

Instructor's manual

Chapter 1 – The ethical alternative: co-operative values and principles

Chapter 1 introduces the co-operative model of enterprise by explaining the internationally recognised values and principles that underpin it. These values and principles are integral to the identity of co-operatives and provide them with an inherent advantage over other forms of business organisation.

Learning Outcomes:

- evaluate the relevance of the co-operative values and principles to business and society in the twenty-first century;
- analyse the effect of the principles on the operation of co-operative enterprises;
- discuss the concept of a co-operative advantage and ways in which it can be utilised.

Key Arguments

The co-operative values and principles are as relevant to business and society in the twenty-first century as they were when they were first devised over 150 years ago.

The values and principles can be used to distinguish co-operative businesses from other models of enterprise.

The co-operative advantage provides the potential for co-operatives to sustain a competitive edge over traditional forms of enterprise.

Chapter cases and seminar exercises

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| Case 1.1 | Origins of the principles |
| Case 1.2 | The Co-operative Bank |
| Case 1.3 | The Rochdale Pioneers (additional) |
| Exercise 1.1 | Introduction to the co-operative principles |
| Exercise 1.2 | The co-operative values and principles |



Summary of Learning

In this chapter, we have argued that:

- Co-operatives and investor-owned businesses may share some values in common but it is the manner in which values are put into practice that makes co-operatives different.
- Co-operatives distinguish themselves from other forms of enterprises through their principles.
- The co-operative values and principles serve as a guide rather than strict rules for how these enterprises should act.
- The 'co-operative advantage' is crucial to the competitiveness of co-operative enterprises in the market.

Possible Essay/Discussion Questions

Are the co-operative principles developed by the Rochdale Pioneers still relevant today considering they were developed over a century ago during the Industrial Revolution? How can the Rochdale principles guide co-operatives in the complex and rapidly evolving twenty-first century economy in which they operate?

Open and voluntary membership is a core principle of co-operative enterprises. With this in mind, how should co-operatives act with regards to employees or consumers who wish to work or trade with the co-operative but not become members? Is it right for a worker co-operative to continue to employ staff if they refuse to become members for instance?

Which of the principles are unique to co-operative enterprises and which ones might be considered as general business practices?

'Creating a competitive advantage in business is crucial to ensure organisational success and sustainability.' Find examples and discuss how the process and elements of creating a competitive advantage are different for co-operative enterprises.



Useful resources

The International Co-operative Alliance	http://www.ica.coop/al-ica/ .
The Fairtrade Foundation	http://www.fairtrade.org.uk/ .
The Co-operative – Good with Money	http://www.goodwithmoney.co.uk/good-with-money/ .
Business in the Community	http://www.bitc.org.uk/ .
The Plunkett Foundation	http://www.plunkett.co.uk/ .
The Equality Trust	http://www.equalitytrust.org.uk/ .

