

# Co-operative Democracy—a Final Comment ?

by

DR. T. F. CARBERRY

(*Department of Economics, University of Strathclyde*)

A distinguished Professor of Economics who is an expert on the Swedish economy and on the Swedish trade unions has spoken and written so frequently on the subject that he is on record as having observed that sometimes he wishes he had never been to Sweden—which considering he has a Swedish wife was perhaps not the most politic of observations.

I offer this as an opener because I for my part am sometimes tempted to say that I wish I had never ventured to comment on the working of (and failure of) Co-operative Democracy. Were I to do so however that too would be impolitic so I shall not say it.

Nonetheless having written on the matter on at least four occasions; participated in one Working Party's examination of the problem; spoken on it some ten or so times and having been rebuked by such distinguished critics as Ted Edmondson, Will Lawn, Frank Rodgers and George Random I now not only carry my battle scars, but feel them.

## **A Diagnosis**

Some of those present will recall that my first and second ventures into print on this matter were two fairly controversial articles in *Co-operative Management & Marketing*. At the risk of being repetitive and indeed tautological it could be said that the essence of the case argued in these pieces was that the great highwater marks of (talented) Co-operative Democratic Involvement were for economic, social and educational reasons behind us. Both quantitatively and qualitatively the field of potential Co-operative activists from which Directors of Boards are normally drawn has diminished and this trend would have become markedly more evident had it not been for the contraction in the number of societies. Already in some parts of the country no *real* election to the Board takes place. Such societies are prepared to fill a vacancy by appointing virtually anyone in membership who is willing to become a Director. The end result of such a situation is, in my view, that the standard of Directors is falling. (If anyone present denies this is true of his society or more particularly of himself let him be regarded as a sort of French irregular verb).

This set-up was and is being married to a situation wherein professionals are exercising increasing de facto power, acquiring same by a widening knowledge-phraseology gap vis-a-vis the non-specialist Board members.

## **—And a Proposal**

My "solution" to this problem situation was a re-structured Board made up of three constituent elements.

50% would be elected from and by the lay activists as at present, and who would provide the President.

25% would be made up of the C.E.O. and either two of his immediate lieutenants or one such lieutenant and one Board member elected by the staff of the society.

25% would be made up of people favourably disposed towards the Society and with areas of expertise—such as accountancy, business finance, statistics, management, marketing, operational research, commercial law—who would be co-opted to the Board.

Basically the idea was that the having-been-co-opted experts would bring somewhat greater critical faculties to bear on the pronouncement of the C.E.O. and his team. In blunt terminology the presence of such 'experts' would it was hoped ensure less likelihood of the Board being "blinded by science" by the management team. Moreover it was suggested, perhaps with undue optimism and charity, that the management team would welcome being submitted to more informed review. It was hoped too that by way of a by-product effect the conventional lay experts would learn more quickly than as at present, for the discussions between the two teams of expertise would take place not only before them but with a view to winning their support.

As for the reason why the non-employee experts had to be co-opted instead of elected the short answer was that they were not likely to have such time at their disposal as would enable them to attend monthly/quarterly meetings and do the carousel of guilds and other auxiliaries which constitute the traditional route to the Board room.

These offerings did not enjoy a good reception!

On the contrary they were subjected to considerable criticism. In effect such criticism fell into two categories.

### The Objections

First there were those who objected to what were seen as derogatory, impolite observations about C.E.O.s. Some of this criticism was contradictory. Thus some C.E.O.'s said the position was *not* as I had described it, while others said it *was* but that it was both necessary and all for the best in the best of all possible co-operative worlds.

The other group of critics were the lay activists and here again there were sub-divisions.

- (i) There were those who did not like the idea of co-option. To them it was wrong in principle!
- (ii) the other group here was, as I saw it, one of perversity or sheer "thrawnness". Their attitude was that they had no great interest in the *principle* of co-option but they had carried the heat and burden of the day and anyone else who wanted to aspire to the dizzy heights of power of a Board of Directors of a retail society was going to have to "suffer his Purgatory", "thole his Assize". "There'll be nae back door entry to wur board" declared one Scots octogenarian waving his arm around his septuagenarian colleagues.

It is possible however that despite the fury of the condemnation of the late sixties, the opposition to the concept of co-option has diminished. It seems to me the opposition is less stubborn than it was. As though it were an indicator of that movement in opinion the Educational Executive of the Union agreed to co-opt four people from differing areas of expertise. It is for those who co-opted myself and my co-opted colleagues to say whether or not we make a contribution which justifies their action.

Before leaving this issue of the co-option scheme there is one more point to be made regarding it.

While not a few folk were telling me I was an iconoclastic radical or an elitist, Frank Rogers wrote a piece in the Co-operative News (7.2.70 page 6) in which he said that my solution was "an advance on the traditional co-operative. . . board". For all that as Mr. Rogers saw it, it was not good enough, for he went on ". . . it is not the kind of 'new thinking' which will have any great effect in the last 30 years of the twentieth century. The idea would have been a good one some 30 or 40 years ago. The time has now past when we can tinker . . ."

Mr. Rogers' solution was much more radical: indeed it was titled "A Time for Radical Reform". That article is well worthy of re-reading but as I saw it Mr. Rogers' solution was an all-time non-starter. If my modest "tinkering" provoked the fury and hostility it did, there seemed no likelihood that the Movement would be prepared to embrace a markedly more radical solution.

More recently at the 1973 (Dunoon) Educational Convention I gave a not very profound paper titled "Co-operation at the Top". It was an attempt to spell out the basic skills which, one hoped, lay Board members would attain. It would of course be possible by the co-option arrangement to acquire some directors who already held some such skills and attributes.

### **"People rather than Structure"**

My third contribution to the debate on Co-operative Democracy was when I undertook a series of speaking engagements on the title 'People rather than Structure'. This took me to Gilsland Hall, Newcastle, Loughborough, and Weston-super-Mare. Again the message was simple and was an extension of the first. Without in any way disassociating myself from the blue-backed book on "Democracy in Regional Societies" put out by the Educational Executive or even being in any way severely critical of the green-backed "Democratic Involvement in a Regional Society" put out by R.A.C.S. Education Dept., it seemed to me that these publications made the mistake of concentrating on structure rather than attending to the problem of where the Movement was to obtain the men and women who would give life to the structures evolved. This was not and is not to say that structure is not important: of course it is. But if the structure is wrong and the people are right they will amend the structure whereas were the structure to be right and the people to be wrong (in the sense of not being equal to their task) or non-existent then the correctness of the structure would be of no avail.

In enlarging on that argument I tried to indicate why the Movement had shunned away from this issue i.e. I admitted there were difficulties in looking at people.

As for a solution here again I looked at co-option but went beyond to look at the facilities for and the nature of co-operative meetings and compared the experiences of different societies which had experimented with inviting new members to become something other than shoppers. In retrospect however I would reckon that the most controversial items in that third contribution were when I questioned whether certain sections of the Movement really wanted new activists and when I suggested that the debate on Co-operative Democracy was

in danger of being pointless until the Movement spelt out with much greater clarity than hitherto what it meant by Co-operative Democracy in the current trading situation.

### **Role of the Board?**

And so to the fourth contribution. In mid-1972 I went to Newcastle and spoke again on the matter of Co-operative Democracy. On that occasion I tried to grapple with what is perhaps the most paramount question of all—i.e. what are the lay members of the Board there to do. As George Random was to bring out in a critical piece based on press coverage of the address (*Co-operative Review*, July 1972 p.6) I started from the premise that control of most contemporary societies has passed to the executives. I argued that the inference here had been that whatever the desirability of such a move there had been a certain inevitability about it were the Movement to win the “Battle of the High Street”. By inference then it was a situation akin to that when during the war we surrendered our freedoms in order to win a war waged to protect our freedoms. Given that that analogy was to be continued it followed that when the Movement had won the battle of the market place—or even when a particular society saw itself as over the hump—real decision-making should flow back to the lay board members.

It was my view then that executives should be invited now to discuss with lay members what degree of success should be regarded as ‘victory’; as being the point at which their powers diminished somewhat and that of lay activists increased. Were no satisfactory answer to be forthcoming we could arrange the requiems of Co-operative Democracy. But given that in some instances the answers were satisfactory the lay activists would henceforth have a double incentive for seeing that the Society prospered. There would I suspected be a marked dichotomy in the attitudes of C.E.O.s. This in the same way as Ulster Unionists split in their acceptance and rejection of the 1973 White Paper so too C.E.O.s would split between the Black Knights who would make it evident they were not prepared to surrender power (“No surrender” being the *cri de coeur* in both instances) and the White Knights who would co-operate. One did not win prizes for spotting who would be the Faulknors and the Craigs of the situation.

Of course there would be dangers in such situations—not the least of them being that one could envisage situations wherein a C.E.O. struggled gallantly to make a society viable whereupon power was resumed by the lay activists who thereafter ran it into the red again and the C.E.O.—or his successor—had to start all over again. But such dangers are inherent in a Democratic situation for democracy implies choice and choice implies not only the ability but the right to choose unwisely.

### **A Hope for Progress**

More hopefully I envisaged the return of real decision-making to the activists being confined (by their own wish) at least initially to “opportunity cost” situations. Two examples might help. The first is the recurring situation where in an old, working-class area is being demolished and the people rehoused. In such a situation there may be a number of old people, difficult to rehouse, living

in the area wherein too there is but one shop and that a Co-op shop which because of the loss of trade is uneconomic. Should the shop be closed or kept open? The arguments for closing are essentially commercial and economic: the arguments for retention are almost entirely social. It would however be possible for the C.E.O. to make a statement as to current loss, current utilisation, projected loss and projected utilisation and invite the Board to say whether or not their compassion for the old people remaining in the area is of such a nature as warrants picking up the price-tag. Another example again involves elderly people. It is the now well known half pint of milk problem wherein old people have no need for more, but where the economics of milk production make for the uniform one pint unit. Again the issue is compassion v economy: again the decision in an otherwise viable society should lie with the Board.

When the argument was reported in the Co-op News (by a reporter whom I took to be rather unimpressed) various leading Co-operators including two Co-op M.P.s wrote saying I was right.

Yet as indicated George Random of the Co-operative Review thought otherwise. As I understood him he agreed with my basic tenet that unless democracy is fully restored, if and when the battle of the High Street is won, the battle is largely meaningless anyway, but he went on. "I thought, however, that if correctly reported Dr. Carbery was somewhat naïve in suggesting that those executive officers who have been given something approaching autocratic powers to wage the present battle, should be asked to state the stage of advance at which democracy would again be allowed to function". Mr. Random went on to observe that in national politics we had at least had a Parliament that if and when it granted emergency powers it reserved the right to end them. "The decision" said Mr. Random, "is not left to the civil servants" and so to Mr. Random's main point. "To ask the executive officers who presumably have a wider measure of freedom at present, to state the level of success which they think they should reach before surrendering those rights to unfettered decision making, is like asking the dictator to state in advance that at a prescribed time and circumstance he will submit to the will of the people". "By all means," he continued though now in heavier type "have a declaration of intent but let that declaration be made on behalf of the members by a body capable of ensuring that the intent is operated at the right time."

The difficulty here is that at national level there is no such deliberative body. Congress could pronounce. The Central Executive could—but will not. In either event the pronouncement would be ignored by those who chose to ignore it—and those too afraid to implement it. At local society level each Board, each A.G.M., could pronounce now as they could emasculate or even dismiss, the powerful, power-exercising C.E.O. but they do not nor will they.

### **And a Reassertion**

In other words my riposte to Mr. Random is akin to that to Mr. Rogers. If my mild ameliorative approach is difficult to attain, the more radical, brave, courageous, foolhardy—let each choose his own descriptive adjective—scheme is in even less likelihood of attainment.

At the end of the day then I have nothing that is new to contribute—merely reiteration.

- (i) The Co-operative Movement still needs to recruit ability on the hoof.
- (ii) It needs such people more than it needs new structures.
- (iii) Some opportunity-cost decision-making should be assumed by lay Boards and this should occur on a more widespread basis than it does at present.
- (iv) If negotiations between each C.E.O. and his existing lay Board (and those whom they represent) cannot agree on a success point where real decision making starts flowing back to the Board (and this notwithstanding frightening dangers) then Co-operative Democracy is dead and we had better start re-writing the text books.