FINAL REPORT:

‘The Participation of Members in the Governance of Mutual Businesses’

Dr. R.J. Birchall
Mr. R.A. Simmons

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**Background**

This project has built on a larger ESRC-funded project in the 'Democracy and Participation Programme' that developed a complex theoretical model of what makes people participate (ESRC award no. R000223846). This first project focused on the participation of public service users in council housing and social care services. It provided insights into key motivational processes and dynamics in the public services setting (Birchall and Simmons, 2002). The current project has built on this work and on theoretical work applying our 'mutual incentives model' to mutual businesses (Birchall and Simmons, 2001). We formed a partnership with the Co-operative College, which enabled us to gain privileged access to 500 people who had recently been elected to new area committees of the Co-operative Group. The recent merger of the two largest co-operatives in the UK, CWS and CRS, has resulted in the formation of a 'Co-operative Group' that is now the UK’s leading convenience store retailer, and also owner of the Cooperative Bank, CIS, Co-op Travelcare and other UK-wide businesses. As a result of the merger, the Group has modified its democratic structures; 50 area committees elect 8 regional boards that elect the Main Board of Directors. There are 10-12 active members on each area committee, and it is this group of around 500 people who have been the main focus of our research.

There were two reasons why we undertook this project. First, we felt that member participation in co-operative and mutual businesses was an issue that had been under-researched and was becoming important to current public policy. Second, we needed to extend the model, testing and elaborating it in a different setting that would illuminate the findings from our work on public service users.

1. **Member participation in mutual businesses**

The demutualisation of a large proportion of the building society and mutual insurance sectors in Britain, and the successful defence of mutuality by a number of leading mutuals, have led to a renewed interest in this form of business organisation (Birchall, 2001). There is vigorous debate concerning the advantages and disadvantages of mutuality and whether member-ownership by customers is an effective means of corporate governance. Consumer co-operatives are mutuals, and we focused on a co-operative that had also recently been targeted by demutualisers (Birchall, 2000). Unlike financial mutuals, co-operatives have a tradition of member-involvement, and we extended our motivational model to co-op members in order to find out whether mutually owned businesses can motivate members to take part in their governance. During our research, this issue has become even more salient for public policy; the new foundation health trusts are to become multi-stakeholder mutuals, offering membership to local people, employees and patient and public organisations. Chief executives of the new trusts will want to know how to make member participation work, and the experience of those consumer co-operatives that have tried will be directly relevant. (Dept of Health, 2003 forthcoming)

In principle, mutuals are owned and controlled by their members, but in practice as they have grown larger members have ceded governance to an elected board and the running of the business to managers. It can be argued that a lack of member participation does not matter, because members benefit from the right to the 'residual' that returns to them in the form of reduced prices or the build up of reserves (Hansmann, 1996). Some would argue that the reserves are owned by no particular set of members but are a quasi-public asset. This still means that no-one other than the members is profiting from the business, and that it is run for their benefit, with the reserves leading to lower risk or lower cost of capital (Cook et al, 2001). Others
would argue that just by having a mutual sector alongside an investor-owned sector, consumers can benefit from increased competition (Drake and Llewellyn, 2001). A mutual might, then, be an efficient ownership option, even if it falls short of the participatory governance implicit in its constitution.

Member participation does carry costs (Leadbeater and Christie, 1999) either because of the need to provide incentives to members to become interested or because they bring different, potentially conflicting interests to the decision-making process. The recent decision of the water regulator, OFWAT, to endorse a non-profit form of organisation to take over the assets of water utilities rather than a mutual, has been justified in this way (Birchall, 2002). On the other hand, consumer control need not be all that costly. Studies in the USA comparing investor-owned and mutual organisations have not been able to find significant differences in monitoring costs (Morse, 2000). Joint control by different types of stakeholder can be designed into the organisation in such a way that costs are minimised (Turnbull, 2001). A lack of consumer control can also be costly. Before the 1986 Act, building societies had a minimal participation strategy, the costs of which only appeared with deregulation, when directors and members raided the reserves built up over generations. The recent crisis in one of the most successful mutuals, Equitable Life, is due partly to the Board's failure to consult with different types of member.

Consumer control can also bring benefits. Encouraging member participation can provide for an information rich environment and for trust relations to build up (Birchall and Simmons, 2001). Member participation provides the necessary conditions for a ‘co-operative advantage’ to be gained that will show up positively in the trading results. The aim is to promote social goals and ethical practices that are implicit in co-operative principles, in such a way that the incorporation of these goals and practices into the business strategy gives a commercial advantage over one’s competitors (Spear, 2000; Co-operative Commission, 2001). However, for these benefits to be gained members must participate. A major purpose of the research project was to find out more about what motivates them to do so.

2. Development of the theoretical model

There is a controversy in social psychology between those who see people as innately competitive or co-operative (Argyle, 1991). Twenty years ago, the debate was dominated by a paradigm in evolutionary biology that most behaviour could be explained in terms of 'selfish' genes (Dawkins, 1976). This viewpoint has been modified by insights from game theory that suggest that under certain conditions self-seeking individuals can learn to co-operate (Axelrod, 1984; Dawkins, 1989). Sociologists emphasise the importance of habitual behaviour, the growth of social solidarity, and resulting high trust relationships, in modifying the individual's calculation of utility (Birchall, 1988). In political science, the 'paradox of participation' proposes that rational actors will not participate in collective action to achieve common goals, but will 'free ride' (Olson, 1965). For Finkel et al (1989), narrow rational choice explanations predict excessive abstention, and are better in explaining why individuals do not participate rather than why they do. Similarly, Whiteley and Seyd (1992) argue that there is a need to “consider a wider array of incentives… where the individual ‘thinks’ collectively rather than individually”. There have been various attempts to do this; in perhaps the most sophisticated model to date, Whiteley & Seyd (1998) combine social psychological and rational choice explanations in their ‘General Incentives Model’, which, alongside selective incentives, features collective incentives, expressive incentives, altruism and social norms.

We propose something similar, going back behind sociological and political science theories to develop a ‘Mutual Incentives Theory’ (MIT) of motivations to participate. MIT examines two general social-psychological theories of motivation. The individualistic approach assumes that
people are motivated by individual rewards and punishments, and provides a set of generalisations about how they interact (figure 1).

The collectivistic approach interprets human behaviour very differently, assuming that participation can be motivated by three variables:

1. Shared goals: people express mutual needs that translate into common goals
2. Shared values: people feel a sense of duty to participate as an expression of common values
3. Sense of community: people identify with and care about other people who either live in the same area or are like them in some respect (figure 2)

This approach generalises that the more each of these three variables are present, the more likely people will be to participate. In our research the two approaches have been kept separate and tested alongside one another to allow a final interpretative framework to emerge from the data. The insights of Mutual Incentives Theory are important, but on their own they are insufficient to explain what makes people participate. MIT needs to be linked to other potential explanations if we are to provide a more rounded interpretation. Whiteley & Seyd talk of incentive-based explanations as demand-side models, whereby incentives create a demand for activism. By contrast, other aspects such as personal resources and mobilisation factors provide ‘supply-side’ explanations, which act to supply higher levels of participation; “a general model would incorporate both demand and supply side variables”. (1996: 225) This leads us to propose a general model that we have termed the ‘participation chain’ (Simmons & Birchall, 2003; figure 3).
The model has a number of levels, or ‘links’ in the chain. It expands upon the insights of Mutual Incentives Theory to take account of a number of important studies of participation in mainstream politics, interest groups, social movements, and voluntary work, as well as in public services. The first level includes the prior resources and capacities of potential participants (e.g. Verba et al, 1995), the next level their mobilisation (e.g. Jordan & Maloney, 1996). MIT then becomes the third link in the chain.

**Objectives**

1. Using the insights of mutual incentives theory and the participation chain:
   
   • to measure the extent to which participants respond to individualistic or collectivistic incentives
   • within these two broad types, to measure responses to external/internal benefits, different kinds of costs, and three types of collective incentive
   • to begin to develop a typology of active/inactive members based on their motivation sets
   • to understand the links in the ‘participation chain’ – resources (such as prior experience, skills, confidence), and mobilisation (issues, opportunities and recruitment attempts) – and the relationship between these links

2. To compare co-op members' responses with those of public service users and members of a regional co-operative society

3. To provide lessons for policy and practice. In particular:
   
   • Given that most important decisions are taken at the level of the Board, and that managerial influence will be strong, are committee members at lower governance levels sufficiently motivated over time?
   • What is the community that co-operative members identify with? Are consumer co-ops now just too big to sustain a sense of shared community?
   • What do the motivations of participants tell us about the way in which managers of co-operatives should shape their member participation strategies?

**Methods**

Self-completion questionnaire This was the main data collection method, developed out of an interview schedule used in the previous ESRC-funded project. The plan was for staff of the Co-operative College to obtain the quantitative data through self-completion questionnaires, as a by-product of their own programme. However, there was a serious shortfall in the numbers of questionnaires returned. We rectified this by contacting regional secretaries, who encouraged members to return their questionnaires through the area committees. Also, there was a shortfall in the numbers of people predicted to join the area committees. We rectified this by waiting until the second round of elections and then contacting all the new members. The eventual return was around 90% (448 out of an estimated 500 people), but we had to ask for a three-month no-cost extension to the project, and our dissemination stage has been held up. In the meantime, we...
created a similar dataset of 89 active members of a regional co-operative, which gave us a very interesting comparison group and also enabled us to try out the data analysis in advance.

**Observation in area committee meetings.** The researchers attended the meetings of area committees as originally planned. In addition, we were granted access to meetings of two regional boards and an area committee members’ conference.

**In-depth interviews with area committee members, and qualitative interviews with key informants.** The researchers carried out the in-depth interviews as originally planned.

**Self-completion questionnaires with non-participants.** We were asked by the ESRC’s reviewers to include a dataset from non-participants. The Co-op Group provided us with a randomly sampled list of members from their Members' Network. We had budgeted for a telephone survey, but after taking advice from Co-operative Group staff, we decided to do a postal survey instead, and gained a reasonable return (considering the inherent difficulty of interesting non-participants) of 98 questionnaires (36%).

**Self-completion questionnaires with members of a regional co-operative society.** We were offered the chance to obtain a self-completion questionnaire from members of the Oxford, Swindon and Gloucester Co-operative Society who attended an active members day seminar. This enabled us to compare the motivations of members involved in formal, multi-layered democratic structures (Co-op Group) with members involved in more informal activities (OSandG).

Data analysis included:

- factor analysis of the attitude scales to test them for validity and hidden factors
- cross-tabulation of results by interviewee characteristics
- cluster analysis to develop a typology of different types of member
- qualitative analysis of answers to open-ended questions
- data triangulation with in-depth interviews, to produce rounded accounts of each participation setting

**Results**

Mutual Incentives Theory includes both individualistic and collectivistic incentives. Regarding **individualistic incentives**, three factors have a negative effect on participation: direct costs, opportunity costs and satiation. Few respondents considered direct costs to affect them; 55% of participants and 45% of non-participants said that none of these costs applied (see Figure 4). Direct costs do not seem to provide a significant barrier to participation. The story appears to be similar for opportunity costs; just 7% of participants and 28% of non-participants report that these costs put them off participating. However, the difference between them is statistically significant; over a quarter of non-participants in effect feel they have something more valuable to do with their time. Nor does satiation appear to have significant effects. Only 7% of participants believed that any benefits had become less valuable to them over time.
The positive factors in Figure 4 are benefits and habit. *Habit* only affects a quarter of participants, with 24% saying that their participation had become habitual. However, for these people habit may be significant; in the previous study, cluster analysis of public service users did find a 'habitual participant' type. *Benefits* are subdivided into 'external' and 'internal' categories.

‘External’ benefits were not widely reported as being influential (see Figure 5); no more than 16% of respondents said that any of these benefits were important to them. This is surprising, because area committee members are paid an honorarium of £500 a year and receive a 10 percent discount on purchases. However, qualitative interviewing backs up this finding, indicating that it is more about lowering costs (particularly hidden costs), and recognising
members’ commitment than it is about providing incentives to participate. We plan to do more work on this issue. By comparison, more respondents considered ‘internal’ benefits to be valuable, particularly a ‘valuable learning experience’. Rather than emphasising the more ‘material’ external benefits, our findings therefore replicate those of Verba et al (2000: 267), that “taking part makes activists feel good about themselves”. Participants’ motivations to participate appear to be clear-cut from these findings: the benefits outweigh the costs, and this makes participation more likely. However, the influence of individualistic incentives is called into question by a key finding from our research that shows that over 75% of participants who expressed a preference said they would still participate without any of these incentives. While this seems contradictory, it implies they have collectivistic incentives that outweigh the individualistic ones. When asked, most participants stated they want to get benefits for the group as a whole (60%) as opposed to individual benefits (1%). 36 percent said both. This suggests that the pursuit of individualistic benefits is often secondary to a wider, collectivistic set of concerns.

We measured collectivistic incentives using a 29-point attitude scale that was found to be internally reliable (Alpha = .7632). Items were assigned to each of the three positive variables shown in Figure 6: sense of community, shared goals and shared values. We found that participants have a strong sense of community, and relatively strong sense of shared goals and shared values. Non-participants score significantly less highly on each of these three measures (p < .01). These findings provide an important distinction between participants and non-participants.

<table>
<thead>
<tr>
<th></th>
<th>Participants</th>
<th>Non-Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sense of Community</td>
<td>2.15</td>
<td>2.59</td>
</tr>
<tr>
<td>Shared Values</td>
<td>2.58</td>
<td>2.92</td>
</tr>
<tr>
<td>Shared Goals</td>
<td>2.58</td>
<td>2.97</td>
</tr>
<tr>
<td>OVERALL</td>
<td><strong>2.44</strong></td>
<td><strong>2.89</strong></td>
</tr>
</tbody>
</table>

*Figure 6: Collectivistic Incentive Scores*

*(NB: Lower scores = stronger collective motivations)*

Factor analysis revealed nine factors (according to Kaiser’s criterion). These are summarised in Figure 7. Each factor was linked back to the three original variables, resulting in the subdivision of each variable into three factors each. These findings are aiding further theoretical development.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Eigenvalue</th>
<th>Factor ‘Name’</th>
<th>Linked To</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>5.41</td>
<td>Association</td>
<td>Sense of Community</td>
</tr>
<tr>
<td>2</td>
<td>2.38</td>
<td>Duty</td>
<td>Shared Values</td>
</tr>
<tr>
<td>3</td>
<td>2.09</td>
<td>Deferece/Delegation</td>
<td>Shared Goals</td>
</tr>
<tr>
<td>4</td>
<td>1.43</td>
<td>Non-identification</td>
<td>Sense of Community</td>
</tr>
<tr>
<td>5</td>
<td>1.40</td>
<td>Subsidiarity</td>
<td>Shared Goals</td>
</tr>
<tr>
<td>6</td>
<td>1.25</td>
<td>Inferiority</td>
<td>Shared Goals</td>
</tr>
<tr>
<td>7</td>
<td>1.15</td>
<td>Atomisation</td>
<td>Sense of Community</td>
</tr>
<tr>
<td>8</td>
<td>1.08</td>
<td>Self-determination</td>
<td>Shared Values</td>
</tr>
<tr>
<td>9</td>
<td>1.02</td>
<td>Shame</td>
<td>Shared Values</td>
</tr>
</tbody>
</table>

*Figure 7: Factor Analysis on Collectivistic Incentives*

*(Method: Principal Components Analysis with Varimax Rotation)*

Cluster analysis found six clusters of participants and two of non-participants. Cluster membership was then cross-tabulated with participants’ other responses to generate a more detailed picture of their characteristics. Amongst non-participants, the first cluster have faith in the area committees, but low levels of trust in other members to contribute and a sense that participation is difficult. The second cluster are more negative about the co-op as an
organisation, less supportive of the existing structures and opportunities to participate, perceive higher costs, and feel less able to make a difference. Amongst participants, we have characterised three clusters that identify strongly with the democratic process (‘dynamic insiders’, ‘dutiful believers’ and ‘self-determined activists’) and three clusters that identify less strongly (‘low-investors’, ‘disconnected members’, and ‘peripheral insiders’). Unsurprisingly, members of the low-identifying clusters are less active. Qualitative analysis of the responses of individuals in these clusters appears to support these characterisations. For example, dynamic insiders are more likely to emphasise the robustness of their ‘commitment’ to the cause, while dutiful believers are more likely to emphasise the importance of working with ‘like-minded’ people. Self-determined activists appear to get involved on their own terms and for only as long as they perceive that their activity is likely to contribute to the generation of collective benefits.

Is there enough participation? We found that 84% of participants thought that not enough members were participating. Scores on sense of community and shared goals are slightly lower amongst these individuals, suggesting that others’ lack of participation can have an undermining effect on these important motivations. Is the large size of the Co-op's areas a disadvantage? The areas are designed to be roughly equivalent in size and membership density, but we have found in qualitative interviews a strong sense that some areas (mid-Wales, Highlands of Scotland) are just too big. We are continuing to explore how this affects members' motivations.

To summarise, in a straight fight between our individualistic and collectivistic explanations of service users’ motivations to participate, the collectivistic explanation appears to win conclusively. It might be argued that we are simply measuring ability to use a discourse of collectivistic incentives. However, qualitative interviews and observations at meetings confirm that collectivistic thinking and discourse are dominant amongst participants, and that the influence of individualistic incentives is secondary. For the majority of participants, who tend not to calculate what they are getting out of it, collectivistic incentives remain the most powerful motivations for member participation.

We now expand our analysis by considering the other factors at work in the participation chain. Regarding Resources, Money did not show up as being an important influence on participation in our results; although this may be due to the fact that the sample was heavily skewed towards low incomes (55% of participants had incomes of less than £10 400). Time also had relatively little effect, either on whether participants got started or on the quantity of their participation once they were involved, although participants with children did show up as being less likely to participate for 5 hours or more per month. This may represent an important barrier - qualitative interviewing shows that additional time resources are required to sustain more intensive participation, and this may affect members’ decision to stand for election to higher decision-making levels. Skills derived from educational qualifications did not show up as particularly important in whether co-op members got started or not. Non-participants were actually more likely to have educational qualifications than participants, although participants were more likely to be graduates. However, amongst participants, graduates, those with other educational qualifications, and indeed those with no qualifications participated for similar amounts of time. Skills derived from previous experience were important. 85 percent of participants but just 52 percent of non-participants had previous experience. Previous experience in similar organisations also had a mild effect on supporting higher levels of participation. We are unable fully to separate two processes in the data: predominantly, previous experience makes people feel more skilled and so encourages participation, yet for some participants previous experience also provided the social networks from which they were recruited. Confidence is often linked with skills, but here it has independent effects. Participants reported much higher levels of confidence than non-participants about their ability to participate (96% v 57%). This was also true of their confidence in personally making a difference to getting things done (86% v 44%). Amongst participants, confidence also correlated strongly with the extent to which members participate.
On the **Mobilisation** of participants, we found that participants are significantly more engaged than non-participants on issues such as negative relationships with organisational decision-makers, and concern with proposed changes. Important interests include ‘a strong interest in politics’, and a desire to join with other like-minded people. Second, regarding **opportunities** participants were much more likely to feel that the Co-op provided them with enough opportunities to participate (90% v 58%). Some non-participants felt that the Co-op did not provide enough opportunities (18%), or did not know whether there were enough opportunities (24%). Non-participants were particularly keen to see more localised opportunities for participation. At the outset, opportunities were evaluated positively by around 90% of participants as: a means to promote the principles of the co-op movement; a means to make a difference to service delivery; and a means for personal development. Finally, on **recruitment efforts**, we found that participants were much more likely than non-participants to be subject to face-to-face recruitment, with the recruitment agent usually known to the participant through existing social networks. Non-participants were more likely to be subject to written recruitment attempts. These findings suggest that face-to-face recruitment methods are more effective, and that direct links to related organisations (such as trade unions, other types of co-operative, the Labour Party and Co-operative Party) are important for recruitment. However, co-operatives are relying here on the same ‘reservoir’ of activists, raising important issues concerning long-term viability and diversity (very few current area committee members are from ethnic minorities).

We now compare the above findings with those from the regional co-operative society (OSG), and those of public service users (PSUs). Patterns of costs and ‘internal’ benefits are very similar, and ‘external’ benefits fairly similar for the two co-op samples. PSUs were more keen to get their ‘own problems solved’ (see Appendices 1-3). Internal benefits showed up as being important for participation in all three samples, with very few saying that none of these benefits was important. In general, costs and external benefits showed up as much less important, with large numbers of respondents saying that none of these factors were important to them. Co-op members regard a ‘valuable learning experience’ particularly highly; they have a thirst for information, particularly about how their local co-op stores are performing. However, they value the associated social life less highly than the other groups. We are not sure why, but also note that in qualitative interviews they emphasise the seriousness with which they take the responsibility of running such a large business. Most of the respondents in all three of our samples (around 80%) said that they would participate without any individualistic benefits.

Regarding collectivistic incentives, across the entire scale PSUs have stronger collective motivations than Co-op Group members, who in turn have stronger collective motivations than OSG members (see Figure 8).

<table>
<thead>
<tr>
<th>P’pants (Co-op Group)</th>
<th>P’pants (Regional Society)</th>
<th>P’pants (Public Services)</th>
<th>Non-Ps (Co-op Group)</th>
<th>Non-Ps (Regional Society)</th>
<th>Non-Ps (Public Services)</th>
</tr>
</thead>
<tbody>
<tr>
<td>OVERALL</td>
<td>2.44</td>
<td>2.62</td>
<td>2.32</td>
<td><strong>2.89</strong></td>
<td>N/A</td>
</tr>
<tr>
<td>Sense of Community</td>
<td><strong>2.15</strong></td>
<td>2.34</td>
<td>2.15</td>
<td><strong>2.59</strong></td>
<td>N/A</td>
</tr>
<tr>
<td>Shared Values</td>
<td>2.58</td>
<td>2.76</td>
<td>2.52</td>
<td><strong>2.92</strong></td>
<td>N/A</td>
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<tr>
<td>Shared Goals</td>
<td><strong>2.58</strong></td>
<td>2.76</td>
<td>2.29</td>
<td><strong>2.97</strong></td>
<td>N/A</td>
</tr>
</tbody>
</table>

*Figure 8: Collectivistic Incentive Scores*  
*(NB: Lower scores = stronger collective motivations)*

The differences between the Co-op Group and OSG members are in direct proportion on all three variables, and may be explained by the lower intensity of participation asked of the latter.
However, the greatest difference between Co-op Group members and PSUs is in the former’s weaker sense of shared goals. In figures 9a and 9b this variable has been subdivided further, and differences between Co-op members and PSUs highlighted for participants and non-participants. Co-op members are more likely to be neutral (or sometimes negative) about a number of factors. In particular, whether they participate or not, Co-op members are less likely to think that:

- participation has produced results
- their group knows best
- their group is working on the most important problems
- their group is very successful
- committee members can get things done, or
- they have sufficient information to tell whether or not the group is succeeding

<table>
<thead>
<tr>
<th></th>
<th>CO-OP (%)</th>
<th>OSG (%)</th>
<th>PSU (%)</th>
</tr>
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<tbody>
<tr>
<td>Group knows best</td>
<td>+ve 33</td>
<td>-neut 48</td>
<td>-ve 19</td>
</tr>
<tr>
<td>Participation has produced</td>
<td>+ve 40</td>
<td>-neut 35</td>
<td>-ve 25</td>
</tr>
<tr>
<td>Enough information</td>
<td>+ve 49</td>
<td>-neut 19</td>
<td>-ve 32</td>
</tr>
<tr>
<td>Working on most important</td>
<td>+ve 50</td>
<td>-neut 29</td>
<td>-ve 21</td>
</tr>
<tr>
<td>problems</td>
<td>+ve 62</td>
<td>-neut 31</td>
<td>-ve 7</td>
</tr>
<tr>
<td>Not too many problems</td>
<td>+ve 68</td>
<td>-neut 27</td>
<td>-ve 6</td>
</tr>
<tr>
<td>Problems not too difficult</td>
<td>+ve 50</td>
<td>-neut 14</td>
<td>-ve 24</td>
</tr>
<tr>
<td>Not leave decisions to Board/Council</td>
<td>+ve 75</td>
<td>-neut 15</td>
<td>-ve 10</td>
</tr>
<tr>
<td>Group is successful</td>
<td>+ve 46</td>
<td>-neut 44</td>
<td>-ve 12</td>
</tr>
<tr>
<td>Committee can get things done</td>
<td>+ve 57</td>
<td>-neut 20</td>
<td>-ve 23</td>
</tr>
<tr>
<td>Active members will be taken</td>
<td>+ve 57</td>
<td>-neut 20</td>
<td>-ve 23</td>
</tr>
<tr>
<td>seriously</td>
<td>+ve 62</td>
<td>-neut 31</td>
<td>-ve 31</td>
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<td></td>
<td>+ve 38</td>
<td>-neut 33</td>
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<td></td>
<td>+ve 36</td>
<td>-neut 34</td>
<td>-ve 30</td>
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<td>-ve 29</td>
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<tr>
<td></td>
<td>+ve 44</td>
<td>-neut 33</td>
<td>-ve 29</td>
</tr>
<tr>
<td></td>
<td>+ve 37</td>
<td>-neut 33</td>
<td>-ve 31</td>
</tr>
</tbody>
</table>

Figure 9a: Sense of Shared Goals – Participants

There are at least two potential explanations for this: duration and group size. The duration of Co-op Group members’ participation on area committees is limited - area committees only came into existence in 2001 (though many members were active before in previous co-op committees). By contrast, many PSU participants have been active for many years. Our previous research has
shown that collectivistic motivations tend to get progressively stronger over time. Co-op Group participants have not yet had sufficient positive feedback from their participation. Group size provides a different set of issues. We would expect the smaller regional society to have a higher score for collectivistic incentives but this is not the case. Perhaps this is because their informal store-based groupings are just getting started, and because the Co-op Group has to some extent overcome the size problem with its three-tiered structure. This contrasts with the PSU results, where the local nature of interests and opportunities is clear in groups such as tenants’ associations. The Co-op Group members’ score for sense of community and shared goals equals that of the PSUs; this shows that a national society, organised locally, can generate strong collectivistic incentives. Area committee members certainly participate because they value local issues, in particular having a successful local store.

Turning now to the other factors participation chain, we find that the Co-op Group and PSU member have a similar profile on resources in terms of time and money. Skills derived from educational qualifications showed up as being more important for participation amongst PSUs. In the Co-op non-participants are as likely to have qualifications as participants, but skills derived from previous experience are more important. Confidence is very important in both datasets, and those who have had training spoke highly of it. They are mobilised by different issues, though, with PSUs having more negative relations with authorities. Wanting to join in was important to both groups, but with the PSUs there is a sense that the authorities could not be trusted, and of campaigning for change. This is a disadvantage for the Co-op, because it lacks self-mobilisation by members, apart from those campaigning for stores to replace ones that were closed and those wanting to promote fair/ethical trade. Even then, they are aligned rather than non-aligned with the aims and ethos of the organisation. They lack the oppositional stance that keeps PSUs active. 65% of PSUs were asked face-to-face to join in, whereas for the Co-op it was 48%. For non-participants it was lower, 26% and 13% respectively. Face-to-face contact is very important for recruitment. The Co-op is in a very strong position here, if it chooses to exploit it, as each of the many thousands of store transactions every day provide opportunities to ask people about getting more involved. We believe the Co-op is missing a great opportunity here. However, before we publish these findings we are holding feedback sessions with active members and managers, as a ‘reality check’ for our explanations.

Activities

Presentations at:
- The Co-operative Congress (main annual event for all members of co-operatives), May 2003
- A day seminar funded by West Midlands Social Enterprise Partnership, April 2003
- The Co-operative Exchange (annual conference for membership officers in UK retail co-ops), November 2002
- A seminar at Glasgow University Dept of Urban Studies, November 2002
- A conference paper at the International Co-operatives Research Conference, Naoussa, Greece (the main international academic network for co-operative studies)

Outputs

A refereed article in the Annals of Public and Co-operative Economics (the main international journal for co-operative studies – to be submitted July 2003)

A non-technical article in the Journal of Co-operative Studies (to be submitted June 2003), and a series of short articles in Co-operative News (planned)

A report on ‘What makes people co-operate?’ to be published by the Co-operative College

Impacts

Work is planned with the Co-operative Group to disseminate findings and continue the research into new areas. There will be ongoing feedback and discussion with the Member Relations Group of Co-operatives UK. The research has led directly to a significant involvement in an action research project in the West Midlands, funded under SRB regulations. The project is entitled ‘Creating and Supporting Stakeholder Members in Social Enterprises’, and examines members’ motivations to participate in five further retail co-operatives and seven housing co-operatives. We aim to use the knowledge gained from co-operative members to help these organisations devise and shape a strategy for the development of active members. At the end of this process, a guidance manual and training pack will be devised, and a stand-alone, short-course training module developed. The new dataset will also allow further comparisons to be made, which will feed into later publications. Beyond this, the research continues to generate considerable interest among other regional co-operative societies. Oxford Swindon and Gloucester Society is to fund a telephone survey of non-participating members, and an email-based study of an active members network. Lincoln Co-operative Society and the Scottish Co-op may also provide opportunities for further research.

Future Research Priorities

This project is part of an ongoing programme into what motivates citizens to participate in a variety of different circumstances. So far, we have emphasised the creation of quantitative datasets of participants and non-participants, but in July 2003 will be extending the work with a mainly qualitative project in the ESRC's Cultures of Consumption programme. This will also extend our theoretical model of what motivates people to participate into new areas such as health care and leisure services. We are also working with our colleague, Professor Alan Prout, on an application to the ESRC in the field of children's participation. At a conference in Canada in June 2003, we are bringing together a network of academic researchers who are interested in collaborating with us in replicating our studies in other countries.

Bibliography


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APPENDIX 1: Costs

CO-OP

- Free Riding: 30%
- Dealing With Criticism: 10%
- Being Unpopular: 5%
- Financial Costs: 5%
- Meeting New People: 20%
- Bored/Uncomfortable: 10%
- Gaining New Skills: 0%

OSG

- Free Riding: 30%
- Dealing With Criticism: 5%
- Being Unpopular: 0%
- Financial Costs: 10%
- Meeting New People: 15%
- Bored/Uncomfortable: 15%
- Gaining New Skills: 0%

PSU

- Free Riding: 30%
- Dealing With Criticism: 15%
- Being Unpopular: 15%
- Financial Costs: 5%
- Meeting New People: 10%
- Bored/Uncomfortable: 10%
- Gaining New Skills: 0%
APPENDIX 3: ‘External Benefits’

CO-OP GROUP

- None
- Giving A
- Social
- Others Looking Up To
- Financial Reward
- Own Problems Solved
- Help To Career

OSG

- None
- Giving A
- Social
- Others Looking Up To
- Financial Reward
- Own Problems Solved
- Help To Career

PSU

- None
- Giving A
- Social
- Others Looking Up To
- Financial Reward
- Own Problems Solved
- Help To Career