-maker is the person who first noticed the issue, or the person most affected by it.

			<p>In practice, this process proves remarkably effective. It allows anybody to seize the initiative. Power is no longer a zero-sum game. Everyone is powerful via the advice process, and responsible for their decisions.</p>
<b>(Mission-controlled) Governance</b>	How is the co-operative managed?	<p>Day-to-day operations are managed by the core staff: two co-ordinators and six shop mechanics. We're the people who are pretty much full-time (although none of us actually works five days a week!) and who have an overview of everything that goes on at BBP. The directors (who are members who carry out their director duties voluntarily) are legally responsible for the conduct of the company, but their role is advisory and they're not involved in a hands-on way in daily management.</p> <p>We have various working groups for particular areas of the business: premises; funding; representation and diversity; operations. These groups make decisions about their own areas and report to the directors.</p>	<p>We hold quarterly General Meetings to which all Members are invited. This is our principal decision-making forum where the fundamental direction of the Project is decided upon. An Ops Group made up of representatives from across the Project meets monthly to oversee the operational implementation of what we decide in General Meetings. A Directors Group is elected from our Members and holds overall responsibility for the legal and financial obligations of the Project, as well as acting as a protector of our purpose and values, and providing guidance and expertise to allow us to achieve our potential.</p> <p>There are a maximum of 8 OGRs to allow for effective meetings and decision-making, therefore certain programmes and / or services share a representative. Representatives could be a current coordinator or volunteer, working in the community programmes or trading arm services or staff member in a supportive function. Any Member can put themselves forward for the role as long as they have the name of 1 other employee, member or volunteer willing to nominate them. If more than 1 person applies, the employees, members or volunteers from the relevant area of the Project will be asked to vote. Every 6 months at the June and December Ops Group meeting, a minimum of one third of OGRs - those who are longest standing - will stand down, although they will be eligible for re-election.</p> <p>There are six directors, including a 'finance', 'HR' and 'community' director, at least 50% of whom must not be male. Directors are elected by and from the BBP membership, and any member (aged 16 years or more) can put themselves forward, but must know the organisation well enough. At the AGM, a minimum of one third of Directors - those who are longest standing - will stand down although they will be eligible for re-election.</p>
	How are decisions made?	<p>We work collectively to make decisions. We use the 'advice principle', which means that if we want to do something we need to check with everyone who might be affected by it before going ahead. If they're all OK with it, we can do it, whatever it is. Simple, but it works pretty well.</p> <p>For big strategic decisions (e.g. selecting a new premises), the whole membership votes at a general meeting (held four times a year).</p>	<p>All members are expected to participate in transparent, fair decision-making. We also recognise that effective decision-making sometimes means delegating authority to individuals or groups to act on behalf of the collective; any members serving as elected representatives are accountable to the wider membership.</p> <p>The success of non-hierarchical structures is reliant on trust within an organisation, and we are therefore committed to honesty and transparency in all our decision-making structures (with requisite discretion where required).</p> <p>We encourage agility in decision-making and seek to avoid creating too many meetings and too much bureaucracy! As far as possible, we encourage everyday, practical decisions to be made by individuals (i.e. staff, coordinators or volunteers) or working groups in person or via email lists, using the advice principle (i.e. any person can make any decision after seeking advice from 1) everyone who will be meaningfully affected, and 2) people with expertise in the matter).</p>

			<p>When decisions cannot be made autonomously by individual programmes or trading arms staff, either because of a need for wider consultation or disagreement, they should be taken to the Ops Group for decision.</p> <p>We operate via a mixture of consensus and agile decision-making. We understand consensus to mean not unanimity but finding agreement by seeking a compromise in a conversation. We do not believe in the rigid adoption of a particular form of decision-making, which can place power in the hands of those most versed in that process, often silencing those less familiar. Instead, we adopt agile decision-making which means any individual or group is empowered to make decisions in person, via emails or at meetings as long as they follow the ‘advice principle’.</p> <p>Advice received must be taken into consideration. The point is not to create a watered-down compromise that accommodates everybody’s wishes. It is about accessing collective wisdom in pursuit of a sound decision. With all the advice and perspectives the decision maker has received, they choose what they believe to be the best course of action.</p> <p>-</p> <p>Decisions at general meetings shall be made by passing resolutions. [...] A special resolution is one passed by a majority of not less than 75% of votes cast at a general meeting and an ordinary resolution is one passed by a simple majority (51%) of votes cast. [Constitution]</p>
	Metrics of performance	Various financial metrics related to turnover and expenditure; numbers of bikes given out or repaired through particular programmes each month.	In addition to any financial accounts required by the Companies Acts, the Members may resolve to undertake an account of the activities of the Co-operative which will endeavour to measure its co-operative, social and environmental performance using whatever methodology the Members deem appropriate. [Constitution]
<b>(Stakeholder) Finance</b>	Sources of finance or investment	<p>I’m not sure there really was any capital at the start. James and Colin started BBP at James’ house, with their own tools and things that people donated. And it grew very slowly from there.</p> <p>There are no financial demands from capital holders because nobody holds any capital. A community interest company isn’t owned by anyone: it belongs to the community. We’re financed mostly through our trading activities (about 80%) and some grant funding (about 20%).</p>	<p>Members contribute equitably to, and democratically control, the capital of their co-operative.</p> <p>We are independent, accountable only to our members. We do not make agreements or contracts that would compromise our autonomy and we actively plan to avoid becoming over dependent on any funder, supplier or customer.</p> <p>Tu further its objects the Co-operative may do all such lawful things as may further the Co-operative’s objects and, in particular, but, without limitation, may borrow or raise and secure the payment of money for any purpose including for the purposes of investment or raising funds. [Constitution]</p>
	Financial challenges	That’s a very broad question! In a general sense we do what any business would do: we try to control costs and maximise revenue. We also make sure we keep enough money in our reserves that we can survive challenging periods. Over the last year, we’ve made use of some of the UK government support schemes for businesses affected by the covid-19 pandemic.	<p>Although the company’s policy is to avoid redundancies wherever possible, the needs of the business may from time to time require a reduction in the overall number of staff employed or organisational changes that result in some employees being made redundant.</p> <p>Where this is necessary, BBP’s policy will ensure that:</p> <ul style="list-style-type: none"> <li>• the total number of redundancies made is kept to a minimum;</li> <li>• employees are fully consulted on any proposals and their implementation;</li> </ul>

			<ul style="list-style-type: none"> <li>• selection for redundancy is based on clear criteria that will, as far as possible, be objectively and fairly applied;</li> <li>• every effort is made to redeploy or find alternative work for employees selected for redundancy</li> </ul>
	<i>Selling the co-operative</i>	<p>If the company is closed down, any assets must be passed to another not-for-profit company. The 'Limited By Guarantee' part means that the company directors cannot be held personally financially liable for the company debts. So if I was a director and the company went bankrupt, my own money could not be used to pay company debts.</p> <p>No, a community interest company cannot be sold. If it's wound up, its assets must be passed to another community interest company.</p>	<p>The liability of Members is limited to £1 [Constitution]</p> <p>The Co-operative, being a community interest company, shall not transfer any of its assets other than for full consideration. Provided the condition specified in the Article immediately below is satisfied, this Article shall not apply to</p> <ol style="list-style-type: none"> <li>The transfer of assets to any specified Asset Locked Body or (with the consent of the Regulator) to any other Asset Locked Body, and</li> <li>The transfer of assets made for the benefit of the community other than by way of a transfer of assets to an Asset Locked Body</li> </ol>
<b>(Ethical) Networks</b>	<i>Work with local communities</i>	<p>We're part of the community in our neighbourhood (St Paul's). We're part of the Bristol cycling community. All of our service users live in Bristol, many very close to BBP in St Paul's. We have partnerships with over 50 organisations in Bristol who refer people to us. These partnerships provide links to a diverse range of groups.</p> <p>We're part of the 'progressive' community. That's pretty vague, but I mean that we're interested in things like social justice, redistribution of wealth, treatment of refugees and asylum seekers, respect for all gender identities. Lots of things that our government is not interested in at all!</p>	We are rooted in, and work for the sustainable development of, our community.
	<i>Belonging to trade or co-operative communities</i>	We're part of the bike co-ops community (I'm not sure how many there are in the UK now, but there are a few that we're in touch with quite a lot and with whom we try to share information and knowledge.	
	<i>Customers</i>	<p>This has been difficult over the last year with covid restrictions, because we've not been able to have service users or volunteers spending time at the project. Those are two of our most important stakeholder groups, but obviously building and maintaining relationships is very hard without face-to-face interaction. Normally that would be the main way.</p> <p>I'm not really sure that customers are stakeholders either. We sell stuff, and they buy it! Obviously we try to provide good service in the shop, but customers don't have any say in the running of the organisation, so I don't really see them in this way.</p>	
	<i>Suppliers</i>	I wouldn't really count suppliers as stakeholders. They sell stuff and we buy it, but that is as far as the relationship goes.	

## Data template for Calverts

First order codes (deductive, a priori themes)	Sub-codes (mix of <i>deductive</i> from the protocol and <i>inductive</i> as emerging from the data)	Data source: Interview summary (direct quotes in quotation marks, otherwise narrative summary as per the approved summary)	Data source: Documentation (all direct quotes, unless in [] as short notes by the researcher) <ul style="list-style-type: none"> <li>Website (<a href="#">public</a>)</li> <li>Environmental Policy Statement, 2020 (hereafter EPS) (<a href="#">public</a>)</li> <li>Fact sheet: Paper and the environment (hereafter FS Paper) (<a href="#">public</a>)</li> <li>Fact sheet: Print and the environment (hereafter FS Print) (<a href="#">public</a>)</li> <li>UAL, 2019, “Meet: Calverts” (hereafter UAL) (<a href="#">publicly</a> available case study provided by the co-operative representative)</li> <li>FCA Mutuals Public Register (hereafter Register) (<a href="#">public</a>)</li> </ul>
Case background	Business activity	Design and printing co-op established in 1977. Started as a “de facto community arts printer for university communities and campaign groups.”	Calverts is a communications design and printing worker owned co-operative, based in Bethnal Green. Founded in 1977, Calverts specialises in branding, publications and sustainable print and produces high quality literature and web-based media for corporate, community, government and arts organisations. [EPS]
	History	Design and printing co-op established in 1977. Started as a small printing co-op by four people who had been made redundant from previous jobs. They borrowed money to buy a printing press and became a “de facto community arts printer for university communities and campaign groups.”	
	Legal form of incorporation		Registered Society under the Co-operative and Community Benefit Societies Act 2014, A bona fide co-operative society [Register]
Sustainability	<i>Sustainability as “continuing”</i>		
	Environmental	<p>“Sustainability and environmental awareness have always been what Calverts believed in from the early days.”</p> <p>In the 80s, recycled paper was a lot rarer than today, Calverts was “one of the first printers in the UK” that sourced recycled paper (from Paperback, then a co-operative), and “helped change the narrative around this paper from being something that’s a bit weird, to something that’s now become normal.”</p> <p>As a co-op Calverts was also about having decent standards of work. The printing room with ink and chemicals can be quite harmful, a decision was made from the early stages to use the least harmful products. In the 80s, 90s, the co-op started thinking about what inks and chemicals are used in the press room and switched to using vegetable and oil inks. “Those two things, the paper and the inks, led Calverts to its environmental path.”</p> <p>The printing industry has changed with these measures now being standard, “if you want to be sustainable and environmentally aware, you have to go a lot further than those things. Now there are a lot of initiatives around zero carbon deliveries, energy use, using</p>	<p>We are Forest Stewardship Council® certified, which means that the papers we use can be traced back to responsible forestry through a certified chain of custody.</p> <p>We adhere to the ISO environmental management system standard. We use it to measure, control and reduce impacts including carbon emissions, recycling and resource efficiency. Our external ISO audit is carried out by NQA, a UKAS-accredited certification body.</p> <p>We use vegetable oil-based inks on our litho press, soy-based inks on our risograph printer, and partly plant-based dry toner on our digital press. These have less impact on the environment during production, use, and when paper is ‘de-inked’ to be recycled. Used solvents are collected by a licensed environmental partner and where possible treated by bio digestion.</p>

		<p>renewable power, looking at your suppliers, what kind of policies do they have, are they co-ops, policies around decent work.”</p> <p>Calverts’ environmental policy has evolved through the years. In 2011 a decision was made to adopt the ISO 14001 environmental standards (“an independent, audited benchmark for companies to show they’re operating to a high environmental standard”), this took a lot of work on having the right policies in place, around two years of ground work. Calverts gets audited for the standard every year. Nowadays it is easier to manage the organisation’s environmental impact (with help from an external consultant), by following the metrics imposed by the standards around e.g. the use of energy, product waste and recycling, the supply chain. Currently in process is a supply chain policy, with minimum requirements such as “making sure suppliers are compliant with environmental laws, paying staff fairly.” For paper, where most money is used, Calverts looks at whether it is FSC certified, whether it is recycled, whether the paper mills have environmental credentials.</p> <p>Auditing is more straightforward and official on the environmental side (with the ISO 14001 standards and FSC certification). “If you say you do something, then you have to have evidence that you’re doing it, and you’re doing it well.”</p>	<p>Our aluminium printing plates are recycled and re-used by the construction, motor, and print industry. We recycle plastic containers wherever possible too.</p> <p>100% of our electricity is generated from hydroelectric and wind power. Our supplier is Ecotricity, who also supply gas for our heating system. We chose them because of their commitment to researching, investing in and developing more sources of renewable energy for industries like ours.</p> <p>We encourage cycling to work and that’s what most of our members do. We are members of Zen, the London Zero Emissions Network, and use a cargo bike for small local drops to suppliers and customers. We campaign for better cycle and electric vehicle facilities in the city. [website]</p> <p>Our objectives are to:</p> <ul style="list-style-type: none"> <li>• Reduce the impact of our supply chain.</li> <li>• Improve resource efficiency. [EPS]</li> </ul>
	Social	<p>As a co-op Calverts was also about having decent standards of work. The printing room with ink and chemicals can be quite harmful, a decision was made from the early stages to use the least harmful products.</p> <p>There is no specific social or ethical policy in the co-operative however Calverts is a signatory of the Worker Co-operative Code published by Co-operatives UK (one member from Calverts helped draft the code). Calverts also follows the Co-operative Principles.</p> <p>No official auditing for how the co-operative adheres to the Worker Co-operative Code or the co-operative principles. Co-operatives can adhere to the code and principles even without knowing they’re doing it as there is no official audit.</p> <p>Good work for the members would mean “doing that responsibly, paid to a decent standard, safe, interesting work, working with interesting and progressive organisations, ones that have social values, environmental values, not just purely commercial, something that has some social benefit. If you do varied work there’s a chance to learn about projects, so kind of learning and growing.”</p>	
	Economic		
	Learning and experimentation	<p>The printing industry has changed with these measures now being standard, “if you want to be sustainable and environmentally aware, you have to go a lot further than those things. Now there are a lot of initiatives around zero carbon deliveries, energy use, using renewable power, looking at your suppliers, what kind of policies do they have, are they co-ops, policies around decent work.”</p> <p>Calverts’ environmental policy has evolved through the years.</p>	
Distributive business	Income and wages	<p>Flat rate per hour, above the Living Wage, as set by the Living Wage Foundation. This “in some cases was a bit of a barrier in bringing in new staff because it’s going to be expensive, we couldn’t afford it.” A decision was made in the past to pay the higher</p>	

		London Living Wage to attract an apprentice when they would have earned a higher wage somewhere else based on the standard industry rate. There is some flexibility in order to bring people on board.	
	Profit/surplus use		We have no external owners, so all trading surpluses are re-invested to develop the coop, improve wages and conditions, or carry out community benefit projects. [UAL]
	Ethical/Business ethics policy		
	Responsible supply chain	Nowadays it is easier to manage the organisation’s environmental impact (with help from an external consultant), by following the metrics imposed by the standards around e.g. the use of energy, product waste and recycling, the supply chain. Currently in process is a supply chain policy, with minimum requirements such as “making sure suppliers are compliant with environmental laws, paying staff fairly.” For paper, where most money is used, Calverts looks at whether it is FSC certified, whether it is recycled, whether the paper mills have environmental credentials.	When procuring goods and services, we will balance the need for quality, reliability and value with criteria of ethical production, energy efficiency, least environmental harm and least waste. We will look to work with suppliers that treat people fairly, are local, and are cooperatives or other forms of social business. Where they are available, we will use manufacturer eco-labels and supplier EMS certifications as tools to help us make informed choices. [EPS]
	Diversity		
	Knowledge sharing		
<b>Regenerative business</b>	Environmental impact / policy	[See Sustainability – Environmental]	[See Sustainability – Environmental]
	Circular principles	<p>In the 80s, recycled paper was a lot rarer than today, Calverts was “one of the first printers in the UK” that sourced recycled paper (from Paperback, then a co-operative), and “helped change the narrative around this paper from being something that’s a bit weird, to something that’s now become normal.”</p> <p>Nowadays it is easier to manage the organisation’s environmental impact (with help from an external consultant), by following the metrics imposed by the standards around e.g. the use of energy, product waste and recycling, the supply chain. Currently in process is a supply chain policy, with minimum requirements such as “making sure suppliers are compliant with environmental laws, paying staff fairly.” For paper, where most money is used, Calverts looks at whether it is FSC certified, whether it is recycled, whether the paper mills have environmental credentials.</p>	<p>We are Forest Stewardship Council® certified, which means that the papers we use can be traced back to responsible forestry through a certified chain of custody.</p> <p>We adhere to the ISO environmental management system standard. We use it to measure, control and reduce impacts including carbon emissions, recycling and resource efficiency. Our external ISO audit is carried out by NQA, a UKAS-accredited certification body.</p> <p>We use vegetable oil-based inks on our litho press, soy-based inks on our risograph printer, and partly plant-based dry toner on our digital press. These have less impact on the environment during production, use, and when paper is ‘de-inked’ to be recycled. Used solvents are collected by a licensed environmental partner and where possible treated by bio digestion.</p> <p>Our aluminium printing plates are recycled and re-used by the construction, motor, and print industry. We recycle plastic containers wherever possible too. [website]</p> <p>Our objectives are to:</p> <ul style="list-style-type: none"> <li>• Reduce the impact of our supply chain.</li> <li>• Improve resource efficiency. [EPS]</li> </ul> <p>In summary it is best to think about paper in a holistic sense. On balance using recycled paper is better as it uses less energy to make and makes best use of trees by using the fibre over and over again. However we still need a balance of virgin fibre paper made from well managed forests to keep the</p>

			<p>loop going. In fact this is the official position of The World Business Council for Sustainable Development (WBCSD) when asked to answer the eternal question of which is best, recycled or virgin. Always recycle and think about its after use, to make sure it can be recycled, as treatments and processes like wire-o binding or laminating make the job harder. [FS Paper]</p> <p>Go paperless' and 'save trees' are common phrases heard these days. The continued growth of digital media and online publishing means electronic forms of communication are often perceived as being environmentally better than print – perceptions that are wrong, in many cases. The issue of print versus electronic is very complex, and there isn't a definitive answer, but here are some things to think about:</p> <ul style="list-style-type: none"> <li>• Electronic waste is the fastest-growing waste stream in the UK, according to the Department for Environment, Food and Rural Affairs (Defra). [...]</li> </ul> <p>In reality we live in an increasingly digital world, where electronic and paper based communications coexist and are often complementary. Anyone who feels the need to choose will often have to look hard at the fine detail so better we should continue to look for ways to reduce the impact of both. [FS Print]</p>
<p><b>(Living) Purpose</b></p>	<p>Mission and values</p>	<p>This was a period when many small grassroots co-operatives started as there was funding was available, and because of “the economic and social climate of the time” in the late 70s, early 80s, marked by e.g. high unemployment. Starting a printing co-op as a way of campaigning.</p> <p>“Sustainability and environmental awareness have always been what Calverts believed in from the early days.”</p> <p>“I don't think Calverts has a vision, a mission and values written down. [...] As an organisation, it's not something that we have on the website or that you could ask someone and they could easily tell you.” Back in 2015-2016 there was a website review and a marketing strategy review and “it was suggested to start having a mission and values exercise where we would write that down [...] as it would bring people together and make it clearer, and once things are clearer you can better identify customers, keep the business going.” A lot of ideas came out but so far not fully incorporated or made official.</p> <p>Broadly, the mission of the co-operative is about “keeping high quality jobs, decent jobs, and quality work, quality of product and service. Decent work, i.e. interesting and work that has value, but also doing that well and making sure it is of high quality so that we can retain customers. [...] There was a bit of a debate whether the mission and values should be more about the clients, i.e. we do great work, or it should be more about sustaining jobs, i.e. we're about having good jobs. My personal opinion is that if you don't do good work and retain clients, you won't have jobs.”</p> <p>Good work for the members would mean “doing that responsibly, paid to a decent standard, safe, interesting work, working with interesting and progressive organisations,</p>	<p>We work with our clients to deliver print and design solutions that are socially and environmentally responsible as well as beautiful and effective. [website]</p>



		ones that have social values, environmental values, not just purely commercial, something that has some social benefit. If you do varied work there's a chance to learn about projects, so kind of learning and growing."	
	Challenges to upholding the mission	"One of the things with the co-op is that people don't often leave. So there are very few positions available anyway. It leaves you a bit with an aging workforce. One of the things we found as a problem is bringing through people to carry the business forward, which are basically younger people."	Challenges are mainly around succession – hard to find room for new blood when people don't tend to leave! – And responding to the decline in our traditional market (high-end print).  It takes time to adapt to having no formal managerial structure, especially if coming from a non-co-operative background. Calverts self manages – mainly through circular workgroups and weekly/monthly management meetings. Not everyone may want to participate in this process, and so the challenge is making sure everyone's voice is heard and that 'management' and other essential tasks are carried out by everyone and not just the same few. [UAL]
	Motivation for a business to be a worker co-operative		
	Motivation to work in a worker co-operative	It varies from person to person. Personally, the respondent applied to their position "as the job sounded interesting. [...] The co-op side of thing made it extra interesting." Some other people are just interested in doing their job and are happy as long as their work environment works well for them, e.g. they get along well with their colleagues.  "One of the benefits of working in a co-op is that you can learn new skills, e.g. someone started this environmental role, they then left and I kind of took it on as an extra responsibility."	A cooperative was the most natural and logical model for us in which to run a business collectively in which responsibility and power are shared along with equal rates of pay.  I for one would never have put in the work I have to anything other than a coop where I knew that the fruits of our hard work would be shared with fellow workers rather than benefitting a boss or outside shareholders. Also not to be underestimated was the heady pleasure( despite the hard work involved ) of actually being able to collectively make decisions about the day to day running and the future of the company.  Benefits are above-average wages and conditions, a culture of respect and mutual support, the possibility to use the productive capacity of Calverts for personal projects, and the opportunity to develop new skills.  The benefits are that you feel empowered about having a say in how the place is run, and that over time you can develop new skills, as and when personnel or the business changes. [UAL]
	Economic democracy		[a co-operative] is an organised collective of workers enabling democratic self-management of our work, decent jobs and self-development. [UAL]
<b>(Rooted) Membership</b>	Members and workers	Currently 12 members with no non-member employees, although that is possible in the co-operative. One is encouraged to become a member, but should someone choose to remain an employee, that is allowed (very uncommon, possibly only a few non-member employees in recent years).	
	Becoming a member	The process of becoming a member is simple and explained when you first join. An initial probation period of six months, at the end of which "if everyone's happy with how that's progressed, you would be offered the chance to be a member." The members will first vote on whether the employee is offered the membership, then they contribute one pound to become a member.	

	Who has decision-making power	Membership comes with the right to participate in decision making. Prior to becoming a member, one can still participate in meetings but without voting rights.	
	Power dynamics		
<b>(Mission-controlled) Governance</b>	How is the co-operative managed?	<p>“All members have an equal say and get paid the same” (equal rate of pay per hour, not everyone works the same number of hours)</p> <p>People get employed on a particular role based on the skills they can bring to it. “You would be asked to contribute to becoming a member and then helping manage the business. You would have an extra role, which could be bringing things to the meetings, helping out in the other departments, learning new things, generally being a good co-op member. [...] You can bring things to the table and people will discuss it.”</p> <p>“But there are some people that don’t really participate as much, are more passive members who are quite happy to do the work and then go home. But it is obligatory to attend the members’ meetings. Because as well as a member you are a director, so there is some responsibility to managing the company, keeping it financially stable, keeping people employed, health and safety, environment, keeping the co-op going. In other jobs before, I was used to just going in and doing the job, but here there is an extra layer of responsibility. It suits some people, but some people perhaps are not so suited or are just not so interested in the extra layer of responsibility, I think it very much depends on the individual.”</p>	<p>Our employees jointly own and control the firm, putting into action the coop values of equity, solidarity, democracy, self-help, self-responsibility and equality.</p> <p>We are an independent organisation, with a commitment to openness, strong business ethics and the commons. [website]</p>
	How are decisions made?	<p>Decisions are made at monthly management meetings on a voting system based on majority voting. “I wouldn’t say there’s loads of voting done every meeting because sometimes there’s nothing to discuss that warrants a vote. Sometimes it’s just a consensus on a decision and it doesn’t really need a vote. It’s only major things that affect finances, changes to buildings or working with contractors, buying equipment, things that are more upper level that would affect everyone. On a day-to-day basis, people are free to make decisions in their own department.”</p> <p>Decisions made within departments are less regulated, they might have their own department meetings, “there is a bit more freedom just to get things done, otherwise it would be too slow to progress with any tasks.” A colleague at the co-op is interested in sociocratic working methods (i.e. small decision-making in groups rather than in full members’ meetings) other members might be less able to explain what that entails however people would probably say that “Calverts works a bit along those lines”, although that has not become an official policy.</p>	
	Metrics of performance		
<b>(Stakeholder) Finance</b>	Sources of finance or investment	<p>Initial funding: An educated guess from the respondent that in the late 70s there was funding available for co-operatives to start, so the co-op possibly drew on some of this funding, as well as on redundancy money from the founders who had lost their jobs.</p> <p>“To keep current, you have to keep investment in IT, printing equipment, which is expensive. There has been either loans, some investment made by borrowing to pay for this equipment. It’s not something that happens a lot but you have to keep up to date, otherwise, literally, you wouldn’t have the tools to be able to do the job properly.” Loans</p>	

		<p>not from investors, as Calverts is not open to outside investors. “Members can invest and there are certain rules about members investing. If they invest, I don’t think they have more say or more power. It’s called a member’s loan, and they would get it paid back. It’s possibly happened once or twice, it’s a rare thing. The loan for a printing machine, which was a long time ago, was possibly from a print finance company.”</p> <p>“Calverts has been careful about not borrowing too much money, because it has to remain financially stable because no one is going to bail it out, it still has to function as a solvent business, it has to live within its means.”</p>	
	Financial challenges	<p>Transparency around finances so that all members can see what is happening. “Because it’s all out in the open, there can be a full and frank discussion.”</p> <p>People are flexible in order to save their jobs, e.g. “they might take a temporary reduction in pay to keep the business going”. Some might not agree to that and then “we need to lose jobs or do something else.”</p> <p>“By being a co-op, I think there’s more flexibility during hard times and people won’t turn up one day and find that they lost their job. That would be the last resort.”</p> <p>“We are trying to survive on a cultural front. [...] When financial times are hard, we don’t have lots of opportunities for outside investment, we have to get creative.”</p>	
	Selling the co-operative		
<b>(Ethical) Networks</b>	<i>Work with local communities</i>	<p>“Calverts has always been based in and around the East End area of London, traditionally quite a poor area, although that’s kind of changed now due to gentrification, but because of that history there was always lots of charities and community groups, anti-racist groups, gay and lesbian rights, loads of charities and campaign groups operating out of that area. In those early days, that was a key component of Calverts’ customer base. There’s a lot of history there, if I look into my archive folders, there’s some interesting print projects done for these campaign groups. Almost like a campaign printer. I think we still have that reputation, cause people still come to us with those kind of jobs and in some cases, they don’t have much money either. So we do sometimes help people out a little bit by producing print things for them at better rates, maybe, than some other groups. But that’s done purely on a case by case basis, there’s no official policy for that.”</p>	
	<i>Belonging to trade or co-operative communities</i>	<p>Part of The Worker Co-op Council, which is elected from different worker co-operatives, meets and decides strategy and policy for worker co-ops. A close-knit group where discussions crop up (for example, discussions on sociocratic principles of decision making). They do “weekends away, camping trips, a. to get things done and come up with new ideas and b. it’s quite a sociable [event], community-led, people are friends.”</p> <p>Part of a co-op tech group. Calverts has a design studio including digital design.</p> <p>Part of the East End Trades Guild, a “members-led body of independent businesses which are campaigning for affordable rents, keeping shops and businesses in the East End independent.”</p>	<p>Calverts is active in networks of coops in London, the UK, Europe and around the world. Coops share the goal of creating a different kind of economy – one that puts communities, workers and the environment first. [website]</p>

		Part of Zero Emissions Network, “which campaigns for clean air in the local area [...] encouraging doing deliveries on cargo bike so using zero emission transport.” Calverts has its own cargo bike.	
	Customers	<ul style="list-style-type: none"> <li>From the beginning, Calverts attracted as customers organisations like Greenpeace, Friends of the Earth, community and campaign groups based on the co-operative’s environmental focus.</li> <li>Some from the social sector: other co-ops, social enterprises, community and campaigns groups, charities.</li> <li>Education sector: universities (as large organisations, they are thorough of their suppliers and will enquire about Calverts’ suppliers as well, thus having an environmental policy helps work with large contracts), schools.</li> <li>Arts and creative sector: design agencies, artists, art galleries, self-published books or small publishers.</li> </ul>	
	Suppliers		

## Data template for Co-operative Assistance Network Limited

First order codes (deductive, a priori themes)	Sub-codes (mix of deductive from the protocol and inductive as emerging from the data)	Data source: Interview summary (direct quotes in quotation marks, otherwise narrative summary as per the approved summary)	Data source: Documentation (all direct quotes, unless in [] as short notes by the researcher) <ul style="list-style-type: none"> <li>Company website (<a href="#">public</a>)</li> <li>Rules of Co-operative Assistance Network Limited, 2002 (hereafter Rules) (<a href="#">public</a>)</li> <li>Workers Co-op Code of Governance Audit, 2019 – self audit (hereafter Audit) (<a href="#">public</a>)</li> <li>Environmental Accounts 2019-20 (<a href="#">public</a>)</li> </ul>
Case background	Business activity	<p>CAN works towards the development of co-operatives and social enterprises. “Our job, our mission is to assist in the development of co-operatives and social enterprises, and essentially we see our role as providing the missing pieces of other people’s jigsaws.”</p> <p>This involves, for example, carrying out analytical work with clients on their strengths and weaknesses, training, mentoring, consultancy exercises, or supporting clients with business operations and department work. An important stream of work and income is working with funded projects to enable people to set up co-operatives and social enterprises, and then continue to provide them with support services on contract (over 100 clients on contract, ranging from £100 every six months to £30,000 a year).</p> <p>Clients: housing co-ops, credit unions, worker co-ops, community asset holding etc. CAN is here to make them more resilient and more powerful.</p>	CAN has assembled a team of skilled specialists and resources to provide specialist development services and training to co-operatives and community enterprises through business advice, training design and delivery, group facilitation, feasibility studies, development planning support and accessing appropriate funding for the social economy. [website]
	History		Established in 1989. [website]
	Legal form of incorporation	CAN is legally a Registered society under the Co-operative and Community Benefit Societies Act 2014 – this comes with a specific annual reporting format, but mainly it refers to the co-operative identity of an enterprise. All legal forms of organisation can	

		and are used by co-operatives, but they were not specifically created for co-operatives. CAN's particular form was created for co-operatives. It is also partly about the protection that it gives to the co-operative itself from the directors, ensuring it remains a co-operative and adheres to co-operative principles (it is difficult for new members to change the form of incorporation).	
Sustainability	<i>Sustainability as "continuing"</i>	"There are obviously many ways of understanding sustainability work, the basic one being: is the organisation still here next year, and the year after. We are now negotiating year 33, so we are beginning to look like we might be sustainable. It takes a long time before you can get to a situation where you really believe that you built in everything that's required to take whatever shock comes and still be here next year and the year after."	
	<i>Resilience</i>	<p>Resilience analysis is a main priority of work and expertise for CAN. Looking at a list of hundreds of shocks that might hit any organisation and what effects such a shock might have and how prepared an organisation is to recover from it. There is always something you have not thought of, and always something you could have done better in recovering from a shock. CAN is applying this expertise onto itself as a business.</p> <p>"Most co-operatives are small organisations, so you are never absolutely safe, there are greater forces out there in the world. You cannot be invulnerable, that is one of the big things to understand about sustainability. To realise you can absolutely be flattened by something out there, and you still need to get up from the floor and if necessary pretty much start all over again." CAN has had to do just that a couple of times over the years.</p> <p>"What we do see in co-operatives time and time again is situations where they do survive where they simply would not have survived, had they not been co-ops. Because the members have agreed to take the hit. Whereas if there was an organisation where there was an outside owner, it would not have been worthwhile to get the organisation through the crisis. It would have been easier to fold hand, walk away, take what they could get back from it and go and invest in something different. So the workers, that would not have been rational, say, to take a cut in wages or do some other productivity deal which would enable the organisation to get through. They would be like: It's your business, your problem, so what are <i>you</i> going to do? Whereas when it's a co-operative, it's our problem, what are <i>we</i> going to do?"</p>	
	<i>Environmental</i>	<p>"Sustainability in terms of being part of a sustainable community, a sustainable society and a sustainable ecosphere."</p> <ul style="list-style-type: none"> <li>• Much bigger than what CAN can affect directly</li> <li>• Still very important that every organisation does all it can</li> <li>• CAN audits on different areas of sustainability</li> </ul>	[CAN has published an "Environmental Policy and Strategy" in 2013 and since then has produced a yearly environmental report with self-imposed and self-audited targets.] [website]
	<i>Social</i>	<p>"Sustainability in terms of being part of a sustainable community, a sustainable society and a sustainable ecosphere."</p> <ul style="list-style-type: none"> <li>• Much bigger than what CAN can affect directly</li> <li>• Still very important that every organisation does all it can</li> <li>• CAN audits on different areas of sustainability</li> </ul>	<p>[CAN has published a "Social Policy and Social Impact Measurement Policy" in 2018 and a "Social Accounts Report" for the trading year 2013-2014, with self-imposed targets measured based on work hours delivered. More recent social reports are not available on the website.] [website]</p> <p>[The "Workers Co-op Code of Governance Audit" published in 2019 covers social areas] [Audit]</p>

	<i>Economic</i>	“What we do see in co-operatives time and time again is situations where they do survive where they simply would not have survived, had they not been co-ops. Because the members have agreed to take the hit. Whereas if there was an organisation where there was an outside owner, it would not have been worthwhile to get the organisation through the crisis. It would have been easier to fold hand, walk away, take what they could get back from it and go and invest in something different. So the workers, that would not have been rational, say, to take a cut in wages or do some other productivity deal which would enable the organisation to get through. They would be like: It’s your business, your problem, so what are <i>you</i> going to do? Whereas when it’s a co-operative, it’s our problem, what are <i>we</i> going to do?”	[CAN has been publishing their “Financial Statements” on the website yearly since 2004] [website]
	<i>Learning and experimentation</i>	A question of starting: Asking what are the areas the organisation wants to perform well on. This is the reason why it takes years to become sustainable, as over the years you re-evaluate what those areas are, and then you tease out how you might measure them, and what is reasonable to achieve (“the worse possible thing is that at the end of each year to discover that you are a complete and utter abject failure at everything”). “One big part of sustainable is sustainable objectives and sustainable progress, not trying to go too fast, go too far, do too much. What can you actually achieve as an organisation of 8 people in one year? Frankly, not a lot. But as long as at the end of that year you are performing a bit better, and you are a little bit more sustainable than what you were at the beginning of the year, take that, and move on to the next year.”	
<b>Distributive business</b>	<i>Income and wages</i>	Set at the AGM on the recommendation of directors, who recommend based on the status of the co-operative’s finances (e.g. how is the sweat equity status, are the minimum standards of reserves met).  Signatories to the Minimum Living Wage policy as calculated by the Living Wage Foundation, but with the mention that “it’s politically a good thing to say, a good badge to wear, but it’s not exactly honours to pay the living wage, it’s not a very high target”.	Set pay levels which are sufficient to sustain long-term employment and membership and to maintain skills and experience? Pay is at national living wage. pay is shit but we know it [Audit]
	<i>Profit/surplus use</i>	Some surplus goes into increasing reserves to protect from the next shock, some into investing in other co-operatives. There is the ability to increase wages and pay bonuses, but in reality CAN has not done profit sharing for 7-8 years, investments in other co-ops are considered more important. Investments happen in the form of community share issues, loan stock, or giving money out. “We do think it’s important that, if you say you’re part of a community, you put your money where your mouth is.”	The profits of the Co-operative shall be applied as follows in such proportions and in such manner as may be decided by the Co-operative at the Annual General Meeting: a) firstly, to a general reserve for the continuation and development of the Co-operative; b) secondly, in paying dividends on issued share capital at a rate not exceeding 10 per cent; c) thirdly, in paying a bonus to members in some equitable proportion to their contribution to the business of the Co-operative at such rates, on such terms and in such manner as the meeting shall decide; d) fourthly, in making payments for social and charitable objects. [Rules]
	<i>Ethical/Business ethics policy</i>		
	<i>Responsible supply chain</i>		
	<i>Diversity</i>	There are now more mechanisms for community share issues, democratic funding platforms, i.e. enabling funding to come directly from the communities served, however “it tends to serve the purposes of a particular class and colour of people. Good people doing good things, don’t get me wrong. Pretty shrewd investments, actually, not going to	

		<p>lose money on generating energy. And protecting the environment, but then they are the people who have the best environment to live in. You can't actually manage to get a community share issue together to raise a million pounds to build a youth club in a deprived community. The money isn't available in the host community and it doesn't offer a guaranteed return for the investors who have the money. We are making a certain amount of progress, there are areas in which we can do good things with resources collected from good people. But there is an awful lot of stuff we really can't yet do."</p> <p>Referring to the co-operative movement, "we are absolutely, totally, not diverse enough." CAN itself might get 7-10/10 on many of the metrics it uses to measure itself, but it has been "stuck on 0/10 for diversity for some years". Reasons: mainly because CAN has not put the time and energy to engage with more diverse potential employees, partly because CAN is "not perceived by people in ethnic minorities as being a reasonable route forward to address the issues that they find important to themselves and their communities". "It's probably our biggest single challenge, after saving the planet, for the next 10-20 years."</p>	
	<i>Knowledge sharing</i>	<p>CAN has had a couple of existential crises, which is normal, "an existential crisis a decade is normal". Both times members have taken the hit (taking wage cuts, putting personal money in, or both). It is now assisting other co-operatives with models of accounting for sweat equity that are fair for everybody.</p> <p>Sharing of knowledge and resources is encouraged. "There is a big overlap between people who believe in open-source (which is basically common ownership of IP, intellectual property) and people who believe in common ownership of property and resources and people who are cooperators. There is overlap, but they are not necessarily the same." CAN shares for free all the tools that it has developed over the last 30 years with the people they work with (registered users from all the communities). It does not share these tools widely to protect it from getting corrupted or running out of date.</p>	<p>We present this policy set as part of our commitment to Open Source working. They are not copyrighted - you may copy them and modify them for your own purposes - but note that they are not designed as model policies or templates but are presented as examples of actual working policies. Many of them have evolved over a number of years, some of them are a bit rough round the edges and they may be revised at any time. [website]</p>
<b>Regenerative business</b>	<i>Environmental impact</i>	<p>Metrics chosen based on what the team believes as important for CAN to contribute with, this is what it measures itself against. It then publishes its audits to encourage people to challenge these metrics chosen, which improves CAN's auditing strategy. CAN has been challenged especially by its own community and similar organisations. "At first you are a little bit sensitive, but then you start to realise the benefit of debate in terms of raising your own understanding and that's everything."</p>	<p>Minimise Negative Impacts</p> <ul style="list-style-type: none"> <li>• Discuss, amend, agree, issue policy guidelines, and advice to all workers on how to "sell the minimise travel policy to customers and clients" – not achieved</li> <li>• Provide encouragement to meet electronically – much more use of loomio for governance and co-working achieved</li> <li>• Issue reminder to employees of financial support available for the purchase and use of bicycles - not achieved</li> <li>• Freeze mileage allowance at current level, not inflation accounted – achieved</li> </ul> <p>Maximise the positive environmental impacts by</p> <ul style="list-style-type: none"> <li>• Developing a toolkit and advice notes for CAN workers to use in consultancy exercises with clients - achieved</li> <li>• Announcing the availability of the consultancy service on Web Site and via Social Media - not achieved</li> </ul> <p>Set Annual Targets by</p>



			<ul style="list-style-type: none"> <li>Placing an action on Directors to set environmental targets annually within the annual business Plan - now incorporated into objectives grid and planning process [Environmental Accounts]</li> </ul>
	<i>Circular principles</i>		
<b>(Living) Purpose</b>	<i>Mission and values</i>	<p>“We are revolutionists and we are here to change the world and we are enthusiasts for common ownership. We wish to see more property in common ownership, more business in common ownership, more housing in common ownership, more grassroots democracy, more people feeling that they can, and do, have some influence over where they live and what they do and how things work around them. Our mission broadly is anything which empowers people and organisations to do just that.”</p>	<p>Our Mission Statement combines our commercial and social objectives: "To assist in the development of co-operatives and social enterprises and to be a good example of a socially responsible workers' co-operative"</p> <p>In pursuance of this mission CAN has the following aims:</p> <ul style="list-style-type: none"> <li>To be a good employer</li> <li>To be an active democracy</li> <li>To be an active part of the co-operative movement</li> <li>To be socially responsible</li> <li>To identify the development needs of co-operative enterprises</li> <li>To develop training and development tools and methodologies to meet these needs</li> <li>To deliver services sensitively and economically. [website]</li> </ul> <p>the Co-operative shall have regard to promoting the physical, emotional, mental and spiritual well-being of the community, especially those who participate in the activities of the Co-operative, and shall support, foster and promote the principles and practice of common ownership and co-operation in its own affairs and in society generally. [Rules]</p>
	<i>Challenges to the mission, goals or sustainability ambitions</i>	<p>Resources in the control of someone else (i.e. “the capitalists or the government”) – “the government gives away billions of pounds to bad ideas but will not invest more than pennies in projects that are required in the communities”, i.e. little governmental support for the co-operative movement. Co-operatives and CAN have been big users of European funds and that is now being replaced by UK governmental funds, with the flagship funding for community owned enterprise happening at the level of “middleclass, white, rural villages” where the community takes over the local shop or the local pub to avoid it from being lost to e.g. housing development.</p> <p>Referring to the co-operative movement, “we are absolutely, totally, not diverse enough.” CAN itself might get 7-10/10 on many of the metrics it uses to measure itself, but it has been “stuck on 0/10 for diversity for some years”. Reasons: mainly because CAN has not put the time and energy to engage with more diverse potential employees, partly because CAN is “not perceived by people in ethnic minorities as being a reasonable route forward to address the issues that they find important to themselves and their communities”. “It’s probably our biggest single challenge, after saving the planet, for the next 10-20 years.”</p>	<p>The Co-operative has exhibited some symptoms of democratic decay born of the Directors forming a majority of the Membership. There has been an increased use of digital media at the director level which has enabled increased convenience in discussion and decision making at this level and a richer and more convenient conversation in which other members are not involved. The directors should launch an initiative to ensure that all members are able to participate in the more general policy and strategy discussion. As a small enterprise there are the usual capacity issues and difficulties in ensuring any redundancy in the system or accumulating reserves to meet existential threats. The creation of a risk register is the place to begin work on assessing threats and ensuring a strategic approach to addressing weaknesses in the most appropriate order. Indications are that one requirement will be greater capacity for the existing workforce to substitute for each other in key internal and purchaser-facing roles and, in the not too distant future, the recruitment of younger workers likely to progress to membership. [Audit]</p>
	<i>Motivation for a business to be a worker co-operative</i>		
	<i>Motivation to work in a worker co-operative</i>	<p>This mission and co-operative values are partly already felt by people in order to want to join at all, and partly “people need to touch and feel and see things working before they actually dare to believe and dare to hope.”</p>	



		<p>“We are counter cultural. We are co-operators in a capitalist world.”</p> <p>The respondent comes from a co-operative tradition, having personally worked in co-operatives for 10 years before CAN. “Completely accidental in the first instance” having been inspired by another workers’ co-operative. “I got totally carried away with this whole concept that you could, actually, have some control over your working environment.” Realised that co-operatives were not well understood and decided to set up a business to help co-ops and the world “come to terms with each other”.</p> <p>The motivation to work in a co-operative has subtly changed (from being able to control your work environment and working for yourself) to “being able to share responsibility with other people, being able to go off on holiday and not worry what’s happening back at base because it is covered, there are people back there who own it and care about it and look after it just as well as I would, and probably better”.</p>	
	Economic democracy	<p>The respondent comes from a co-operative tradition, having personally worked in co-operatives for 10 years before CAN. “Completely accidental in the first instance” having been inspired by another workers’ co-operative. “I got totally carried away with this whole concept that you could, actually, have some control over your working environment.”</p>	<p>The Co-operative has exhibited some symptoms of democratic decay born of the Directors forming a majority of the Membership. [Audit]</p>
<b>(Rooted) Membership</b>	Members and workers	<p>CAN is an employee co-operative, meaning that one must be an employee in order to become a member, with their main work commitment at CAN.</p> <p>Currently CAN has 8 workers 5 of whom are full members, and 4 of whom are directors. There are other workers who have particular interests and might join the team to work on specific projects.</p> <p>Although the team is small, it follows a complex structure with each employee having special areas of work they are responsible for. All information, tools and resources developed for each client account are up on the internal platform so that everyone can in theory work on any account. The four directors have additional areas of responsibility related to internal organisation systems, including e.g. marketing, safeguarding, data control, governance, social accounting, environmental accounting, financial accounting.</p> <p>Different types of employees: full time employees, associates with various numbers of working hours per month, people working on project work basis – 15, 20 people in total in the work force, out of which 8 employees or associates who work regular hours.</p>	<p>All persons aged sixteen years or over who are employees of the Co-operative (or of any subsidiary of the Co-operative) may be members, subject only to such probationary period not exceeding twelve months which may be in force. [Rules]</p> <p>a statement of the number of shares held by each member and that £1.00 has been paid, or agreed to be considered as paid, on each share; [Rules]</p>
	Becoming a member	<p>Probation time of 1-2 years for an employee to fully qualify as a member. “To become a member you really, really have to want it, because it does take a year or two.” Employees have to really prove themselves.</p> <p>An associate can decide to put themselves up as an employee on probation. At the end of the probation time they can become a member or go back to being an associate.</p>	<p>A person who qualifies under Rule 5 may apply for membership to the Committee, and upon acceptance and payment of the minimum amount of shareholding required as determined by the Committee from time to time, the Co-operative shall issue to him/her share certificates as appropriate and shall enter his/her name in the register of members. The Committee may refuse any application for membership at its absolute discretion.</p> <p>The shares of the Co-operative shall be of the nominal value of £1.00. The minimum shareholding required of a member shall be defined as such number of fully paid shares as the Committee may determine subject to the Act, or as</p>

			<p>may be required by a particular offer of shares, or, failing such determination or requirement, shall be one share.</p> <p>A member may subscribe for shares in tranches of shares which are smaller in number than the minimum shareholding, provided that any member who does not achieve the minimum shareholding within 12 months after her/his first payment shall cease to be a member and shall have returned to her/him the value of the shares paid for to date, and the relevant shares shall be cancelled. [Rules]</p>
	Who has decision-making power	<p>The five full members have the ability to vote. All full members can be directors as well but it is not mandatory, currently one member has opted out from being a director. Directors meet once a quarter to receive department reports, make decisions and give out tasks. Each director takes care of a few different departments (a dozen departments in total). Decisions are made within the department, if it only involves the department (but needs at least one other director's approval). The Annual General Meeting is held once a year, here the reporting is to all the membership (all workers who want to turn up are welcome, with only members being able to vote). Normally only the eight regular workers are present at the AGM.</p>	<p>The Committee may refuse any application for membership at its absolute discretion. [Rules]</p> <p>The Co-operative has exhibited some symptoms of democratic decay born of the Directors forming a majority of the Membership. There has been an increased use of digital media at the director level which has enabled increased convenience in discussion and decision making at this level and a richer and more convenient conversation in which other members are not involved. The directors should launch an initiative to ensure that all members are able to participate in the more general policy and strategy discussion.</p>
	Power dynamics		<p>The Co-operative has exhibited some symptoms of democratic decay born of the Directors forming a majority of the Membership. [Audit]</p>
<b>(Mission-controlled) Governance</b>	How is the co-operative managed?	<p>Although the team is small, it follows a complex structure with each employee having special areas of work they are responsible for. The four directors have additional areas of responsibility related to internal organisation systems, including e.g. marketing, safeguarding, data control, governance, social accounting, environmental accounting, financial accounting.</p>	<p>An Annual General Meeting shall be held within six months of the close of the financial year of the Co-operative</p> <p>The Co-operative shall have a Committee of not more than fifteen and not less than three members. Only eligible members of the Co-operative may serve on the Committee. By "eligible members" are meant members aged eighteen years or over and who are not bankrupt or otherwise prohibited by law from acting as the director of a company or society.</p> <p>For so long as the Co-operative has less than fifteen eligible members, the Co-operative in General Meeting may decide that all such eligible members shall be members of the Committee until the number of such members exceeds fifteen (or until such earlier time if the Co-operative should so decide), when the Co-operative shall commence electing Committee members. [Rules]</p>
	How are decisions made?	<p>In theory, CAN is a democratic co-operative rather than a consensus one, meaning members can vote on decisions. In practice, decision-making is based on sociocratic principles ("pretty much everything is chewed over in a sociocratic circle before it comes to a directors' meeting"), so voting is very rare. The respondent does not remember the last vote, perhaps 10-15 years ago.</p> <p>A couple of co-operatives in the UK are specialised in sociocratic organisation and are teaching it. CAN worked with one of them on a project and "by some sort of process of osmosis absorbed sociocracy from them." Thus it was not necessarily an explicit decision to adopt sociocratic principles, it came rather as a retrospective observation that CAN had also begun using them.</p>	<p>No person other than a member duly registered shall be entitled to vote on any question at a General Meeting. Every member shall hold one vote only. Votes may only be cast personally; proxy voting is not permitted. Except where otherwise specified by the Rules or by the Act, questions shall be resolved by a simple majority of votes cast. [Rules]</p> <p>The Co-operative has exhibited some symptoms of democratic decay born of the Directors forming a majority of the Membership. [Audit]</p>

	Metrics of performance	<p>CAN uses a grid with definitions of what it means to be a co-operative, an environmentally responsible company, a good employer, a social enterprise, safe, caring, and achieving business objectives. The grid is made up of different criteria and list of ambitions, with annual targets, and mechanisms based on which CAN reports (i.e. financial, social, environmental audits, data control reports, with marks out of 10). Each year these metrics are assessed and objectives for the following year are set.</p> <p>This thoroughness comes from the fact that CAN works with other co-operatives as advisors and trainers. One of its slogans is: “We don’t talk the talk unless we’ve already walked the walk”.</p> <p>A question of starting: Asking what are the areas the organisation wants to perform well on. This is the reason why it takes years to become sustainable, as over the years you re-evaluate what those areas are, and then you tease out how you might measure them, and what is reasonable to achieve (“the worse possible thing is that at the end of each year to discover that you are a complete and utter abject failure at everything”). “One big part of sustainable is sustainable objectives and sustainable progress, not trying to go too fast, go too far, do too much. What can you actually achieve as an organisation of 8 people in one year? Frankly, not a lot. But as long as at the end of that year you are performing a bit better, and you are a little bit more sustainable than what you were at the beginning of the year, take that, and move on to the next year.”</p> <p>Metrics chosen based on what the team believes as important for CAN to contribute with, this is what it measures itself against. It then publishes its audits to encourage people to challenge these metrics chosen, which improves CAN’s auditing strategy. CAN has been challenged especially by its own community and similar organisations. “At first you are a little bit sensitive, but then you start to realise the benefit of debate in terms of raising your own understanding and that’s everything.”</p>	
<b>(Stakeholder) Finance</b>	Sources of finance or investment	<p>The co-operative was built on sweat equity initially, i.e. people working for no pay or less pay than what they would normally get to provide the initial investment needed. The first year the three founding members worked fulltime with no salary, however, no ownership of the co-operative was drawn from this sweat equity investment. The sweat equity account has later gradually been liquidated (i.e. members were paid back). The same sweat equity system was used twice after, with employees deciding to take a pay cut (“some people, the ones who could afford it, will have to not get their wages for a while. That is an option that is not available for most businesses, but it was available to us”). Then the sweat equity account had to be liquidated again before any pay rises could occur.</p> <p>Not using loan stock currently because financial resources are stable.</p>	WITHDRAWAL OF SHARE CAPITAL: the amount to be paid to a member on withdrawal shall be the amount paid up or credited on the shares to be withdrawn, except where the shares are subject to a reduction their value in accordance with the provisions of these rules; interest shall be payable on any share in respect of which a notice of repayment has been given until the date of repayment. [Rules]
	Financial challenges	<p>CAN has had a couple of existential crises, which is normal, “an existential crisis a decade is normal”. Both times members have taken the hit (taking wage cuts, putting personal money in, or both).</p> <p>The same sweat equity system was used twice after, with employees deciding to take a pay cut (“some people, the ones who could afford it, will have to not get their wages for</p>	

		a while. That is an option that is not available for most businesses, but it was available to us”). Then the sweat equity account had to be liquidated again before any pay rises could occur.	
	Selling the co-operative		The Co-operative may be dissolved by the consent of three quarters of the members by their signatures to an instrument of dissolution, or by winding up in a manner provided by the Act. If on the winding up or dissolution of the Co-operative any of its assets remain to be disposed of after its liabilities are satisfied, these assets shall not be distributed among the members, but shall be transferred instead to some other common ownership enterprise(s), or to the Co-operative Movement or some other non-profit organisation(s) promoting and supporting co-operative and common ownership enterprises, as may be decided by the members at the time of or prior to the dissolution. [Rules]
<b>(Ethical) Networks</b>	Work with local communities		
	Belonging to trade or co-operative communities	<p>CAN supports other co-ops with investments, in the form of community share issues, loan stock, or giving money out. “We do think it’s important that, if you say you’re part of a community, you put your money where your mouth is.”</p> <ul style="list-style-type: none"> <li>• Immediate community: the co-operative development bodies, which CAN belongs to by trade (regional and national networks).</li> <li>• Next level: co-operatives (regional and national networks).</li> <li>• Next level: organisations and people who share some of the co-operative principles and are working towards similar goals (social enterprise, community enterprise, disability enterprise) (various networks)</li> <li>• Another level: open-source movement (CAN is an open-source organisation)</li> <li>• Beyond that, everybody</li> <li>• CAN tries to be active members of all these networks, generally this means scanning what’s happening in the networks and signalling when CAN can contribute.</li> </ul> <p>Sharing of knowledge and resources is encouraged. “There is a big overlap between people who believe in open-source (which is basically common ownership of IP, intellectual property) and people who believe in common ownership of property and resources and people who are cooperators. There is overlap, but they are not necessarily the same.” CAN shares for free all the tools that it has developed over the last 30 years with the people they work with (registered users from all the communities). It does not share these tools widely to protect it from getting corrupted or running out of date.</p>	the Co-operative shall have regard to promoting the physical, emotional, mental and spiritual well-being of the community, especially those who participate in the activities of the Co-operative [Rules]
	Customers	Clients: housing co-ops, credit unions, worker co-ops, community asset holding etc. CAN is here to make them more resilient and more powerful.	
	Suppliers		

## Data template for Essential Trading

First order codes (deductive, a priori themes)	Sub-codes (mix of deductive from the protocol and inductive as emerging from the data)	Data source: Interview summary (direct quotes in quotation marks, otherwise narrative summary as per the approved summary)	Data source: Documentation (all direct quotes, unless in [] as short notes by the researcher) <ul style="list-style-type: none"> <li>Website (<a href="#">public</a>)</li> <li>Ethical policies (specific policy named in []) (<a href="#">public</a>)</li> </ul>
Case background	Business activity	<p>“Essential Trading trades in natural and organic food, our range is 100% vegetarian, about two thirds of what we sell is organic, we also sell eco friendly household cleaning like Ecover or recycled toilet paper, we also have cruelty free cosmetics. We import, both from the EU, we have connections with other co-ops in the European Union, particularly in Italy where we get tomatoes, beans, pasta. We also import from Holland, Germany, Belgium, France, Greece. We also import from Sri Lanka, from a network a co-ops there, coconut products, and from a fair trade social project in Egypt. We pack our own foods into retail packs, we manufacture muesli, fruit mixes. We distribute as wholesalers throughout the UK. Before Brexit we were happily trading with the EU. Sadly, the UK government have completely messed up and we’re struggling to get any food outside of the UK right now. We’re a major supplier to Ireland, also to Cyprus, Greece, Sweden, France &amp; Portugal.” In the UK, majority of sales are in the South and South West. Two shops, in Bristol and Bath.</p>	<p>Essential Trading is a leading UK organic and Fairtrade product wholesaler, Essential Trading manufacture and distribute sustainable wholefoods, ecological household products and cruelty free body care items across Europe and internationally.</p> <p>Our product portfolio covers over 5000 vegetarian lines including: convenience, ingredients, vegan, demeter, speciality foods and free from. [website]</p>
	History	<p>Two worker co-operatives, one in Bath (started trading in 1971, became a co-operative in 1983) and one in Bristol (started trading in 1979, became a co-operative in 1981), joined forces in 1991 as a new worker co-operative, instead of competing. “It made more sense to cooperate than it did to compete.” Bath co-op donated all assets to Bristol co-op.</p> <p>Both businesses were first privately owned before they became co-ops. In the case of the Bristol co-operative, the owner sold the business to the workers when it started growing. The owner remained a member with a loan in the business for three years. “It was a common route of incorporation in those days, with businesses growing to a certain size and then becoming worker co-ops. The same is true for the biggest worker co-op in the UK, Suma [and others].”</p>	<p>Essential's history can be traced back to the year of 1971.</p> <p>Harvest, a wholefood co-operative located in Bath, consisted of 17-20 members and operated a cash and carry and a small number of delivery runs each day. Harvest had retail customers and sold pre packs; small bags of commodities and ingredients such as rice, seeds, nuts, dried fruit and herbs.</p> <p>Shortly after, Nova arrived. Situated on St Thomas Street in Bristol, Nova specialised in organic and bulk commodities and had a customer base including wholesalers and buying groups. Nova’s focus was good, unprocessed, additive free, organic and vegetarian food.</p> <p>In 1991 these two co-operatives merged and became Essential Trading Co-operative Ltd. Harvest moved into the new Nova warehouse in Fishponds, Bristol. The members from each co-op and the product portfolios were retained. Essential still has the combined customer base of wholesale, retail and buying groups today. [website]</p>
	Legal form of incorporation	<p>Originally incorporated as an Industrial Provident Society in 1981. Now defined as a Bona Fide Co-operative Society, after the 2014 Co-operatives Act. Not a company but a mutual society with limited liability.</p> <p>This form of incorporation means common ownership, whereby “although I have a £1 share, when I leave the business I don’t get my £1 share back, and if the members decide to sell the business they’ll have to donate all the assets to another commonly owned bona fide co-op. No</p>	

		one can benefit from the sales of the assets. We're not allowed to change our rules and the way we are without the permission of the register for mutual society, overseen by Co-operatives UK." Co-operatives UK will decide if rules can be changed in a co-op.	
Sustainability	<i>Sustainability as "continuing"</i>		
	<i>Resilience</i>		
	<i>Environmental</i>	<p>Sustainability initiatives in the co-operative. The respondent mentions other businesses or initiatives that are doing a lot, i.e. more than Essential (e.g. zero carbon companies, water harvesting, no plastic). "But we do our best". The co-operative invested in what was ten years ago the biggest solar array in Bristol, always been high on recycling (now statutory requirements in the UK and EU), moving to the cleanest diesels possible (currently in the cycle of renewing the vehicle fleet, looking at electric lorries for local delivery), no air freight transportation of supplies, trying to improve efficiency of transportation (in the early days this efficiency was purely linked to financial benefits), trying to provide ethical pension investments.</p> <p>Essential is currently working on their 2021-2025 business plan and "the ethical agenda has been moved up the business plan". This comes with ethical and environmental objectives, e.g. reducing plastic (plastic bottled water was stopped a few years back), moving to more Zero Waste shops, expanding solar array, investing in electric vehicles, planning for a carbon neutral target date, investing in community and environmental projects.</p> <p>"In terms of sustainability, a huge challenge for us is that we run a fleet of some 15 lorries. We're selling food, it's heavy, how are we going to get over the carbon footprint of all those diesel trucks? [...] Another problem is we're in the food business, and there's a huge dilemma with plastic in food. So a lot of our food comes wrapped in plastic to keep it fresh and safe from contamination or infestation, and it's really difficult to find non-plastic alternatives. There is non-plastic packaging, but it's based on genetically modified maize, and we have a policy where we won't sell genetically modified organisms. In terms of sustainability, how we manage our distribution networks and how we do with plastic in our business, it's a challenge the whole business has. We're going to do our best. [...] These are all complicated challenges that we need to work our way through."</p>	<p>Our warehouse roof provides space to 186 solar panels, generating around 38,000 kWh each year. This is equivalent to 27 tonnes of carbon - the same amount that would be sequestered by 21 acres of mature forest in a year.</p> <p>We engage with sustainable food and community-based initiatives to further our environmental and social impact in the form of partnerships, sponsorships and in-kind donations. [Supply chain statement]</p> <p>100% Vegetarian and Vegan GM Free Egalitarian co-operative structure Paperwork and pricelists are printed on FSC accredited or recycled paper, using vegetable inks whenever possible No unwanted additives - just healthy natural food Fairtrade, sustainable, recycled, organic and eco friendly products Actively trading with ethical producers and co-operatives Our power is provided by Ecotricity at our Retail outlets Harvest We refuse to trade with any outlets that sell fur We strive to minimise packaging and use ecological packaging wherever possible Mixing products are packed into sacks made of wood pulp from sustainable forests, produced in an environmentally-friendly manner All products are freighted by either land or sea - never by air The warehouse is fitted with solar PV which will generate an estimated 38000 kWh of electricity per annum, this represents a saving of approximately 513 Tonnes of CO2 over the 25 year life of the FIT (Feed in Tariff). Although the system should continue to run long after the FIT contract has come to an end. [website]</p>
<i>Social</i>	<p>trying to provide ethical pension investments</p> <p>Essential is currently working on their 2021-2025 business plan and "the ethical agenda has been moved up the business plan". This comes with ethical and environmental objectives, e.g. reducing plastic (plastic bottled water was stopped a few years back), moving to more Zero Waste shops, expanding solar array, investing in electric vehicles, planning for a carbon neutral target date, investing in community and environmental projects.</p> <p>[n.b. the following was mentioned in a different part of the interview, not under sustainability] We've always had a protesting, radical approach. So we don't sell to supermarkets because we don't like the way they trade, because they're trying to make a monopoly, they undercut the</p>	<p>We engage with sustainable food and community-based initiatives to further our environmental and social impact in the form of partnerships, sponsorships and in-kind donations. [Supply chain statement]</p> <p>Fairtrade, sustainable, recycled, organic and eco friendly products Actively trading with ethical producers and co-operatives [Website]</p>	

		independent trader, and they don't foster diversity on the shop shells. [...] We don't like the way the supermarkets treat farmers, suppliers. [...] They're not good companies, we supply the independent trade."	
	Economic	trying to provide ethical pension investments. Banking with ethical banks is challenging as they do not have facilities or services large enough to cover the co-operative's financial needs. The respondent mentions their current, high street bank is involved in unethical investment practices. For non-trading services like mortgages they use a more ethical considered bank.	Supporting our local economy We support the independent trade sector - no supermarkets
	Learning and experimentation	The respondent mentions other businesses or initiatives that are doing a lot, i.e. more than Essential (e.g. zero carbon companies, water harvesting, no plastic). "But we do our best".	
	Other – core of the business	In the 1980's, trading organic foods and environmental products "was very, very new." The worker-members were all vegetarians, believed in eating good food, were "led by wanting to sell what seemed to be much better quality food. [...] In the early days [of the vegetarian movement] you had quite a few people who were quite radical in the animal liberation, anti-cruelty. All of that sustainability stuff was before people started talking about sustainability, climate change, climate emergency. We were very much a pioneer in developing a food market which was meat-free, free of pesticides, and also we were instrumental in the formation of the fair trade movement in the UK, before there was the Fairtrade. [...] All of that stuff is kind of the DNA of our business." The respondent mentions the Rochdale Pioneers starting their co-operative as a value driven business, much like Essential Trading.	We are particularly interested in provenance and sustainability. By collaborating with some of the finest brands and producers out there, including co-operatives like us, we are proud to bring you an innovative selection of ethical alternatives and healthy food products.  Essential's trading objectives are defined by our core ethical beliefs: <ul style="list-style-type: none"> <li>• Opposition to the exploitation of animals</li> <li>• Promotion of healthy eating</li> <li>• Concern for protecting the environment</li> <li>• Commitment to human rights as a trading issue</li> <li>• Dedication to the co-operative principles [website]</li> </ul>
Distributive business	Income and wages		We look after our own business and since it belongs to all of us, we are able to make decisions together that ensure our workplace is safe, fair and non-discriminatory. We pay above the living wage to our workers and offer regular employment contracts. [Supply chain statement]
	Profit/surplus use	Since the 2008 crash the co-operative has started retaining a large amount of its profits ("manage our cash very wisely. [...] we haven't had to use an overdraft in maybe three years"). "The 2020 year of Covid-19 was our best ever, ever, ever year by far. We were part of the panic buy. [...] We had Christmas every day for maybe 6, 7 weeks this time last year. Beyond belief." In spite of losing revenues from big contracts (e.g. festivals, restaurants, caterers). "What we do with our profits, we do make sure that we retain profits, build the strength of the business, when there's sufficient profit we pay wage bonuses, that's paid to everyone including the permanent workers and the temporary workers who have been working with us long enough. We do donate to causes, we're supporting food banks in the UK. Normally at Christmas instead of sending our customers Christmas cards and presents we make one donation to a homeless charity." On the agenda for the 2021-2025 business plan is to refine a reserves policy.	
	Ethical/Business ethics policy		
	Responsible supply chain	We've always had a protesting, radical approach. So we don't sell to supermarkets because we don't like the way they trade, because they're trying to make a monopoly, they undercut the independent trader, and they don't foster diversity on the shop shells. [...] We don't like the way the supermarkets treat farmers, suppliers. [...] They're not good companies, we supply the independent trade."	We are particularly interested in provenance and sustainability. By collaborating with some of the finest brands and producers out there, including co-operatives like us, we are proud to bring you an innovative selection of ethical alternatives and healthy food products. [website]



			<p>We maintain transparency in our supply chain by developing close, long-term trading relationships. Suppliers for our own brand products are audited upon initial contact and on an on-going basis, ensuring high standards in farming and employment practice at every step of production. We enjoy visits to our suppliers to learn about their processes, and invite them back to Bristol for the Open Day that we host at our premises every couple of years. Our brand carries a guarantee to be GMO free and 100% vegetarian.</p> <p>Essential imports commodities from all over the world. We do not participate in boycotting war-torn countries as we believe that farmers and civilians have the right to earn a living. We have farming and manufacturing partners in Sri Lanka, Italy and Egypt who provide our tropical fruits and coconut range, Italian tomatoes and herbal teas. [Supply chain statement]</p>
	<i>Diversity</i>		
	<i>Knowledge sharing</i>	In the past: supported local co-op development agencies. Pro bono support from Essential members to other co-operative bodies and organisations (the respondent themselves have been on different boards and co-operative roles). Help with advice and support to co-operative initiatives. “It’s part of Co-op Principle 6 and Co-op Principle 7 that we’re involved in this.” (i.e. Cooperation among co-operatives and Concern for community).	
<b>Regenerative business</b>	<i>Environmental impact / policy</i>	<p>“In terms of sustainability, a huge challenge for us is that we run a fleet of some 15 lorries. We’re selling food, it’s heavy, how are we going to get over the carbon footprint of all those diesel trucks? [...] Another problem is we’re in the food business, and there’s a huge dilemma with plastic in food. So a lot of our food comes wrapped in plastic to keep it fresh and safe from contamination or infestation, and it’s really difficult to find non-plastic alternatives. There is non-plastic packaging, but it’s based on genetically modified maize, and we have a policy where we won’t sell genetically modified organisms. In terms of sustainability, how we manage our distribution networks and how we do with plastic in our business, it’s a challenge the whole business has. We’re going to do our best. [...] These are all complicated challenges that we need to work our way through.”</p>	<p>Essential operates a sustainable shipping policy and imports commodities from around the world via cargo vessel alone; never by air freight. The environmental impact of air freight versus sea freight is much larger. On average, goods transported by modern cargo plane will emit 500g of CO2 for every kilometer flown. In comparison, cargo shipped by sea reduces the emission to 15g CO2 for every kilometer voyaged. [No air freight statement]</p> <p>Essential Trading Cooperative is fully aware of the implications of the Palm Oil Industry for many ecosystems on our planet. Because of this, we made the decision to remove all traces of Palm Oil from our own brand products.</p> <p>Since 2019, all Essential products have been palm oil free.</p> <p>As we are a large wholesaler and distributor, we do still stock some products containing palm oil.</p> <p>To the best of our knowledge, where present, the palm oil is sustainably sourced under the RSPO certification. [Palm oil statement]</p> <p>[The co-operative has several environmentally focused policies]</p>
	<i>Circular principles</i>	Another problem is we’re in the food business, and there’s a huge dilemma with plastic in food. So a lot of our food comes wrapped in plastic to keep it fresh and safe from contamination or infestation, and it’s really difficult to find non-plastic alternatives. There is non-plastic packaging, but it’s based on genetically modified maize, and we have a policy where we won’t sell genetically modified organisms.	As an ethical distributor and wholesaler, Essential actively source from suppliers who use sustainable packaging options at the production stage. We are constantly seeking out solutions to minimise packaging waste in all areas of the supply chain. Since 2018 we have removed the sale of plastic water bottles and have introduced over 100 new plastic-free product lines, from body care to household products and consumables. We pack our own products in recyclable and



			<p>compostable packaging where possible, and return the plastic wrapping used to secure palletised deliveries to our warehouse for collection by a specialist recycling facility.</p> <p>Part of the Essential co-operative, our retail outlets Harvest Bath and Harvest Bristol have offered a popular re-fill section since 1971. Essential offer a variety of products in bulk sizes, and are a supplier of the nation’s favourite zero-waste shops [Plastic statement]</p> <p>We aim to be totally transparent and accommodating by providing clear packaging information for our own brand and bulk products. Sustainability is one of our core values and we are constantly working to innovate our range and reduce our packaging waste. [Packaging information]</p>
<b>(Living) Purpose</b>	<b>Mission and values</b>	<p>Current vision: “To pioneer as a truly ethical, sustainable and value-led business, promoting the principles of co-operation and making a positive impact for people and planet.”</p> <p>Mission: “To distribute vegan and vegetarian products in the UK and beyond, maintaining open and honest relationships with customers and suppliers to ensure the most ethical and sustainable choices are made available within the catering and retail industry.”</p> <p>“At the moment we’re working on a strapline: Better not Bigger, so we don’t want to grow – we’re looking to increase profits through increasing efficiency rather than increasing turnover.”</p>	<p>Essential was born out of a drive to do things differently, without harming people or planet. We strive to take all the opportunities available to us to make a positive impact within the food sector. [Supply chain statement]</p> <p>Our Mission To excel as a sustainable business providing ethically sourced, vegetarian products as a pioneering Worker Co-operative.</p> <p>Essential's trading objectives are defined by our core ethical beliefs:</p> <ul style="list-style-type: none"> <li>• Opposition to the exploitation of animals</li> <li>• Promotion of healthy eating</li> <li>• Concern for protecting the environment</li> <li>• Commitment to human rights as a trading issue</li> <li>• Dedication to the co-operative principles [website]</li> </ul>
	<b>Challenges to upholding the mission</b>	<p>Areas of improvement: improve the way the co-operative works, reduce errors, improve quality of the service, improve the appraisal system (i.e. develop a culture of transparency and accountability), recruit and train better</p> <p>“One of the problems we have in the co-op generally, although we have a pretty good workforce, and you’ll find that in all big businesses and all big co-ops, is that 90-95% of the workforce are great, but 5-10% are a problem. And some of that 5% might have been with us for many years. We have a new intake of workers, we have grown very fast [...] Growing fast is sometimes more difficult as you have to bring loads of staff in to meet the demand, but in that time your quality control of who you bring in the business is not as good, so we have workers from those days, so you have some bad habits. Trying to re-educate old members in new ways, this is a big challenge.”</p> <p>“Good members are engaged, they participate in meetings, they will come up with proposals, ideas, suggestions. They might identify problems but they might also identify solutions. Or they will engage with the process that takes a problem to find a solution. And they multitask. Where we have difficulty, people who have got stuck in a rut, they only see that part of the business and</p>	

		they don't want to see other parts, they don't want to retrain, they don't want to change what they're doing."	
	<i>Motivation for a business to be a worker co-operative</i>	Strong sectoral presences in the co-operative movement, one of them being the vegetarian, wholefood movement (wholefoods shops, bakeries, shops, restaurants, cafes). Other industries with a strong presence: radical book shops, printing presses, bicycle shops. "They were natural candidates to become worker co-ops. It's an alternative way of being."	
	Motivation to work in a worker co-operative		
	Economic democracy		
<b>(Rooted) Membership</b>	Members and workers	Large co-op, 130 people in the workforce with the majority members (100, 101 members sometimes). Occasional temporary posts (to cover maternity leave, seasonality, long-time illness).	
	Becoming a member	<p>members must work minimum 24hrs a week in the co-operative. Once you become a member, you can apply to the co-op to keep the membership with reduced hours.</p> <p>Previously a permanent position would be advertised as a membership position, with a probationary period involving three appraisals, at the end of which one becomes a member. "That became quite contentious, because people were voting on membership, and not suitability to the job. Also looking at Co-op Principle 1: Open and Voluntary Membership, so what we've done for the past two years, if there's a permanent position advertised, so long as it's over 24 hours, if you're successful in your 8 months probation, we would give you a permanent position, and then if you want to you can join the co-op. Once you join the co-op, you then have a vote, secondly you can stand for our elected positions, [...] positions of more responsibility" (i.e. management committee, team coordinator, secretary, treasurer, discipline and grievance committee).</p> <p>To become a member one is asked to pay £1 ("your £1 voting share") and to lend the co-op, or invest in the co-op, £500, as a lump sum or spread over two years (policy under review this year as it is not needed any more and it can be "a block to open membership"). This secondary rule started in the early days when it was difficult to get finances, and showing banks that the co-op already had an amount raised would facilitate them extending a loan. The loan is paid back with interest when the member leaves the co-op (currently the interest is at 6.5%).</p> <p>Some people decide not to become a member after the 8 months. This can be caused by the 24 hours rule, with parents for example deciding they want to work fewer hours. "It can be seen as being gender discriminatory, if we have a woman worker who's had a child and then she doesn't want to come back to work 24 hrs/week, she wants to work 16 hrs/week, there's an issue there, it's something on our agenda to try and work that one through. They can still work for us but under our current rules they're not allowed to be members."</p> <p>New initiative: work buddies are assigned to new members, particularly in the big teams.</p>	
	Who has decision-making power	Non-members can still participate in decision-making in their teams but have no vote in the general meetings or right to be elected.	
	<i>Power dynamics</i>		

<p><b>(Mission-controlled) Governance</b></p>	<p>How is the co-operative managed?</p>	<p>The co-operative has primary rules, “statutory &amp; legal, as per our status as a bona fide co-op,” and secondary rules, agreed by the members at the General Meeting with the possibility to be amended as long as they do not break the primary rules.</p> <p>2008 financial crisis – the business was financially hit which led to a change in the governance system as the system at the time “wasn’t responsive enough.” The co-op has different teams: warehouse, drivers and transport, manufacturing, sales, supply and quality assurance, HR, finance and IT.</p> <p>Elected management committee, currently made up of 5 members who meet weekly. The teams also meet regularly (some weekly, some monthly) every week, they can make decisions that impact the team and spend money for what the team needs (e.g. repairs). If the decision needs support or affects other teams, they might come to the management committee. If the team needs a major spending, they must write a proposal for the management committee. If it is a major proposal, it goes up on the board where all members can see it, and a consultation period of two weeks is set up, sometimes with additional meetings between the management team and the project proposal. Anyone can write a proposal (member, team, cross-team). The management will vote to decide if the proposal is accepted. If the proposal relates to wages (e.g. wage rates or bonus), terms of conditions of employment, contracts, changes to the vision, mission or business plan, or expenditures that exceed £25,000, it goes to a general meeting of all members.</p> <p>GMs happen every three months. Here the management accounts for the previous quarter are reviewed, and any consultations on the above mentioned topics are set up based on a structured proposal (which includes the proponent, what is required, why is it needed, what are the costs and benefits, who, how and when will it be done, when will it be reviewed). This proposal goes out to everyone by email, if anyone wants to object or ask questions this is done by email/comments form. Some proposals are straightforward with no comments, some proposals produce quite a few comments.</p> <p>For difficult subjects that need discussing, the co-operative organises open meetings before the GM, where members can discuss the proposal (mainly around T&amp;Cs of employment, wages, overtime – i.e. limiting the overtime a member can work to 10% more than contracted hours each month).</p> <p>Statutory meetings: Annual General Meeting, to agree the annual accounts and point auditors.</p>	
	<p>How are decisions made?</p>	<p>At the GM proposals are voted on by all the members: most votes are decided on a simple majority, occasionally for very important decisions (related to e.g. T&amp;Cs to employment), other thresholds can be set like two thirds or three quarters. Past experience learning: passing an important vote on a simple majority with a very close vote “that caused no end in problems. We learned from that mistake as a co-op. [...] When you have a 75% majority, you know that even if the rest vote against it, there’s enough people for it, it will work.”</p> <p>The respondent mentions in small co-operatives it is manageable to make decisions on consensus, with “the magic number 7, between 7 and 12 is the transition zone between consensus and voting.” Some larger co-ops up to 15 use consensus but it is more difficult at that scale.</p>	

	Metrics of performance		
<b>(Stakeholder) Finance</b>	Sources of finance or investment	<p>To become a member one is asked to pay £1 (“your £1 voting share”) and to lend the co-op, or invest in the co-op, £500, as a lump sum or spread over two years (policy under review this year as it is not needed any more and it can be “a block to open membership”). This secondary rule started in the early days when it was difficult to get finances, and showing banks that the co-op already had an amount raised would facilitate them extending a loan. The loan is paid back with interest when the member leaves the co-op (currently the interest is at 6.5%).</p> <p>Initially the co-operative “had no finance”, it was getting orders in from customers, purchasing the goods with future-dated cheques that were cashed in after the deliveries and payments from the customers happened.</p> <p>Initial loan or stock request from one bank was rejected on the basis of: “We think this healthy food market is just a fad. We’re not going to invest, it’s far too risky, it’ll be gone tomorrow.” Then the co-op got an overdraft from another bank.</p> <p>Heavy investments in the business: for the past 30-35 years, the co-op has borrowed money, i.e. overdrafts from the bank, and from the suppliers in effect by paying them late (i.e. negotiate payment deadlines that are set later than the payment from the customer is due to come in).</p> <p>For big projects like the solar panels and large equipment, the co-op has borrowed from co-operative finance on five year loans secured against limited liability, so no individual member has to guarantee anything (local loan fund in Bristol working just with co-ops, national fund Co-operative and Community Finance). Additional borrowing from Triodos Bank on a mortgage. All loans have now been paid back.</p> <p>Use of various financial instruments like invoice financing, and use of thorough information systems to track and manage finances. “We know exactly where we are all the time. That’s how we manage cashflow on a day to day basis, without ever getting into trouble.”</p>	Financial reports are given to the members on a quarterly basis, and audited by an external party on an annual basis. Our accounts are kept with Triodos Bank – a leading ethical bank that offers finance to companies deemed to hold social and environmental benefit. [Supply chain statement]
	Financial challenges	<p>“Our co-op sustained trading losses in 2008 when the financial crisis hit. Our sales dropped due to the financial crash, but our biggest expense (wages) did not drop. In order to turn the business around, we instigated the following measures:</p> <ul style="list-style-type: none"> <li>• Reduced our hourly wage rates (75% majority threshold required)</li> <li>• Stopped making company contributions to the pension fund (75% majority threshold required)</li> <li>• Reduced paid breaks &amp; time off for medical appointments (75% majority threshold required)</li> <li>• Reviewed the co-op’s governance policy, resulting in the current Management Committee structure, Teams &amp; elected Team Co-ordinators</li> </ul> <p>The reductions to the worker’s pay was a painful, but needed policy that helped bring the co-op back into profit. The pay rates have risen to well above the previous rates after years of profitable trading &amp; company pension payments resumed many years ago. We still keep a close control of “work hours claimed”, so the policy on paid breaks &amp; paid appointment time has remained.”</p>	
	Selling the co-operative	This form of incorporation means common ownership, whereby “although I have a £1 share, when I leave the business I don’t get my £1 share back, and if the members decide to sell the	

		<p>business they'll have to donate all the assets to another commonly owned bona fide co-op. No one can benefit from the sales of the assets. We're not allowed to change our rules and the way we are without the permission of the register for mutual society, overseen by Co-operatives UK." Co-operatives UK will decide if rules can be changed in a co-op.</p> <p>You need all current members to sign in order for the co-operative to be wound up and the assets donated, "we're not allowed to sell the business, we're locked, it's there forever." Members are not allowed to take any shares when they leave. "While you're here you're a caretaker, it's not yours [your share, the co-operative], it's commonly owned, it's there forever. You come in and you look after it like looking after a garden, you keep the soil good, you eat well. When you leave the garden, that's it, bye bye."</p>	
<b>(Ethical) Networks</b>	<i>Work with local communities</i>		We engage with sustainable food and community-based initiatives to further our environmental and social impact in the form of partnerships, sponsorships and in-kind donations. [Supply chain statement]
	<i>Belonging to trade or co-operative communities</i>	<p>Essential Trading worked together with other co-operatives in starting the movement in the UK before Fairtrade started as an organisation.</p> <p>Part of Co-operatives UK, paying a membership fee, "we do that to support the co-op network." Subscribing to Solidfund – a fund built by the worker co-op movement in the UK to support new co-ops (Essential Trading supports with grants).</p> <p>In the past: supported local co-op development agencies. Pro bono support from Essential members to other co-operative bodies and organisations (the respondent themselves have been on different boards and co-operative roles). Help with advice and support to co-operative initiatives. "It's part of Co-op Principle 6 and Co-op Principle 7 that we're involved in this." (i.e. Cooperation among co-operatives and Concern for community).</p> <p>Wholefoods movement: close connections with other wholefoods co-operatives in the UK ("We talk to each other all the time. We trade with each other.") and with other European co-ops ("There are two big producer co-operatives in Italy we're very closely connected with. They come and stay with us, we go and stay with them, when Covid allows.", as well as co-ops in France, Germany, Greece.</p> <p>"If there are local co-op events we tend to go to that, and we sponsor them."</p> <p>Organic credentials are more statutory than community-led. "We need to go through annual inspections and audits in order to keep our organic certification."</p> <p>Community of tradeshow.</p> <p>On why Essential is working with other co-ops:          "I suppose it comes from the co-op principles, but once you start trading with other co-ops, we're a big family, the co-op is a big family, particularly in the worker co-ops, we understand each other, we all share the same principles, and so we don't have to explain things to people, it comes naturally. I would say in the UK we have the big Co-op Group who are the Co-op supermarkets, we don't have a very good relationship with them, they're much more corporate and they're a different kind of co-operative. Although we have a much better understanding with the small retail co-op societies, which are more regional and smaller. We do have a strong relationship with farmers co-ops, producer co-ops, other worker co-ops. When you get a lot of worker co-ops together it's quite a good party."</p>	

	Customers	<p>“With our customers and suppliers we’ve been trading for 40 years so we’ve got some long established relationships there. We know each other on first name terms.”</p> <p>On not selling to supermarkets: “We had a strapline for our business about 10-12 years ago: Rebel with a cause. Our culture is quite alternative. [...] Bristol is a very radical city, always has been. We have a lot of radicals, myself included, within the membership. So in terms of supplying supermarkets, we try to stop our products going on Amazon, we boycotted Nestle goods forever. [...] We’ve always had a protesting, radical approach. So we don’t sell to supermarkets because we don’t like the way they trade, because they’re trying to make a monopoly, they undercut the independent trader, and they don’t foster diversity on the shop shells. [...] We don’t like the way the supermarkets treat farmers, suppliers. [...] They’re not good companies, we supply the independent trade.”</p>	<p>Our products reach our customers through approximately 650 independent wholefood stores, 740 cafes and restaurants, 45 charities, 350 community buying groups, and 80 other wholesalers. We sell exclusively to independents – never to supermarkets, meaning that smaller shops have an added USP and are less easily undercut on prices. [Supply chain statement]</p>
	Suppliers	<p>“We import, both from the EU, we have connections with other co-ops in the European Union, particularly in Italy where we get tomatoes, beans, pasta. We also import from Holland, Germany, Belgium, France, Greece. We also import from Sri Lanka, from a network a co-ops there, coconut products, and from a fair trade social project in Egypt.”</p> <p>“With our customers and suppliers we’ve been trading for 40 years so we’ve got some long established relationships there. We know each other on first name terms.”</p>	<p>We maintain transparency in our supply chain by developing close, long-term trading relationships. Suppliers for our own brand products are audited upon initial contact and on an on-going basis, ensuring high standards in farming and employment practice at every step of production. We enjoy visits to our suppliers to learn about their processes, and invite them back to Bristol for the Open Day that we host at our premises every couple of years. Our brand carries a guarantee to be GMO free and 100% vegetarian. [Supply chain statement]</p>

## Data template for Leeds Bread Co-op

First order codes (deductive, a priori themes)	Sub-codes (mix of deductive from the protocol and inductive as emerging from the data)	Data source: Interview summary and follow-up email conversation (direct quotes in quotation marks, otherwise narrative summary as per the approved summary)	Data source: Documentation (all direct quotes, unless in [] as short notes by the researcher) <ul style="list-style-type: none"> <li>Website (<a href="#">public</a>)</li> <li>Principles of Leeds Bread Co-op, 2019 (hereafter Principles) (<a href="#">public</a>)</li> <li>Ethical policy, 2015 (supplied by the co-operative representative)</li> </ul>
Case background	Business activity	<p>The co-operative best describes itself around the three words in its name:</p> <ul style="list-style-type: none"> <li>Leeds: local business, not looking to be much bigger than the Leeds area (trading in a few towns nearby)</li> <li>Bread: conversations have happened around adding other baked products but staying primarily bread based</li> <li>Co-op: worker co-operative aiming to create a workplace that works for the employees and is a democratic co-operative, providing an “ethical and enjoyable workplace for the members and non-member employees.”</li> </ul>	<p>Leeds Bread Co-operative is an artisan bakery, specialising in slowly fermented, hand-crafted bread. [Principles]</p>
	History	<p>Established in 2012 (started trading in 2013) by three founding members, all of whom have moved on now. “They started because they wanted to make decent bread available locally in Leeds.” At that time there was nothing like the boom in “real bread, proper bread” we might see now in the UK and abroad. The founders were driven by “creating a product that they perceived as being really good quality and nutritional bread and also creating a livelihood for themselves”, and this is still what the co-operative does today.</p>	<p>Leeds Bread Co-op was established in the summer of 2012 by 3 founder members, who were motivated to make great quality, delicious bread made with healthy, well sourced ingredients available to the people of Leeds, whilst creating an ethical and enjoyable workplace that provided good livelihoods to the workers. [Website]</p>

	Legal form of incorporation	Co-operative society (formerly an Industrial and Provident Society): comes with some “model rules” which can be found via Co-operatives UK (e.g. about voting and decision-making), with permitted changes to make it specific to a particular co-operative.	
Sustainability	Sustainability as “continuing”	Sustainability is one of the stated principles of the business, with two angles to it: <ul style="list-style-type: none"> <li>• Sustainability as a business that “can continue to function, make sure we’ve got the resources and that we’re meeting our aims and providing the livelihoods and creating the products that we want to be creating.”</li> </ul>	
	Resilience		
	Environmental	<ul style="list-style-type: none"> <li>• Sustainability in an environmental sense. The respondent states that without the previous sense of sustainability “we cannot think of the environmental side of things.” “Being clear that we’ve actually got an enterprise that functions well, that hasn’t got debt, that has all the policies and processes and the culture that enables us to continue to be able to then do some of the more ecological or socially minded work that we want to do.”</li> <li>• Issue over the last years: people would like to do more good locally but the co-op has been rather in a survival mode recently, making sure wages are paid and the basics are covered before doing more work with the community.</li> <li>• People “come with a slight idealistic approach to us as a business. They think, they’re doing all of these amazing things, they’ve got these principles that they really want to live by, but then the reality of being on the inside as a worker is that there is a lot we have to do just to maintain our existence not in a very idealistic sense but a very practical sense.” This can lead to disillusionment for the workers. They must go through a process of understanding the realities of the business and the day to day.</li> </ul>	<p>We aim to operate in an ecologically aware manner which produces minimum impact on the local and global environment, reducing the amount of resources we use and waste that we create. We do this by:</p> <ul style="list-style-type: none"> <li>• Using renewable energy, reducing fossil fuel consumption and minimising energy use where possible.</li> <li>• Having a transparent supply chain and using organic ingredients where possible, in line with our ethical policy.</li> <li>• Reducing the distance food is transported.</li> <li>• Using efficient distribution systems and minimising air pollution.</li> <li>• Repairing things where possible and reducing, reusing and recycling waste.</li> <li>• Minimising water use.</li> <li>• Care for our local environment and neighbours. [Principles]</li> </ul>
	Social		<p>We aim to provide a secure and meaningful livelihood and fair wage for our staff.</p> <p>We aim to create an enjoyable and fulfilling workplace, that is supportive, fair and treats all staff well, including the other people that we work with such as volunteers, customers, suppliers and the wider community. We recognise the hard work and commitment of our staff and aim to avoid excessive workloads or overtime, by continuously improving our staffing and our understanding of each other’s roles and responsibilities. We want to enjoy working together and to create jobs that are dynamic, interesting and positive. Our goal is to seek the highest standard possible for the workplace, where everyone is paid a fair wage based on the performance of the business. We seek to have sustainable working practices, with up to date policies and procedures which are directly affiliated with our values. We support individual and collective learning and development, through formal training for which support and funding is available; by ensuring staff have time to learn and improve skills whilst at work; and by encouraging creativity and innovation in what we do and how we do it. Through the progression of our workers and policies, we aim to create good working relationships and effective management of the co-op and each other. [Principles]</p>
Economic		<p>We aim to provide a secure and meaningful livelihood and fair wage for our staff. By generating a surplus to reinvest in equipment and in our skills, we aim to improve our products and working conditions, and to build up necessary reserves to give us security for the longer term. [Principles]</p>	



	<i>Learning and experimentation</i>		<p>We support individual and collective learning and development, through formal training for which support and funding is available; by ensuring staff have time to learn and improve skills whilst at work; and by encouraging creativity and innovation in what we do and how we do it.</p> <p>We actively seek feedback from all staff, allowing for reflection and improvement, and for us to learn and adapt to different people's learning and working styles. [Principles]</p>
<b>Distributive business</b>	<i>Income and wages</i>	<p>Challenge: Wage levels and making sure finances work to pay a decent wage level. The aspiration was to adhere to the Living Wage level as set up by the Living Wage Foundation, the level was first achieved in 2020. Previously lower wage levels were an issue that affected staff retention and recruitment.</p> <p>Flat wages, meaning everyone gets the same wage per hour, currently £9.30. The Living Wage was achieved in 2020 (though the Living Wage Foundation increased the Living Wage just shortly after Leeds Bread matched it, now wages would need to be increased again within an allowed window). The commitment last year to adopt the Living Wage did not lead to an internal policy, meaning there is flexibility depending on the financial situation of the co-operative. The conversation around wages will be picked up again this year.</p>	<p>We price our products honestly, based on the cost of ingredients and production, whilst paying ourselves a fair wage for the work we do.</p> <p>We aim to provide a secure and meaningful livelihood and fair wage for our staff. [Principles]</p> <p>They are paid the same standard hourly rate [Website]</p>
	<i>Profit/surplus use</i>	<p>Secondary rules in the co-operative include a priority list for use of surplus (not reviewed for a while, mostly because surplus has not been "an issue that we've had to deal with" so far). Currently some surplus is being used for "massively needed" refurbishments and investments in equipment</p> <p>Going forward: if there will be a surplus after this financial year, a discussion will take place around how to prioritise (e.g. wages, workplace benefits).</p>	<p>By generating a surplus to reinvest in equipment and in our skills, we aim to improve our products and working conditions, and to build up necessary reserves to give us security for the longer term. [Principles]</p>
	<i>Ethical/Business ethics policy</i>	<p>Ethical policy - not updated for quite some time but still part of the staff induction, then by the time someone is actively participating in the business they know what is in it.</p>	
	<i>Responsible supply chain</i>		<p>Having a transparent supply chain and using organic ingredients where possible, in line with our ethical policy. [Principles]</p> <p>Preferentially the coop will trade with other co ops. Secondly, it will prefer small and local producers and service providers, social enterprises, specialist alternative suppliers, or community enterprises in the global south in preference to corporate sources. The co op will also take cost into account when making financial decisions</p> <ul style="list-style-type: none"> <li>• The co op will buy organic when the cost of the organic compared to the non organic is not more than 50% greater.</li> <li>• The co op also aim to reduce the impact on non human animals by sourcing high welfare animal products and producing predominantly vegetarian food. We will use vegan cleaning products where possible.</li> <li>• The co op will use ethical banks or building societies for financial services and if borrowing is needed then the co op will look for support from small investors and from other coops as loanstock.</li> <li>• The co op will choose insurance providers with the highest ethical standards when it is economically viable to do so.</li> </ul>



			<ul style="list-style-type: none"> <li>The co op will power our activities with energy from renewable sources wherever economically viable.</li> </ul> <p>We are proud that the majority of our trade is to other independent businesses and we prefer to trade this way.</p> <p>The co op will also aim to reduce support of destructive transnational corporations and oppressive regimes by respecting reputable boycott movements. [Ethical Policy]</p>
	<i>Diversity</i>	“not very diverse - we are mostly younger people, predominantly white British, some disabilities, some variation of sexuality but predominantly heterosexual, but mostly female.”	
	<i>Knowledge sharing</i>	<p>Local co-operative community: in Leeds and the West Yorkshire area (e.g. the co-op supplies from Suma and also works with Suma to learn from their mode of governance and structure; also learning from Unicorn Grocery, “a really well-respected as a really great example of a worker co-op in the UK, particularly in the North of England”; sharing HR learnings and processes with Leeds Bike Mill).</p> <p>“We work with other co-operatives because we know and understand who they are as a business, and because it’s part of the principles of being a co-operative, is to co-operate amongst co-ops.” “We are not paying for one another’s services, we’re working out of mutual benefit to one another to share our learning and to drive further the aims of us as individual businesses, of co-operatives but also the movement as a wider network of co-ops.”</p>	
<b>Regenerative business</b>	<i>Environmental impact / policy</i>		
	<i>Circular principles</i>		<ul style="list-style-type: none"> <li>Using renewable energy, reducing fossil fuel consumption and minimising energy use where possible.</li> <li>Reducing the distance food is transported.</li> <li>Using efficient distribution systems and minimising air pollution.</li> <li>Repairing things where possible and reducing, reusing and recycling waste.</li> <li>Minimising water use. [Principles]</li> </ul> <p>The coop will aim to reduce the amount of resources we consume and pollution we create by:</p> <ul style="list-style-type: none"> <li>using electronic communication in preference to paper</li> <li>re using paper, ink cartridges and all other appropriate resources</li> <li>sharing resources with other groups where practicable</li> <li>using recycled, post consumer paper in office and for our publicity materials</li> <li>reducing energy use in our work environment</li> <li>using public transport wherever it provides a viable option</li> <li>not using air travel where the distances involved permit overland travel</li> <li>using ecological cleaning products</li> <li>sourcing second-hand office equipment such as furniture and computers</li> </ul>

			<ul style="list-style-type: none"> <li>recycling our waste through the most appropriate waste stream [Ethical Policy]</li> </ul>
<b>(Living) Purpose</b>	Mission and values	<p>The founders were driven by “creating a product that they perceived as being really good quality and nutritional bread and also creating a livelihood for themselves”, and this is still what the co-operative does today.</p> <p>The co-operative best describes itself around the three words in its name:</p> <ul style="list-style-type: none"> <li>Leeds: local business, not looking to be much bigger than the Leeds area (trading in a few towns nearby)</li> <li>Bread: conversations have happened around adding other baked products but staying primarily bread based</li> <li>Co-op: worker co-operative aiming to create a workplace that works for the employees and is a democratic co-operative, providing an “ethical and enjoyable workplace for the members and non-member employees.”</li> </ul> <p>the co-operative does not necessarily have a clear, articulated mission. The aims listed on the web feed into its mission. Although not articulated explicitly, the mission can be understood as made up of the three name components, as previously described. The Leeds-local component “very much includes the environmental footprint and impact on a global and local level.”</p> <p>The respondent describes the principles of the co-operative as a combination of aspirational aims and what the co-operative can realistically achieve.</p>	<p>We are based on the co-operative values of democracy, self-help, self-responsibility, equality, equity and solidarity. We aim for a non-hierarchical workplace where empowerment of staff, care of the community and collective self-reliance are at the core of how we function.</p> <p>We aim to consistently produce and supply high quality, handmade products that look and taste great, and that we are proud of. We always use good quality, healthy ingredients which are guided by our ethics and principles, and never use shortcuts such as processing aids or additives. We make all of our products ourselves, avoiding buying in part- or eady-made goods. We recognise baking as a craft and value the skill of bakers whilst appreciating the individuality of handmade products. [Principles]</p> <p>Our aims as an enterprise are to:</p> <p>To increase consumption, availability and knowledge of real bread by Producing real bread in a socially and environmentally responsible way.</p> <ul style="list-style-type: none"> <li>Making our bread available to a wide range of people.</li> <li>Creating a ‘food hub’ where a range of small food businesses can realise their own visions while collaborating and supporting each other.</li> <li>Offering food-based workshops and classes which empower people to develop their cooking and baking skills and improve their health.</li> </ul> <p>To provide an ethical and enjoyable livelihood and workplace to our employees by</p> <ul style="list-style-type: none"> <li>Paying a living wage as an minimum.</li> <li>Creating maximum-hour working weeks for all employees and taking on new staff where the maximum limit is reached.</li> <li>Encouraging each member to have creative input so everyone has an intellectual stake in the business.</li> <li>Having a flat wage structure.</li> <li>Reaching decisions by consensus instead of majority vote.</li> </ul> <p>To tread lightly on the environment by</p> <ul style="list-style-type: none"> <li>Using ethically sourced and where possible local ingredients.</li> <li>Minimising packaging and using recycled packaging.</li> <li>Using energy from renewables as much as possible. [Website]</li> </ul>
	Challenges to upholding the mission	<p>Issue over the last years: people would like to do more good locally but the co-op has been rather in a survival mode recently, making sure wages are paid and the basics are covered before doing more work with the community.</p> <p>People “come with a slight idealistic approach to us as a business. They think, they’re doing all of these amazing things, they’ve got these principles that they really want to live by, but then the reality of being on the inside as a worker is that there is a lot we have to do just to maintain our existence not in a very idealistic sense but a very practical sense.” This can lead</p>	

		<p>to disillusionment for the workers. They must go through a process of understanding the realities of the business and the day to day.</p> <p>Wage levels and making sure finances work to pay a decent wage level. The aspiration was to adhere to the Living Wage level as set up by the Living Wage Foundation, the level was first achieved in 2020. Previously lower wage levels were an issue that affected staff retention and recruitment.</p> <p>Higher cost of sustainably sourced/produced ingredients. The co-op's aspirations of always sourcing sustainably have not always been met. Not currently an issue any longer although "we definitely have more work to do".</p> <p>Community involvement. An original idea of the founding members was to have a food hub that the co-op would be part of, but not a lot of progress has been done on this ambition. The co-op works with other local business and producers, offering e.g. a small scale distribution service, but it is uncertain whether it wants to develop the food hub idea further.</p> <p>Membership challenges. The co-op is established as an ethical workplace (integrity based, no hidden agendas, no outside control), but "there has been a level of self-exploitation in how hard some people have had to work, particularly in the early years" [...] "which is very common in co-ops" to meet the needs of the business. The baking industry deals with this challenge in general as the working hours are anti-social, and it is a hazardous vocation involving manual work. Work has been done to tackle this area in the co-op: changing shift hours to be more sociable, improvements to the workplace i.e. recent refurbishments to "create a much nicer working environment, one that works better, is more efficient but is also more pleasant to be in."</p> <p>Quite a high staff turnover for the two years before the pandemic, which did not help with establishing employees as members.</p>	
	<p><i>Motivation for a business to be a worker co-operative</i></p>	<p>"Any trading organisation, or a lot of trading organisations, could be co-operatives. And if they were, whether that's a worker co-operative, consumer co-operative of whatever, probably we would have a much better world, and economy, and things would be done for different reasons rather than done for shareholder profit, which is what ends up being the case for so many organisations."</p> <p>"For us, it's about the values of democracy, self responsibility and empowerment of the people who are actually doing the work, and them being genuinely involved in controlling and deciding what it is that they do. It's just so fundamental on a political level."</p> <p>Not all organisations or businesses should be structured as a co-operative to achieve their goals. "Co-ops are a certain type of organisation and it's certainly not necessarily the way that every business or organisation should be structured."</p>	
	<p><i>Motivation to work in a worker co-operative</i></p>	<p>The respondent is personally motivated by the co-operative values, although "it doesn't always come through, particularly during the pandemic, a Monday morning can still feel like a real drag. There's definitely been times when we've felt heavy with the weight of responsibility and some of the difficulties that we've faced, particularly when finances have</p>	

		<p>been a challenge.”, or navigating through “messy employee issues”. In good times, “the sense of collective achievement, that we’ve built something from nothing and actually we’re a well established organisation now that is well respected in the local area and that is doing something that we really believe in and doing it with integrity and true to the values and aims that we set up. Even if we aren’t achieving all of those yet, we still know that we’re still working towards that. That sense is really rewarding, but with it comes the responsibility and the difficult times.”</p> <p>For other members, some join just to be a baker, not necessarily because they are involved with or believe in co-ops. Yet “through the process they build that, there is a sense of being more politicised, because having to really participate and engage in the type of organisation that we are, you can’t shy away from the politics of it.” Some might not describe the co-op as political, but the respondent has noticed a change in people who first join “quite apolitical.” The members talk about world politics and events during meetings (“they become literally agenda points for us and we’re having discussions in a way that other workplaces may not be doing that”), for example about the last general election in the UK, the Black Lives Matter movement, the pandemic. “On initially getting to know someone, you think they’re not a particularly politically engaged person, and then they have these opinions that start coming out as a result of the fact that we talk about things and we are actually political in the way that we work.”</p>	
	Economic democracy	<p>“For us, it’s about the values of democracy, self responsibility and empowerment of the people who are actually doing the work, and them being genuinely involved in controlling and deciding what it is that they do. It’s just so fundamental on a political level.”</p>	<p>We are a non-hierarchical workplace that offers a democratic and participatory form of employment, where empowerment of staff is at the core of how we work. [Principles]</p>
<b>(Rooted) Membership</b>	Members and workers	<p>13 members currently, including 5 full-time and 8 probationary members.</p> <p>At the moment no non-member employees. Historically, the co-op has taken non-member employees on board, always with the intention of having them join as members. However, not all have become members, some “were put off by the responsibility, not necessarily wanting that to be part of what their job was about.” This 2-tier system, with a cohort of non-member employees and a cohort of member-employees, was not by intention but out of necessity for the co-operative to get established and expand, when more staff was needed. “People started working, not necessarily with us being set up to support them to become members adequately [...] and also them not having the desire to become members.”</p> <p>Quite a high staff turnover for the two years before the pandemic, which did not help with establishing employees as members. Currently and after some restructuring, enabled by the changes already occurring with the pandemic (n.b. the co-op was closed for two months in spring 2020), all contracted staff go through a mandatory probationary membership training program. The 8 probationary members are on track to become members this summer, should they choose to.</p> <p>Membership challenges. The co-op is established as an ethical workplace (integrity based, no hidden agendas, no outside control), but “there has been a level of self-exploitation in how hard some people have had to work, particularly in the early years” [...] “which is very common in co-ops” to meet the needs of the business. The baking industry deals with this challenge in general as the working hours are anti-social, and it is a hazardous vocation</p>	<p>We will actively acknowledge the welfare of all of our staff, members and non-members alike. We understand that we are more than just work colleagues and seek to build meaningful and constructive relationships, that account for every individuals wellbeing. [Principles]</p> <p>We have a flat management structure in which all members of the co-op have an equal say in decision-making and take an equal responsibility in the running of our business, and all co-op members are company directors.</p> <p>As well as our members, we have a pool of non-member employees who either don’t want to take on the additional work and responsibilities of membership or who don’t work enough hours/haven’t worked for us for long enough to be able to become members yet. They are paid the same standard hourly rate as members and we highly value their hard work in helping us to make, sell and deliver delicious, fresh bread in and around Leeds day after day. [website]</p>

		involving manual work. Work has been done to tackle this area in the co-op: changing shift hours to be more sociable, improvements to the workplace i.e. recent refurbishments to “create a much nicer working environment, one that works better, is more efficient but is also more pleasant to be in.”	
	Becoming a member	Currently and after some restructuring, enabled by the changes already occurring with the pandemic (n.b. the co-op was closed for two months in spring 2020), all contracted staff go through a mandatory probationary membership training program. The 8 probationary members are on track to become members this summer, should they choose to.	
	Who has decision-making power		
	Power dynamics		As a co-op, we make our decisions by consensus – instead of simply voting and having the majority of the group getting their way, we are committed to making decisions that all members are in agreement with. Consensus decision making is non-hierarchical and ensures that power and control is equally shared by all members, as well as enabling us to make better decisions by collectively weaving together our various ideas and concerns. [Website]
<b>(Mission-controlled) Governance</b>	How is the co-operative managed?	Decisions are made by members in fortnightly member meetings. Flat structure with everyone having an equal say.	We are a non-hierarchical workplace that offers a democratic and participatory form of employment, where empowerment of staff is at the core of how we work. [Principles]
	How are decisions made?	<p>Consensus decision-making from the set up of the co-op, practiced across the organisation but different people are involved in different types of decision. Different teams include the probationary members and also use consensus decision making, for day to day operational decisions.</p> <p>Decisions are made by members in fortnightly member meetings. Flat structure with everyone having an equal say. “Sometimes it is practiced more formally for difficult discussions, but most of the time it happens quite fluidly, we are a closed knit group that know each other quite well and have a trusting, good understanding of one another.” [...] “Having a flat management structure has been a very key principle throughout and consensus decision making meets that aim more than any other decision-making system. Voting just doesn’t give the same level of involvement and democracy.”</p> <p>On whether consensus works for other types of business: This form of decision-making is more complicated the bigger the group and the more diversity of opinion there is, which can lead to a more complicated decision-making.</p> <p>Currently looking into implementing some sociocratic principles, not to totally replace consensus decision making. One of the challenges with consensus decision making is that “it can lead to a more conservative position, because you get pulled by people who are perhaps more risk-averse or less in favour of a decision going ahead.” Compared to sociocracy, which “frees that slightly.”</p>	<p>We provide training and support in consensus decision making and facilitation to give staff the required tools to partake wholly in discussions, meetings and the decisions we make as a business. By building strong systems for sharing information and providing appropriate training, we strive to effectively provide new and existing members with the knowledge and skills needed to develop confidence and empowerment, ultimately enabling them to have equal control and inclusion within the business. [Principles]</p> <p>As a co-op, we make our decisions by consensus – instead of simply voting and having the majority of the group getting their way, we are committed to making decisions that all members are in agreement with. Consensus decision making is non-hierarchical and ensures that power and control is equally shared by all members, as well as enabling us to make better decisions by collectively weaving together our various ideas and concerns. [Website]</p>
	Metrics of performance	“profit on a monthly and annual basis, number of loaves donated to charitable/community organisations, rate of pay/ability to increase, number of wholesale customers, diversity and % of income from different streams, staff turnover and retention, number of good applicants	

		when recruiting, ability to pay staff benefits (professional development/training, staff food and refreshments, workplace health package, discounts) etc.”	
<b>(Stakeholder) Finance</b>	Sources of finance or investment	Initially financed through a mix of grant funding, loan stock (i.e. private investors who do not have any decision making power) and crowdfunding. Now no other finance stream other than revenue, with the exception of some grant funding and a donation programme during the pandemic (Loaves for Leeds – covering the costs of baking a load of bread each week for local food banks). Additional bank loan in the pandemic, so far it was not really put to use. Almost all loan-stock has been paid back	The co op will use ethical banks or building societies for financial services and if borrowing is needed then the co op will look for support from small investors and from other coops as loanstock. [Ethical Policy]
	Financial challenges	“We strip back loads” – take back staff benefits, go through all expenditures and remove anything that’s not essential, “operating on a shoe-string basis.” No loans of further debt was needed, financial plans were developed to manage hard times.	
	Selling the co-operative		
<b>(Ethical) Networks</b>	Work with local communities	Community involvement. An original idea of the founding members was to have a food hub that the co-op would be part of, but not a lot of progress has been done on this ambition. The co-op works with other local business and producers, offering e.g. a small scale distribution service, but it is uncertain whether it wants to develop the food hub idea further.  grant funding and a donation programme during the pandemic (Loaves for Leeds – covering the costs of baking a load of bread each week for local food banks  Local charities, projects and organisations supported with bread donations (Loaves for Leeds is a pandemic project, that has allowed the co-op to establish relationships with local food banks and distribution systems. The co-op worked and works with projects outside the pandemic too).	From the outset we strive to provide good jobs and good products for our locality, as well as creating a positive social impact beyond our own worker community. We actively support other organisations, particularly other co-operatives, that align with our values and principles – making donations of products or funds, working together on projects, or using our social media presence to support or publicise issues and events.  We specifically support and show solidarity with marginalised communities, including refugees and asylum seekers, groups of people that suffer oppression both locally and globally, and groups working to co-operative principles. We also support organisations and causes that are of personal significance to us, or that fit with our principles and values. [Principles]
	Belonging to trade or co-operative communities	Local co-operative community: in Leeds and the West Yorkshire area (e.g. the co-op supplies from Suma and also works with Suma to learn from their mode of governance and structure; also learning from Unicorn Grocery, “a really well-respected as a really great example of a worker co-op in the UK, particularly in the North of England”; sharing HR learnings and processes with Leeds Bike Mill). “We have reasonable relationships that we can draw on as and when, rather than an ongoing, particular project that we are working on.”  “We work with other co-operatives because we know and understand who they are as a business, and because it’s part of the principles of being a co-operative, is to co-operate amongst co-ops.” “We are not paying for one another’s services, we’re working out of mutual benefit to one another to share our learning and to drive further the aims of us as individual businesses, of co-operatives but also the movement as a wider network of co-ops.”  And working with charities and other organisations “that do really good stuff” although they might not be co-operatives (e.g. working with organisations that support marginalised people in the local community, refugees and asylum seekers). Not all organisations or businesses should be structured as a co-operative to achieve their goals. “Co-ops are a certain type of organisation and it’s certainly not necessarily the way that every business or organisation should be structured.”	

	Customers	“a community-based group of: individuals, for the retailer market income that we have, who feel a sense of loyalty to us, and we feel a sense of responsibility to them to run our business in a way that is mindful of those people and is true to our values and principles;” the wholesale side, “a lot of quite small, local businesses who are also quite rooted in their geographical communities around Leeds who have a strong support base within their local areas;” and the weekly subscribers who have an “ongoing relationship with us of paying regularly and we have a different kind of engagement with them”.	
	Suppliers		

## Data template for Outlandish

First order codes (deductive, a priori themes)	Sub-codes (mix of deductive from the protocol and inductive as emerging from the data)	Data source: Interview summary (direct quotes in quotation marks, otherwise narrative summary as per the approved summary)	Data source: Documentation (all direct quotes, unless in [] as short notes by the researcher) <ul style="list-style-type: none"> <li>Website (<a href="#">public</a>), particularly <a href="#">this article</a> and <a href="#">this one</a></li> <li>The Outlandish Cooperative Wiki (hereafter Wiki) (password protected, supplied by the co-operative)</li> </ul> n.b. all data from Wiki unless marked [Website]
Case background	Business activity	Two work strands at Outlandish: Tech tools: “We were set up specifically for technology, mostly around data-led tools, [...] dashboards, things that organisations need in order to analyse what they’re doing. We’ve also always made websites.” Workshops: “Recently, we’ve also started to run workshops on elements of our communication, so consent-based decision making,” which was based on demand from people. This new strand of work is called Building OUT (Openness, Understanding and Transparency), focused on communication skills: non-violent communication, consent-based decision making. Another type of workshops is “design sprints,” getting people together for a few days to prototype and test an idea.	About Outlandish We research and build elegant, innovative web applications that save our clients time and money. By putting users first and testing as we go, we ensure that all our products are easy to use, effective and scalable. We turn ideas into products quickly. Sociocracy is at the heart of the way we work. This means taking personal responsibility for three things: <ul style="list-style-type: none"> <li>noticing what is happening and communicating transparently about it</li> <li>making proposals if we what we wish to do affects other people</li> <li>honestly raising concerns when we have them</li> </ul>
	History	Founded in 2010 by two former BBC employees who decided to go freelance. Started with three developers, later joined by a project manager.  Outlandish has always been worker-owned and worker-controlled, but in terms of its legal status it started off as an LLP (Limited Liability Partnership), i.e. with less emphasis on co-operation. “One of the main reasons that we weren’t set up as a co-operative was just that we didn’t know how to. We didn’t really know much about co-ops. [...] There’s kind of a slight tension, setting up co-operatives in this country can be really bureaucratic and quite time consuming, because they are monitored by a different financial authority, which is the FCA [Financial Conduct Authority], whereas I can set up a company right now in 15 minutes.”  6 or 7 years ago Outlandish transitioned to the co-operative model.	



	Legal form of incorporation	Co-operative Society. The respondent mentions that, although they themselves are on the Worker Co-operative Council, they cannot name all the legal forms available in the UK “because it’s just become really overcomplicated.” This has its roots in Thatcher’s time of trying to prevent co-operatives from forming, promoting competition (of freelancers) over co-operation. “There are probably 10 people in the UK that could confidently tell you the difference between all of them [legal forms of organisation].”	
Sustainability	Sustainability as “continuing”	Do people want to stay? (“people do tend to stay for quite a long time”)	
	Resilience		
	Environmental	Environmental sustainability: tech is heavily reliant on servers. Outlandish has two options: Amazon web services (convenient, safe, capable of holding many users, “but it’s Amazon, and there are all sorts of implications around that”), the alternative is a co-operative called Web Architects (zero carbon servers, scaled down, but more expensive, and it cannot handle as many users). “There is this constant balance to strike around sustainability, and not sacrifice it, cause obviously you can’t, but this trade-off with clients, it’s a tricky thing to navigate.” Clients will decide which server option to choose.	
	Social	People’s autonomy: “are they able and do they have space to develop and explore their skills so that we do grow as a business?”	[Outlandish has a range of policies that are socially-focused]
	Economic	Financial sustainability: “We can’t be frivolous at the risk of not looking after our organisation. We want to support other people who do good stuff, but we have to remain sustainable.” Previously all profits were given away (i.e. after a big client project), nowadays some finances are reserved to cover difficult times.  Research and development projects to develop Outlandish internally, these have to be balanced with client projects in terms of money and time invested.	Responsibilities of being a Member - Sustainability <ul style="list-style-type: none"> <li>• Take responsibility to deliver work to a high quality and on budget.</li> <li>• Raise any issues that may affect budget, quality or timescales at as early a stage as possible.</li> <li>• Ensure Outlandish’s resources are used most effectively and according to Outlandish’s goals.</li> <li>• Ensure Outlandish is able to meet all of its financial and legal obligations.</li> <li>• Ensure that any surpluses are distributed in a fair way amongst all workers in proportion to their labour.</li> </ul>
	Learning and experimentation		So, at Outlandish, rather than having a fixed strategy, and a plan to implement it, we focus more on maintaining and developing our culture. Yes, we have agreed principles and values that we hold to – but these are always interpreted in a specific situation – so are more like guidelines than rules. We have high-level aims, OKRs and lots of policies. Culture emerges and evolves as we work together and talk about how we relate to each other. Tools like Theory of Change give us a very useful way of understanding each other’s different perspectives. But, of course, much work happens outside formal strategy sessions.  The classic definition of ‘culture’ is ‘how things are done around here’. Meaning that the aggregated set of behaviours in the organisation somehow represents the culture.  But perhaps it is more useful to realise that culture is not an ‘it’ – it is not a static thing – it changes all the time, and we all experience it differently.



			<p>Culture is something that emerges as the result of many, many conversations. We can all contribute to that by speaking up congruently, respectfully and being empathetic – see this post on communication for more details. This includes whether we enquire or advocate. Whether we speak positively or negatively, supportively or destructively. Whether we focus our efforts internally – inside the organisation, or outside. And so on.</p> <p>Our culture is how we do things – but we never do things exactly the same way every time. Instead we negotiate every situation differently.</p> <p>-</p> <p>The first new idea is that being successful at leading and managing really means being yourself – there’s no right way to be. We are all different and we all have unique ways to contribute. That means that learning to lead and manage means learning to be really honest – or congruent. And it means iterating and getting it wrong as much as we get it right.</p> <p>This, I think, is a lifelong process!</p> <p>By the way, all of the above is only an ‘ideal’ – any organisation can only ever approach it, and never permanently achieve it. People do it by trying to engage in conversations honestly, respectfully and empathically, and we can’t guarantee the outcome. Ultimately leading means trying to deal with the many paradoxes and frailties of life, in the moment, and in practical ways.</p> <p>And we keep reflecting on progress. Learning to lead is learning to learn! [website]</p>
	<i>Other</i>	People’s autonomy: “are they able and do they have space to develop and explore their skills so that we do grow as a business?”	
<b>Distributive business</b>	Income and wages	<p>Lower than market rate, but in this way “not contributing to the wealth gap.”</p> <p>“It’s still a really good wage”: Two top paid people at £375/day (£100,000/yr), pay ratio 3:1 (including cleaner).</p> <p>“We need to make sure that we have the right people delivering the stuff [...], we need to make sure we attract good people to work with us, which means we have to have a competitive rate, but that we also offer what other companies cannot offer, like deciding how the surplus is spent, and being able to go to non-violent communication training, and being able to choose what projects to work on.”</p> <p>“None of us at Outlandish really want to get rich and retire at 35, none of use have two houses, that’s not the kind of lifestyle that any of us have individually chosen. So there is something around who we work with that is important.”</p>	<p>Pay and Rewards</p> <p>Remuneration is not the defining characteristic or motivation for being part of Outlandish. But pay is very important, and there is definitely a need for clarity, and for transparency about how pay is handled. So this article attempts to describe how things work currently, and how they might work in the future.</p> <p>Currently</p> <p>The process is still evolving. We probably need to establish some criteria, and practice applying them. Only by doing this will we learn what works, and what doesn’t.</p> <p>Here are some draft goals for the system – open for initial discussion:</p> <ul style="list-style-type: none"> <li>• it is transparent</li> <li>• it ensures everyone that works at Outlandish happy and motivated</li> <li>• it covers pay and ‘perks’, and intangibles like getting to work on self-chosen projects etc</li> <li>• it is fair, and seen to be fair – in the sense of creating equivalence between people</li> <li>• it should be needs-based as well as fair</li> </ul>

		<ul style="list-style-type: none"> <li>• it ensures everyone has opportunities to meet their potential – in other words it encourages people to add new skills and develop</li> <li>• it attracts other excellent people to join the coop – this means that, in some way, it needs to take account of people’s other options</li> <li>• pay is affordable for the coop, and supports our overall business model and aims</li> <li>• it takes account of different negotiating styles (ie some people are better than others at getting more pay)</li> </ul> <p>Loans to members Members can borrow up to [...] from Outlandish, provided that we can afford it. For any loan, a repayment plan must be made so that HMRC know that we are not trying to dodge taxes. Here is a template for the repayment plan. There is no deadline to pay the loan back</p>
Profit/surplus use	Previously all profits were given away (i.e. after a big client project), nowadays some finances are reserved to cover difficult times.	Ensure that any surpluses are distributed in a fair way amongst all workers in proportion to their labour.
Ethical/Business ethics policy	Other policies: standard about paternity and maternity leave (which are now the same). “Probably less than your standard company.”	<p>Maternity/Paternity policy Even though we are currently self-employed, we still like to look after each other. Therefore, we have the following maternity &amp; paternity policy (Coop Members only).</p> <p>One of the key things to understand in Sociocracy (and some would say life more generally) is the difference between Policy and Practice. Policy is what we would like to do. It includes our aims (our Mission, Vision etc). How we would like to go about things – what we value. It is essentially ‘abstract’. Practice is what we actually do, day-to-day in real life. The challenge is matching practice with policy. So, for example, when we are in meetings do we actually allow everyone time to say what they need to say. Or, for example, do we let some voices dominate? Our practice – our behaviours – are what makes the difference – not just the intention we hold. The way we turn policy into practice is by everyone noticing where there is a difference between the two – and speaking up about it.</p>
Responsible supply chain		
Diversity		<p>We are VERY aware of how white, middle class and male we are and are working hard to improve our diversity.</p> <p>We are working on a diversity/inclusion strategy/plan and have a number of projects helping to improve diversity/inclusion, not only specifically in Outlandish but also in the Industry:</p> <ul style="list-style-type: none"> <li>• Sponsoring female developers to go through Founders and Coders training</li> </ul>

			<ul style="list-style-type: none"> <li>Supporting graduates from Founders and Coders to develop projects with social impact (50/50 female/male team)</li> <li>Prioritising female developer applications and offering more support where possible</li> </ul> <p>Diversity – and inclusion – are linked to innovation, and innovation is linked to being able to respond to changes in the external and internal situation. Innovation means bringing in the new – in other words ‘learning’. Being able to cope well with change and unexpected circumstances therefore relates directly to the sustainability of the coop. Diversity and inclusion are therefore not a luxury – they are essential.</p>
	<i>Knowledge sharing</i>	<p>helped set up the Co-Tech, a network of digital co-ops across the UK, “which has allowed us to share skills and learn from each other”</p> <p>“We work in probably the most unequal borough in the UK in terms of wealth, so we need to try and do our bit with what we can, and teaching people tech skills is a tangible way of changing people’s quality of life. If they can start to work using the skills that they got then that’s a good thing for them.”</p>	developing the Outlandish structure in such a way that others can copy it or that it can grow to incorporate everyone who wants to be part of it
	<i>Other – opportunity sharing</i>	The respondent mentions both financial and emotional benefits from working for Outlandish. “Because of that satisfaction, you want to share it with people, and you want people to understand that you can work like this and your life can be made better through work. What is happening in this country is people’s lives are getting worse through work because they are exploited so much. [...] We all feel pretty lucky of what we’ve created together, we feel pretty lucky in terms of, it seems to work, people seem to want to work with us, people want to pay to work with us, and it’s not just for us. And because physically we can’t actually deliver everything that we want to, other people need to help deliver it too. We would much prefer it going to another co-op than go to a start-up with annoying people. [...] Tech has kind of, taken the piss for quite a while, because it’s very niche and because it’s literally technical, you can just say stuff to the clients, and they don’t know what you’re talking about, and some people abuse that [...] so we’re also trying to demystify that side of it and make that more accessible, and make sure that people are paying fairly for what they’re getting.	
<b>Regenerative business</b>	<i>Environmental impact / policy</i>	<p>No environmental policy at the moment, the respondent would be interested on how to do one and what to include (“other than recycling”) but thinks “it is less about what we [Outlandish] do and more about what real big structures, like petrol companies do.”</p> <p>Environmental sustainability: tech is heavily reliant on servers. Outlandish has two options: Amazon web services (convenient, safe, capable of holding many users, “but it’s Amazon, and there are all sorts of implications around that”), the alternative is a co-operative called Web Architects (zero carbon servers, scaled down, but more expensive, and it cannot handle as many users). “There is this constant balance to strike around sustainability, and not sacrifice it, cause obviously you can’t, but this trade-off with clients, it’s a tricky thing to navigate.” Clients will decide which server option to choose.</p>	
	<i>Circular principles</i>		
<b>(Living) Purpose</b>	<i>Mission and values</i>	Theory of change at Outlandish refers to an outcome-focused approach, where the outcome of a project is established, and work happens backwards to reach the outcome. At the	Outlandish helps more people work on technology that makes a difference.

		<p>organisation level, this theory of change implies covering three bases: “sharing how we run our business, creating a safe working environment, and delivering high quality technical projects. [...] The decisions that we make shouldn’t block us from achieving that goal.”</p> <p>Outlandish ran a session last year on values for internal purposes, not for PR or external communication. “The values allow us to hold ourselves accountable”</p>	<p>Vision A fairer and better world in which:</p> <ul style="list-style-type: none"> <li>• people are freed from the drudgery of jobs that could be better done by computers</li> <li>• anyone who wants to use technology to help people can earn a living doing so in a pleasant and supportive environment</li> <li>• technology plays its part in reversing the trend of resources being taken away from the people who need them most and used to destroy the planet</li> </ul> <p>Mission We aim to help our vision become a reality by:</p> <ul style="list-style-type: none"> <li>• creating a great place to do useful, meaningful work in return for a decent living</li> <li>• building a successful digital agency that profitably builds industry-leading applications and websites for clients</li> <li>• developing an innovative structure that maximises worker freedom, support and effectiveness</li> <li>• investing the surplus from commercial work in projects that help bring about our vision</li> <li>• developing the Outlandish structure in such a way that others can copy it or that it can grow to incorporate everyone who wants to be part of it</li> <li>• ensuring that Outlandish is much more efficient and effective than non-co-operative agencies so that it can out-compete them commercially and deliver its social purpose effectively</li> </ul> <p>Theory of Change At Outlandish we use a theory of change approach to help us focus strategically on what we want to achieve from a given sprint, product or circle. It is a flexible tool, which focuses on outcomes. Outlandish as an organisation has its own theory of change, but at a more granular level, the approach is also useful for individual projects.</p> <p>The core elements involved in theory of change are:</p> <ul style="list-style-type: none"> <li>• Final goal – The overall goal. The final outcome. The End Game.</li> <li>• Outcomes – The changes or achievements that need to happen in order to achieve the goal.</li> <li>• Activities – The activities we do and services that we deliver.</li> </ul> <p>Activities should lead to outcomes, which should lead to the final goal.</p>
	<p>Challenges to upholding the mission</p>	<p>On power as the biggest challenge for the co-operative: “I think that power is very difficult to let go off. [...] If you’ve been in a position all your life where you have been powerful and you haven’t questioned, it can be quite difficult to give up that power, because first of all you might not even be cognisant of having that power in the first place, and also if it works in your favour than why would you? That giving up of the power is a difficult thing. And also sometimes taking that power is difficult as well. When</p>	

		<p>you've been used to being in a position where you might not have as much as other people, because we have had that, there's this kind of power under and power over relationship where if you don't have the power then it's also quite easy to be like: that wasn't my fault because I wasn't the one in charge." The respondent mentions the concept of "transactional relationships" (adult-to-adult, parent-to-child relationships) as discussed by the organisation Sociocracy for all.</p> <p>"I'm definitely not saying that it's not nice to work at Outlandish, it is, in lots and lots of ways. What I think is really important to be honest about, and for all co-operatives to be honest about, is also to offer what is harder in a co-op, so that we can talk about it and we can make it better."</p> <p>"It is quite an interesting experiment, what happens when you try to remove that [having power above, i.e. a boss or someone commanding what to do], this difference between some people get on with it, [...] and some people do need a manager. And we've had people like that come to Outlandish for a bit and they're like no one is telling me what to do, but it doesn't work like that here."</p>	
	<p><i>Motivation for a business to be a worker co-operative</i></p>	<p>it offers a good governance system enabling "a consistent way for people to get involved at different levels," and it follows the seven co-operative principles "which are the basis for good business and how really I think every business should run," emphasis on the collaboration with other co-operatives.</p> <p>Outlandish is intentionally not bureaucratic like larger organisations, where autonomy is discouraged.</p>	<p>Firstly, our current structure [i.e. prior to becoming a co-operative] is complicated [...] Decisions are made sociocratically by all six Outlanders but the legal responsibility for the company rests only with the partners – a classic pigs and chickens scenario. Outlandish also has no formal way for our extended group of collaborators to take part in the decision making processes of the company and there is no explicit entitlement of these people to a share of Outlandish's resources or surplus. It's also not clear what qualifies someone to become an Outlander or partner. co-operatives have hundreds of years of experience creating effective governance structures. the solidarity that it brings with other co-ops. to help make it clearer to our potential clients and collaborators what we are all about and how they can work with us. [website]</p>
	<p><i>Motivation to work in a worker co-operative</i></p>	<p>The respondent talks about a period when they were not particularly enjoying their work, at which point a lot of people would leave, but they did not want to leave, instead they found ways to change their role.</p> <p>"We are very emotionally invested in the company, we spend a lot of time with each other, we've been on holidays together. We care about each other and we're accountable to each other. It's almost like a family business. We want to stick around and see it through."</p> <p>"I always thought that the workers should have a say, and should be able to choose what they do, and they shouldn't be pigeon-holed into one role. Nearly everyone I said that to told me that I was naïve and that's not how work is. It was a happy moment when I was like: well it's called a co-op."</p> <p>The respondent also talks about "having a good time" while delivering projects as being an important component of work.</p> <p>"we also offer what other companies cannot offer, like deciding how the surplus is spent, and being able to go to non-violent communication training, and being able to choose what projects to work on."</p>	

		<p>“None of us at Outlandish really want to get rich and retire at 35, none of use have two houses, that’s not the kind of lifestyle that any of us have individually chosen. So there is something around who we work with that is important.”</p> <p>On misconceptions in the UK about co-operatives being small and not able to change things: “We’re very highly skilled people, and we’ve just made an intentional decision to work like this.” People sometimes trust larger companies more based on PR and marketing, and question small businesses like co-operatives on whether they can achieve their goals or projects.</p>	
	Economic democracy	<p>“I always thought that the workers should have a say, and should be able to choose what they do, and they shouldn’t be pigeon-holed into one role. Nearly everyone I said that to told me that I was naïve and that’s not how work is. It was a happy moment when I was like: well it’s called a co-op.”</p> <p>I think also the pandemic has made a lot of people question really how they’re working, why am I putting so much energy into this, is this really where I want to be.”</p>	
<b>(Rooted) Membership</b>	Members and workers	<p>The structure of the co-operative allows for both freelancers and employees, 1. so that the business can scale up, and 2. because in the tech industry freelancing is common.</p> <p>“The way that it works is almost like three concentric circles, we have the freelancers that we call Collaborators, who can come and go as they please. They don’t work with us all the time, they might work on a specific project, or a couple of specific projects or have specific skills. [...] Then there is Outlanders, which is a second circle in. After three months, you can become an Outlander, and that means that you are basically committing to Outlandish and in response to that you are prioritised over Collaborators. We try to have incentives for people to become Outlanders, [for example] everyone gets invited to training but you can get paid for the training. [...] Then a member is an employee.” Currently there are: four or five active Collaborators, two Outlanders and eight (soon seven) members.</p>	<p>We have structured our co-op to be flexible enough to accommodate both employees and freelancers. We don’t want to be a big company, so when we need to scale up, we collaborate with more people. Some of the collaborators and Outlanders have other clients that they work with, whereas the members are employed by Outlandish. Either way, Outlandish exists to help each person succeed in developing their aspirations and maximising their positive social and environmental impact. See below for an overview of our structure.</p>
	Becoming a member	<p>You can become an Outlander after you’ve been a Collaborator for three months, and apply to become a member after you’ve been an Outlander for a year. As an Outlander you are invited to meetings and you get other benefits. One has to make an application to become a member, which is more of a formality.</p>	<p>Joining Process for becoming an Outlandish member</p> <p><b>REQUIREMENTS</b></p> <ul style="list-style-type: none"> <li>• You are an Outlander</li> <li>• You are committed to working for Outlandish for at least the equivalent of one full time year (235 days)</li> <li>• You have the appropriate competency level (based on the Competency Framework)</li> <li>• You are aligned to Outlandish values and purpose</li> </ul> <p><b>WHEN</b></p> <ul style="list-style-type: none"> <li>• you are nominated by another Outlandish Member, or</li> <li>• You have worked for Outlandish for at least the equivalent of one full time year (235 days)</li> </ul> <p>Once viewed all the above material all existing members need to approve your membership by consensus and decide on an hourly rate for the next year</p>

<p>Who has decision-making power</p>	<p>“Everyone is invited to make decisions”</p>	<p>The aim is to make the two roles [i.e. members and non-members] different but equal. We’ve learnt over the past few years that people want and need different things from work. Some people thrive with responsibility and some people hate it. That does not mean that those that like responsibility should take decisions without involving those that don’t, or that they should exploit them. However, as the proverbial pigs at the Ham and Eggs restaurant, they are committed, whereas the chickens are only involved. They invest more of their labour and energy in making the co-operative work and take more risk and so ultimate decision-making responsibility must lie with them. [website]</p>
<p>Power dynamics</p>	<p>On power as the biggest challenge for the co-operative:          “I think that power is very difficult to let go off. [...] If you’ve been in a position all your life where you have been powerful and you haven’t questioned, it can be quite difficult to give up that power, because first of all you might not even be cognisant of having that power in the first place, and also if it works in your favour than why would you? That giving up of the power is a difficult thing. And also sometimes taking that power is difficult as well. When you’ve been used to being in a position where you might not have as much as other people, because we have had that, there’s this kind of power under and power over relationship where if you don’t have the power then it’s also quite easy to be like: that wasn’t my fault because I wasn’t the one in charge.” The respondent mentions the concept of “transactional relationships” (adult-to-adult, parent-to-child relationships) as discussed by the organisation Sociocracy for all.</p> <p>“It is quite an interesting experiment, what happens when you try to remove that [having power above, i.e. a boss or someone commanding what to do], this difference between some people get on with it, [...] and some people do need a manager. And we’ve had people like that come to Outlandish for a bit and they’re like no one is telling me what to do, but it doesn’t work like that here.”</p> <p>“It is about how power is distributed between members and Outlanders, but it is also about how power is distributed among members themselves. [...] I never say that Outlandish is a flat structure. We try to be as flat as possible, but when you have lots of posh white men, a posh white male founder, that starts to bring in power dynamics already that exist socially, let alone within an organisation. So there are definitely power dynamics at Outlandish and it is more about how we create a safe working environment to address those power dynamics and openly talk about it, which we haven’t always done, we’ve only started to do in the past year, properly. I couldn’t talk about power dynamics as openly a year ago.”</p> <p>On what has changed: “We have put a lot of time and effort into this communication approach. [...] Being honest, saying the great things at Outlandish and saying the things that need a bit of work. [...] The work that we’re doing as an organisation is really important to create and understand differences and be ok with differences. There’s this organisation growth process of Forming, Norming, Storming and Performing, and understanding where we are on that. But then also the context of what’s happening in the world, work around race and class. [...] One thing to try and push Outlandish to be the organisation that it says it wants to be, which is quite a difficult tension and it hasn’t always been easy but in the last</p>	

		couple of months, I think also the pandemic has made a lot of people question really how they're working, why am I putting so much energy into this, is this really where I want to be.”	
<b>(Mission-controlled) Governance</b>	How is the co-operative managed?	Sociocratic structure based on different circles, that practice autonomy over their area of work (e.g. tech circle, finance circle). Outlanders (and members) are part of at least one circle.	Different functions of Outlandish are run/managed/facilitated by Circles. Circles operate sociocratically, are made up of Members and Outlanders, and are allocated budgets by the Finance Circle. All circles are open. If you want to join a circle's meeting, you're more than welcome. (Although only people with allocated Work Packages can charge their time to Outlandish for attending circle meetings. If you think this should apply to you, talk to the circle) - The second idea is that everybody at Outlandish leads and everybody manages. That means everyone takes responsibility for making sure they understand – and helps generate – the direction in which the company is heading The third idea is that leading and managing is not about getting people to do stuff. It is not about delegating, controlling or dominating other people. It is not about changing people or shaping them, or even 'empowering' them. People – and groups – grow naturally. So managing and leading at Outlandish is about engaging with and supporting other people as they grow and develop, when they want to, and at their own pace. [website]
	How are decisions made?	“Everyone is invited to make decisions, and this is where consent-based decision making comes in.” Consent-based decision making: “someone brings a proposal and we have a couple of rounds,” open process. “We have really tried to be mindful about the power dynamics, there is an important balance to strike though because if you are not legally responsible for a company and you make decisions that are detrimental to the company that is obviously a problem.” Outlanders are invited to vote on most proposals just like the members (i.e. to avoid surprises of how an Outlander would vote once they become a member). Members can call extraordinary sessions involving members only, where proposals affecting members-only are discussed (e.g. salary and vacation time).	At Outlandish we use a consent-based decision-making process, when decisions need to be made formally (sometimes we call this ‘Sociocracy’). Of course, many decisions are also made informally, but it is important that everyone stays aware and checks if they are about to impact other people through their actions. One way to do this is to ask yourself this question: Is what I am about to do going to significantly impact other people (in a way that might be negative)? If your answer is yes, then you might want to consider a formal decision-making process. We say ‘might’ because, you may prefer to take the risk – it may be better to ‘ask forgiveness than permission’!
	Metrics of performance		All this means that an important activity at Outlandish is developing yourself. This is why Outlandish have Personal and Team OKRs (Objectives and Key Results), which help people as they grow and develop, by recording direction and aims. Differently from many organisations, these belong to the individual, or the team, not a manager. Each individual or team shapes and owns their and there's no need to ask for permission, unless what people want will negatively affect others! [website]
<b>(Stakeholder) Finance</b>	Sources of finance or investment	Revenue flows vary from high to low, sometimes no big projects come in for months. Two big projects at the start of the pandemic, which means that Outlandish is financially stable for the foreseeable future.	



		“No investment whatsoever, and we wouldn’t,” to avoid other power dynamics coming in. Outlandish does not aim to scale up to a big business, “we just want a nice, sustainable business that delivers good things to good people.”	
	Financial challenges	During a previous difficult period when the business almost closed down (or, would have been restarted by the core people because “they were too invested emotionally”), some people left. Another time the co-operative implemented a “big red button” system. This meant that everyone took a temporary pay reduction proportionate to their daily rate, with the amount deducted then paid back. The alternative of getting a business loan was not something the co-operative wanted to do. “Loans are not really there to help you, they’re there to make money off you in the long term.”	
	Selling the co-operative		The four partners of Outlandish LLP agreed to transfer the assets, brand and activities of the partnership to the new co-op and that the new co-op would be asset locked. An asset lock means that the members of the new co-op would not be able to take any assets out if they decided to disband or sell the co-op, and would instead have to find another co-op or charity to pass those assets on to. This means we’re giving what is currently our property back to the commons where we feel it belongs. [website]
<b>(Ethical) Networks</b>	Work with local communities	Tech-ish: The local council in Islington liked the idea of Space4 and invited Outlandish to lead a similar project of a larger co-working space. “There is a commitment to delivering back to the physical local community” i.e. residents can come to learn about tech. “We work in probably the most unequal borough in the UK in terms of wealth, so we need to try and do our bit with what we can, and teaching people tech skills is a tangible way of changing people’s quality of life. If they can start to work using the skills that they got then that’s a good thing for them.”	
	Belonging to trade or co-operative communities	2016: helped set up the Co-Tech, a network of digital co-ops across the UK, “which has allowed us to share skills and learn from each other, but also deliver projects that we wouldn’t have been able to deliver previously.”  On the back of the collaboration principle Outlandish set up CoTech first as a network, learning together with the other co-founders how to set up a network. The network then grew into a community (from 18 co-operatives to about 40 across the country)  a network is an affiliation whereas community is somewhere that we feel safe/happy/care about the people involved  The co-op started Space4, a co-working space with a co-operative focus for cooperators to meet and discuss how they do things. Home to for example Founders and Coders, a coding school.  “There is a political spectrum at Outlandish, but I think all of us are pretty clear that we are at a place that we shouldn’t be. The way that people are living in this country is just not right, at this point in time. And I think most of us, if not all of us because I cannot speak for everybody, feel really lucky that we came across Outlandish.” The respondent mentions both financial and emotional benefits from working for Outlandish. “Because of that satisfaction,	

		<p>you want to share it with people, and you want people to understand that you can work like this and your life can be made better through work. What is happening in this country is people's lives are getting worse through work because they are exploited so much. [...] We all feel pretty lucky of what we've created together, we feel pretty lucky in terms of, it seems to work, people seem to want to work with us, people want to pay to work with us, and it's not just for us. And because physically we can't actually deliver everything that we want to, other people need to help deliver it too. We would much prefer it going to another co-op than go to a start-up with annoying people. [...] Tech has kind of, taken the piss for quite a while, because it's very niche and because it's literally technical, you can just say stuff to the clients, and they don't know what you're talking about, and some people abuse that [...] so we're also trying to demystify that side of it and make that more accessible, and make sure that people are paying fairly for what they're getting. [...] Maybe some of us are frustrated activists, where we can't get paid to be an activist so we're doing it through our job."</p>	
	Customers	<p>Outlandish tries to collaborate with clients and develop a human connection rather than a client relationship (e.g. have parties together). This helps the co-op get projects and get paid but it also helps the clients see the benefits of working with a co-op.</p>	
	Suppliers		

