

# Editorial

The role of co-operative credit unions in fighting poverty, over-indebtedness and financial exclusion is increasingly in the news in Britain. Recently, the Most Rev and Rt Hon Archbishop of Canterbury, Justin Welby, hit the headlines when he committed the Church of England to supporting the development of credit unions to combat the rise of high-cost payday lenders. These sub-prime credit companies target vulnerable individuals with the offer of easy and immediate access to cash, but at enormous rates of interest often rising to 5,000 per cent APR. The result is often cycles of over-indebtedness and distress for people already in financial difficulties. Significantly, however, it was not to the commercial banks that the Archbishop turned for assistance in putting such companies out of business but rather to Britain's emerging credit union sector.

The first of the peer-reviewed papers resonates with such actions taken by credit unions in Britain to combat financial exclusion, insofar as it describes and analyses the role of Nigerian credit co-operatives reaching out to serve some of the 80 per cent of the population not served by the banking sector. Onafowokan Oluyombo, of the Redeemer's University, Nigeria, reports on a research project in Ogun State which aimed to investigate the way in which co-operative lending is impacting on rural finance.

For British readers, the reality and terminology of financial exclusion in Nigeria will be familiar. There, as in Britain, commercial banks are not interested in serving the poor and people on low-incomes, yet there are many high-cost lenders only too ready to lend at sky-high rates of interest. The description and analysis of Nigerian credit co-operatives, however, will be somewhat more unfamiliar and may even raise a few eyebrows. For one thing their operation appears somewhat rigorous; people have to be recommended for membership by existing members who must vouch that new members are "honest, hardworking and reliable" individuals. Members have to save for six months before they can apply for loan and then supply a guarantor who will repay the loan in case of their default. But perhaps more surprisingly for the British reader is that these credit co-operatives are informal institutions that seem unregulated by government. I am sure the paper will make an interesting and fascinating read for anyone interested in the international co-operative credit movement.

The second research paper tackles a completely different subject within the international co-operative sector. Eric Calderwood and Keri Davies, from Stirling University, explore a typology of co-operative retail forms. They are concerned to analyse the wide variety of organisational forms adopted by co-operative retailers and the effect these have on the operations of the co-operatives, on their principles and values, and on their delivery of services. They focus particularly on the impact of the organisational form on the expectations of both members and non-members, and argue that these will vary significantly depending on the nature and size of consumer co-operatives, worker co-operatives and retailer-sponsored co-operatives. They draw some interesting conclusions for anyone interested in the wider aspects of co-operative retail societies.

The inclusion of non-peer reviewed think pieces in the journal has always been an important policy of the editorial board. These shorter articles give the opportunity to practitioners actively involved in the co-operative sector to express and explore ideas and opinions without the need to go through a robust academic review peer-review process. By including shorter think pieces, the editorial board aims to encourage people working and volunteering within the co-operative sector to stimulate reflection, debate, and even controversy, within the sector.

In this edition, think pieces come from Edgar Parnell, who will be well known to many readers of the journal as someone who has worked for six decades in multiple roles within the international co-operative and member-controlled enterprise sector, and from Linda Barlow who is a legal executive and a member of the Advice and Policy Team at Co operatives UK.

Edgar Parnell offers our readers a reflection on his experience within the co-operative sector and shares ideas on what hinders or helps co-operative and mutual enterprises to grow and develop. It is personal, reflective piece in which Edgar shares his depth of understanding of the co-operative in order to stimulate thinking on sustainable co-operative development. Linda Barlow offers a very different think piece which outlines the role and rules of capital within co-operatives registered as industrial and provident societies. It is an article that addresses practical issues in using share capital within co-operative businesses, and will be of direct relevance to many practitioners within the sector.

Finally, but not less importantly, this edition of the journal includes four book reviews. Book reviews are an integral part of the journal. They introduce our readership to co-operative publications world-wide and encourage wider reading and study throughout the sector. The editorial team would like to thank all our reviewers who share with us books they have read or have been asked to review. Any reader is welcome to approach the Review Editor with examples of books they have found to be a good read and of interest within the co-operative sector.

In this journal, books reviewed relate to the development of the co-operative movement in Northern and Eastern Europe and in Lincolnshire. Another review explores the impact of globalisation on co-operative enterprise. A fourth review looks at the book, *The Co-operative Revolution: A Graphic Novel*, which tells the story of the co-operative movement from its origins in the North of England to its becoming a worldwide network. Written and illustrated by the radical cartoonist and activist, Polyp, the book uses an amazing comic book format to engage and enthral the reader. The book is easily found online on The Co-operative website.

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