SUBMISSION FROM THE UNIVERSITY OF ABERDEEN

Social enterprises and employee-owned businesses including co-operatives: innovation in collaboration with the higher education sector

Scotland’s co-operative sector has developed strong links with the University of Aberdeen within the framework of Knowledge Transfer Partnerships (KTP). The Knowledge Transfer Partnerships programme is funded by InnovateUK along with the other government funding organisations. KTP aims to help businesses to improve their competitiveness and productivity through better use of knowledge, technology and skills that reside within UK universities and colleges.

There are two KTP projects relevant to the Committee’s evidence gathering on innovation in social enterprises and employee-owned businesses including co-operatives:

1. Co-operative Education Trust Scotland and the University of Aberdeen 2010-12

‘To promote understanding of co-operative, mutual, and employee-owned business models within tertiary education, filling the current gap and broadening CETS’s offering to the education sector.’ [www.abdn.ac.uk/cets](http://www.abdn.ac.uk/cets)


2. Scottish Agricultural Organisation Society and the University of Aberdeen 2013-16

‘To embed a capability enabling SAOS to establish new financial intermediaries for UK agricultural/food communities providing direct access to affordable, ethical financial services.’ [www.abdn.ac.uk/saos](http://www.abdn.ac.uk/saos)

£183,696 KTP009365 Sponsored by InnovateUK and the Scottish Funding Council.

In the light of the Committee’s call for views on encouraging cultures of innovation in Scotland this response brings together some information that is in the public domain about these two collaborative projects. The content of the submission is organised to address the four aims of evidence gathering, within a maximum of four A4 pages, as requested by the Committee:

1. Understanding the scale and growth of social enterprises and employee-owned businesses in Scotland

2. Examples of innovation from businesses, for example employee involvement in developing new products, services or processes and innovative partnerships

3. Assessing the sources of funding and support available

4. What public bodies are doing and should be doing to encourage these business
models.

1. Understanding the scale and growth of social enterprises and employee-owned businesses in Scotland

In 2009 the co-operative model of enterprise was scarcely known to the 12,000 or so business students and the 3,000 or so education students studying at Scotland’s universities. The new educational resources developed through the KTP between CETS and the University of Aberdeen were originally targeted at those students and graduates. When completed the resources were also made readily available to teachers in other parts of the world via open access publishing, meaning that they are free to download from the Internet.

Since 2009 there has been substantial progress toward improving understanding of co-operative and employee-owned business models among young people and academics across Scotland via lectures, workshops, and conferences. Support from Co-operative Development Scotland (CDS) and the Knowledge Transfer Partnerships with CETS and with SAOS have assisted in that progress, but there have been other drivers as well. Young people have directly contributed to the growth of the sector by setting up co-operative businesses themselves and by organising the Students for Co-operation network that extends across the UK. The United Nations International Year of Co-operatives in 2012 provided all kinds of promotional opportunities to demonstrate and to celebrate the global scale of co-operation.

2. Examples of innovation from businesses, for example employee involvement in developing new products, services or processes and innovative partnerships

In the KTP scheme an Associate is recruited through joint agreement between the university and the company. The Associate is typically a recent graduate who is employed by the university but works for the company on company premises. The Knowledge Transfer Partnerships with CETS and with SAOS provide examples of Associates’ involvement in developing new products, services and processes during their period of employment.

Moodle and textbooks

The Moodle (Virtual Learning Environment), researched and developed by the KTP Associate working for CETS, has flourished since its creation and is of central importance to co-operative enterprise education in Scotland at the present time. It hosts the SQA Co-operative Studies materials for teachers and school pupils. For use at tertiary level the Moodle also hosts the two principal textbooks for students and graduates, Democratic Enterprise and Co-operative Entrepreneurship, which were produced from the KTP between CETS and the University of Aberdeen.

http://cets.coop/moodle/

Project websites

Two KTP project websites have helped raise the profile of co-operatives in Scotland, particularly among students and academics. The CETS-University of Aberdeen site was upgraded in 2014 as a normal part of the institution-wide streamlining and
securing of the university’s web interface. The SAOS-University of Aberdeen site will also be maintained on an on-going basis for teaching and research purposes beyond the end of current KTP funding. KTP Associates have interacted with the University of Aberdeen’s Directorate of Information Technology to assist with the development and management of the websites on behalf of the partnerships.

Film

From a teaching perspective, as well as a promotional tool for co-operatives, the film ‘Join the co-op future’ produced in 2012 by mediaco-op and part funded by Grampian Area Committee, Co-operative Development Scotland (CDS), and CETS is a particularly useful resource in the Scottish context because students see their peers and local businesses who were involved in making it. Four businesses participated in the film-making: Edinburgh Bicycle Co-op, Tenants First Housing, Woollard & Henry, and Dulas. Together with other short films from the United Nations International Year of Co-operatives ‘Join the co-op future’ is shown in classes at the University of Aberdeen and helps young people connect with the relevance of co-operatives to them and to the north-east region.

https://vimeo.com/47865634

Annual joint seminar

On 24 February 2015 there were presentations on CETS, SAOS, and CDS in a two-hour seminar for students in the final year of the MA programme at the University of Aberdeen. This event runs again on 23 February 2016 and is publicised to students using Facebook and Twitter. Powerpoint presentations from CETS, SAOS, and CDS, as well as downloadable CDS factsheets on co-operatives in Scotland (e.g. in the food and drink sector, renewables, and creative industries) are made available to the students on the institutional Virtual Learning Environment, MyAberdeen.

In this way Associates are involved with company staff and academics in bringing the work of CETS, SAOS, and CDS in Scotland, as well as the global dimensions of the co-operative movement represented by the International Co-operative Alliance, to the attention of yearly cohorts of one hundred graduating students. Current enhancement of the School and College social media will mean that in coming months the co-operative business model is also brought to the attention of thousands more undergraduate students in earlier stages of the MA programme at Aberdeen. The joint seminar corresponds with the goals of SAOS in its Next Generation project; with the goals of CDS to increase the numbers of co-operative businesses and consortia in Scotland; and with the goals of CETS to embed co-operative enterprise learning at all levels in the Scottish education sector.

3. Assessing the sources of funding and support available

The greatest investment made by co-operative businesses via KTP is in the Associates. Each Associate receives nine days dedicated skills training in business management and leadership via the KTP programme’s residential modules. Each one deploys a personal development budget of several thousand pounds. Each one experiences travel for participation in international co-operative events and networking. Crucially, the KTPs in which the Scottish co-operative sector has invested enable the Associates to develop understanding and empathy for the role of co-operatives in society and the economy.

It is important that the individuals who have held the Associate role continue to see possibilities for furthering their career here otherwise their knowledge of co-ops, their unique talents and abilities may be lost to Scotland. Continued career development can be supported by academics and by co-operative business leaders through a commitment to identification of relevant opportunities for the individuals beyond the lifespan of the KTP projects. This need not mean an offer of employment, but perhaps informal mentoring in business or directorship, notification of events and research fellowships, participation in the cross-party group meetings at the Scottish Parliament, and other ways of keeping in touch with co-operative networks.

4. What public bodies are doing and should be doing to encourage these business models

Although the two KTPs were designed for distinct purposes, the businesses and stakeholders that have invested in these projects share an overarching aim of growing the co-operative sector in Scotland. It remains a challenge to overcome widespread misunderstanding and misinformation of alternative enterprise models in UK society. Education about co-operatives and employee-ownership is therefore a fundamental priority and ought to be supported by public bodies into the future so that children and young adults regularly encounter these alternative ways of running a business in the curricula of Scotland’s schools, colleges and universities.

More Knowledge Transfer Partnerships that link academia with employee-owned businesses including co-operatives would also assist with the spread of knowledge about these enterprises in wider society. It is acknowledged that sourcing the financial capital for the company contribution in a KTP can be difficult in small and medium-sized firms with limited budgets for R&D spend. A recent report issued by the Growing Value Scotland Taskforce observes: ‘The level of innovation cooperation between businesses and universities in Scotland is much lower than for the rest of the UK, as is the absorptive capacity of business for research knowledge.’ See National Centre for Universities and Business, Capability, Culture and Change: Growing the Value of R&D in Scotland (London, 2015). As the GVS Taskforce Chairs point out in their foreword to the report, raising the level of innovation co-operation in Scotland relies for a large part on ‘a strong university system which produces highly skilled graduates, and undertakes research with an impact on industry and society.’ Equally, with ongoing support from public bodies, as demonstrated through KTPs, it is hoped that co-operative and employee-owned businesses can continue to collaborate with universities to lead innovation for economic growth.

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