

# Editorial

In the last issue, John Kay proposed a 'customer corporation' as a way of taking back consumer control of the UK's privatised utilities. Readers were both intrigued by his references to a consumer co-op model, and disappointed by the lack of firm consumer ownership and board representation in his proposals. Gerald Holtham's reply to Kay argues that he did not go far enough, and that we need a fully mutual society, or at least majority ownership by consumers. Drawing on evidence from utilities in the USA (some of which are consumer co-ops), he shows how mutuals really can bring the consumer into decision making and can protect their interests more effectively than can an external regulator. In future articles, we hope to explore further the experience of utility co-ops around the world, and to encourage further work on the mechanics of conversion from private utilities to mutuals, along the lines of the gradual leveraged buyout which Holtham suggests.

We continue the theme of the future of mutuality by publishing edited versions of keynote speeches at our highly successful 1996 annual conference. But we have taken the opportunity to expand the debate to the even wider question of what we, as co-operators, mean by a 'stakeholder society'. An excellent start has been provided by Shann Turnbull in a long and exciting article which identifies a specifically co-operative approach to stakeholding. Drawing on what he calls the 'control architecture' of the Japanese keiretsu and the Mondragón co-operatives, he provides a strong argument for a very concrete form of stakeholding. From the point of view of the Journal, two things should follow from this article. We should be seeking to enter the rather soggy debate about what the British Labour Party means by stakeholding, and to sharpen it up in the direction of a co-operative alternative. And (more uncomfortably) we should be willing to spell out just what Turnbull's argument means for corporate governance in consumer co-ops.

We recently published a polemical article from Peter Davis arguing for a 'value-based' management in co-operatives. In this issue, he applies the argument to worker co-ops, providing a comprehensive demolition of the 'workers control' model of

management, emphasising instead the need for a shared culture between managers and shop floor workers and for managers to be effective leaders. Then he reviews the literature on human resource development (HRD) in co-ops, and outlines a comprehensive distance learning programme for co-operative management development. What should be most gratifying to co-operators about this article is that Peter is practicing what he preaches: the Leicester University Unit for Membership Based Organisations has launched a set of distance learning courses for co-operative managers worldwide.

Finally, Rita Rhodes begins what we hope will be a series of short, descriptive articles on co-operation in one country. We need to know what is happening around the world, and this is one quite effective way to find out.