

Principle FIVE

P5

August 2023

Management Capture and Loss of Democratic Control in Co-operatives

In the July 2023 edition of [Co-operative News](#) there is an article by Cliff Mills and David Alcock which describes a classic case of management capture in a co-operative – in this case the London Taxi Drivers Co-op (LTDA). The article can be read [HERE](#)

Sadly this case is far from being unique. The only mechanism which can support members democracy in a co-op is its constitution. Co-operative constitutions give sovereignty to members at a members meeting. It is in the gift of the members to decide upon who the Governing Board should be and the ongoing strategy and purpose of the co-op. What has happened so many times is that the governing Board and Management of co-ops has desired to keep control in their own hands, perhaps in order to control funds or because of ego driven motives. They know that the members have the collective power to bring in new people to the Board at the AGM. Many co-operatives have over time found that the membership has disappeared – older members have left or died, existing members have been ignored and disenfranchised. And importantly, unofficial barriers have been put in place to prevent new people becoming members. In this way, the AGM can lose

its power. The result is a permanent and unassailable Board. The required result.

Such an organisation is no longer a co-operative except for in name only.

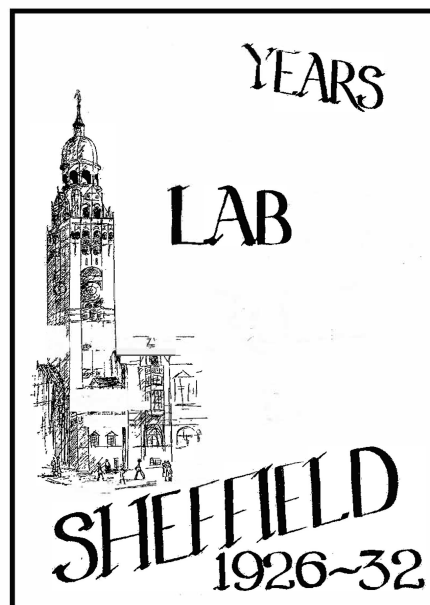
Cliff Mills and David Alcock should be congratulated upon this article. Many of us will have experience of this problem in co-operatives.

The Article can be read via the link below:

<https://www.thenews.coop/170853/topic/legal/lt-da-case-shows-need-for-urgent-review-of-legal-co-op-framework/>

To become a member of Co-op News click [HERE](#)

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We had it in mind to bring out a third edition of 'Six Years of Labour Rule in Sheffield 1926 - 1932' for some years now, and I'm glad to say that it's here. This is our fourth pamphlet.

I was asked to give a talk about it at Dronfield Labour Discussion Group, and you can read it [HERE](#)

The last article in the April 2022 edition of the Sheffield Co-operator 'Book Review Essay' is recommended. This article examines three publications:

https://www.principle5.coop/wp-content/uploads/2022/06/The_Sheffield_Co-operator_2022.pdf

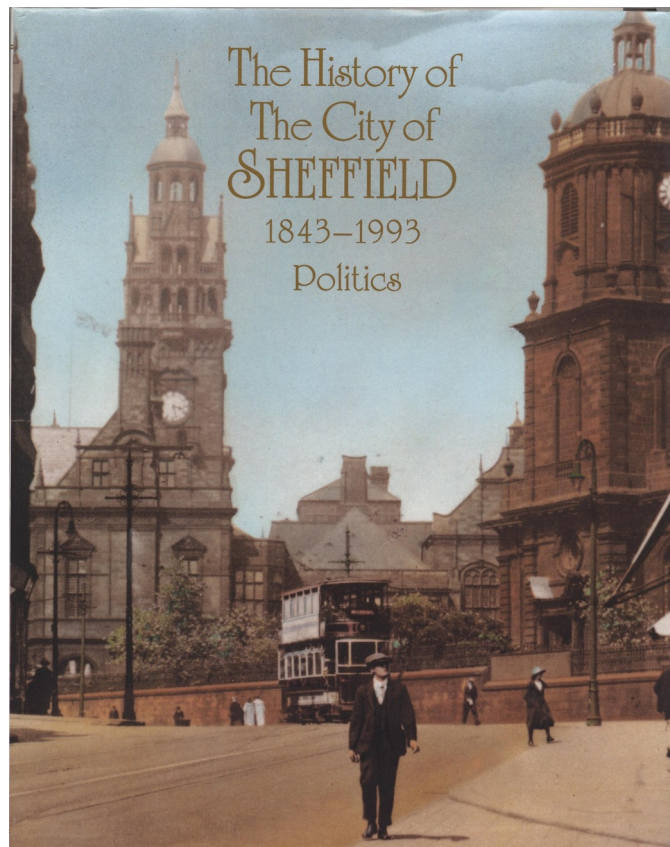
We have copies of all three in the resource centre.

- [Paint Your Town Red by Matthew Brown & Rhian Jones](#)
- Building From the Bottom by David Blunkett & Geoff Green
- [People's Republic of South Yorkshire by Helen Jackson](#)

Community Wealth Building ideas have been put into practice in various places, particularly in Cleveland USA and Preston, Lancashire. Matthew Brown, in his book says that the ideas can be adapted to the circumstances of the place, but Preston can give an idea about how it can be done.

At Principle 5 we have been giving some consideration to how money can be made to serve the interests of the local community, rather than as it is now, being leaked out into the profits of large multinational corporations. It's been done before by municipal socialism and was successful until the 1980s onwards. CWB does seem to be a way forward. It would be a step in the right direction if the Council could find local suppliers and services, particularly co-operatives and social enterprises and develop a cohesive strategy. In this way social and environmental concerns would take a central place in all procurement decisions. The Principle 5 committee are supportive of these kind of collaborative initiatives.

Useful background history can be found in the excellent book 'The History of the City of Sheffield 1843 – 1993. Vol. 1 Politics'. There is a copy of this book in the Principle 5 library. But you can also find it in any of the Sheffield City Libraries, both lending and reference.



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NHS Birthday 1948-2023

“In place of fear, the title of Aneurin Bevan’s book published on the 10th anniversary of the Beveridge Report, is synonymous with all that the welfare state stood for and what it sought to achieve. By 1952, a consensus had formed in Britain that it was possible to create a society where all could live without fear of going hungry, being poorly housed, or of living with (or dying in) great pain. Although there was still much to argue about, by a generation after the stock market crash of 1929, that consensus was one which regarded the possibilities of the future with optimism”.

Danny Dorling writing in 2023
The full report can be read [**HERE**](#)

IN PLACE OF FEAR



ANEURIN BEVAN

with an introduction by
GORDON BROWN

There is a copy of In Place of Fear in the Principle 5 library

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Co-operative broadband and email services

When Your Coop Broadband - formerly known as The Phone Coop - decided to stop providing email services to its broadband customers late last year, a consortium of tech coops came up with a way to keep the services running. Sheffield-based cooperative [Webarchitects](#) is working with [Media Blaze Hosts](#) and [Community Broadband Network](#) to set up a new venture called mail.coop

By agreement with [Midcounties Cooperative](#), which runs Your Coop Broadband, mail.coop will offer Your Coop Broadband users a way to keep their email address for a small annual fee. Phone Coop broadband users were given email addresses in the form name@myphone.coop and name@phonecoop.coop but there are also users of addresses originally provided by Poptel, which merged with The Phone Coop in 2003 - for example name@cooptel.net and name@poptel.org.

The mail.coop venture will be set up as part of a new initiative called [Innovation.coop](#) which provides a framework for collaborative ventures of this nature. It's a great example of the 6th principle - cooperatives working together.

Anyone who uses one of these addresses should have received a communication from Your Coop Broadband already. Further information about how to keep your email address, including costs, will be sent mid-August. If you're affected but are worried that you haven't heard anything you can contact hello@innovation.coop

Shaun Fensom

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The fifth principle of the ICA Statement of Co-operative Identity

Principle 5: Education, Training and Information

Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public – particularly young people and opinion leaders – about the nature and benefits of co-operation.

<https://www.ica.coop/en/cooperatives/cooperative-identity/>

Members are always welcome to visit the resource centre.

For appointment contact steve@sheffield.coop

Tel: 0114 282 3132

www.principle5.coop

Principle 5 Yorkshire Co-operative Resource Centre

Aizlewood's Mill, Nursery Street, Sheffield, S3 8GG

