

Co-operation in the 1980'sTHE NEW RELEVANCE OF CO-OPERATION

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From a socio-economic point of view the adult individual has a three-fold personality. Most adults contribute during their working lives in one way or another as producers of goods or services. They and their families are consumers of these goods and services. All adults as citizens have rights and duties in respect of their membership of the national and local communities to which they belong.

The broad Labour movement in Britain developed during the 19th and 20th centuries in response to these three-fold human characteristics. The consumer Co-operative movement came into existence as a means of protecting consumer interests. The trade unions were concerned to protect their members' interests as producers. And the Labour Party was formed in order to use the power of public authorities to advance the interests of the general body of citizens. Though there have been constitutional links between the three wings of the movement and a general acceptance of common interests, there has never been a serious attempt to comprehend the three sets of interests - producer, consumer and citizen - within a common philosophy. Indeed for much of the time a general indifference and sometimes even conflict have been as much in evidence

as concerted action or a framework for policy.

The most recent example of conflict was the disastrous "winter of discontent" when the Labour Government had its broad approach to national needs and the trade union movement had its narrower approach to the protection of its producer members. The clash resulted in the defeat of the Labour Government and a consequent threat to the living standards of trade union members.

Still fresh in Co-operators' memories is the harm that was done to their movement by a Labour Government's imposition of the Selective Employment Tax. And Co-operators have constantly complained, particularly since 1945, that the Labour Party and Labour Governments have ignored Co-operative ideas about the democratic control and ownership of industrial enterprises. This neglect of Co-operative ideas is also true of the general body of trade union opinion. Actual hostility between the wings of the movement has been rare but active collaboration in policy-making has also been rare.

The result has been a lop-sided development in all three cases. The Labour Party has relied almost exclusively on the State as the instrument of industrial reorganisation. The Co-operative movement has developed almost exclusively as a consumer movement. The trade unions have shown little interest in taking on the responsibilities of social ownership of industry; they have regarded their function as being limited to getting the best terms of employment for their members.

As we enter the eighties there is both the opportunity for and an overwhelming need for the

movement to correct this lopsidedness of each of its three component parts. All three sectors of the movement need to broaden their approach to their own tasks and to the other two sectors. They should seek an integrated philosophy which comprehends the needs and the collective wisdom of producers, consumers and citizens as a whole. Thus a considerable task of reappraisal faces each sector of the movement. The rest of this article deals only with the Co-operative opportunity for such reappraisal.

Co-operative Achievement and Limitations

Co-operators need, first, to recognise that though they have very considerable achievements to their credit in the strength of their manufacturing, wholesaling, retailing and agricultural operations, they have failed to achieve much in other sectors of Co-operative organisation - sectors which have been successfully developed in other countries. The pioneers of the Co-operative movement envisaged the application of Co-operative principles across the whole spectrum of economic activity. Successful though the movement has been in some respects, it has failed to achieve the broader objectives set out by Co-operative pioneers, notably self-employment in production and the transformation of society into a Co-operative Commonwealth. They envisaged the elimination of the employer-employee relationship on the one hand and the producer-consumer conflict on the other hand. Co-operatives have so far failed to accomplish this.

With minor exceptions the movement abandoned the search for the means of involving producers and consumers jointly in the control of economic

enterprises. It thus failed to make its full contribution to the achievement of complete industrial democracy. Co-operators failed to attract the organised producers, in their trade unions, into partnership in production. Neither side made any such attempt. They went their separate ways - organisations of producers (that is trade unions) seeking from employers the maximum return for their members and organised consumers seeking through Co-operative trading to defeat those same employers in the market place.

Even in the area of main Co-operative success, namely shop-keeping, a considerable narrowing of activity is now being forced upon Co-operators in the face of fierce competition from its trading rivals. The movement is tending to concentrate its efforts in fewer and larger stores which can supply more efficiently the requirements of that section of the population which is urban and mobile. This means that Co-operative services to the countryside and, through small shops, to the less mobile sectors of the population are being progressively restricted. Moreover, the larger societies which have become necessary to meet modern competition are less and less able to inspire active participation by Co-operative members. The distinction between members and non-members is more and more blurred, and of the code of six Co-operative principles only the limitation of return on capital remains clearly identified.

Signs of Revival

The question therefore is whether a Co-operative revival is feasible. There are certainly signs of a revived interest in the Co-operative

potential in fields other than retailing. Some 400 industrial and service Co-operative societies are now in existence throughout the country.- as estimated in an unpublished study by Leonora Stettner sponsored by the Co-operative College and financed by the Social Science Research Council. The estimate is inevitably rough because of the many defects in available information. These defects relate basically to two factors: new Co-operatives and pre-Co-operatives are being formed at a rapid rate and there is no **very sure way of learning** of their existence; and Co-operatives already established **may** at any time die without trace or publicity.

This steady increase in numbers and variety in recent years indicates that industrial and service Co-operatives are responding to new needs in society among, for example, workers made redundant by the closure of factories and among people motivated to engage with their fellows in a socially owned enterprise rather than being employees of private concerns. It is too soon to say with certainty whether this movement will prosper and grow as the "Rochdale" societies did, but there is sufficient evidence already to encourage the belief that we are witnessing the beginning of a movement comparable with that which began a century and a half ago.

Thus there are many areas of manufacturing and services for which the producer Co-operative form of organisation has been proved, in Britain and even more elsewhere, to be highly appropriate. For the 376 Co-operatives for which information on type of activity was available in November

1979 the study by Leonora Stettner shows the following breakdown:

<u>Manufacturing & Construction</u>		<u>Retailing & Other Services</u>	
Building	32	Architects	2
Carpentry & Joinery	4	Artists	8
Clothing	14	Bakeries	4
Crafts	12	Book Selling	26
Disabled Workers, Misc.	5	Computer Software	3
Engineering	22	Musicians	5
Film Making	4	Printing	30
Furniture & Woodwork	11	Professional	10
Plastics	6	Publishing	19
Shoes	6	Repairs & Maintenance	4
Vehicle Manufac- ture	3	Restaurants	8
Youth Workshops	4	Retailing (other than books & wholefoods)	13
Multi-Purpose	23	Teaching	7
Manufacturing		Theatre	14
Misc.	16	Transport	5
		Wholefoods	49
		Umbrella Organisations	7
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Total	162	Total	214
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Similar factual paragraphs about the growth of

interest in, and the practice of, Co-operation could be written in connection with a number of other areas of economic activity. Housing Co-operatives were almost unknown in this country until the last 20 years or so. They are still modest in numbers but have proved themselves as viable propositions. In other countries of course they constitute a major element in housing provision. The same can be said of credit unions which are wide-spread and powerful elsewhere in the world, but were non-existent here (other than in Ireland) until recently when they have become established to a promising degree. Farmers' Co-operatives and fishery Co-operatives have a longer history in this country but here too recent decades have witnessed a significant expansion in their activities. Finally, very small but potentially highly significant is the development of the multi-purpose community Co-operatives which are being established in the highlands and islands of Scotland under the inspiration of earlier developments of this kind of Co-operative in Ireland.

Relations among the Different Forms

All these movements are growing and indeed the farmers' movement is already a very powerful economic force. Together they show the great potential for a Co-operative revival provided co-operators in general are prepared to look beyond the limited horizon of the consumer movement. Indeed, as will be indicated later, some of the problems and limitations now facing the consumer movement can themselves be overcome on the basis of the experience and methods applied in these other forms of Co-operative enterprise.

There is a danger, however, that each of the Co-operative movements noted above could develop separately and almost divorced from the others. Indeed this has already happened to an unwelcome extent. It is a problem to which the Co-operative Development Agency is turning its attention since it is required by statute to provide a forum within which the various forms of Co-operative may have their mutual problems and capabilities assessed.

Even a superficial examination of the existing Co-operative scene reveals that there is great scope for mutual help between the various Co-operative movements. For example:-

- consumer societies could help small groups of workers by the provision of premises or financial or technical help;
- housing societies could be major customers of building co-operatives;
- credit unions could bank with the Co-operative Bank to the advantage of both parties;
- all kinds of Co-operative societies have educational and training needs and the Co-operative College is an obvious focal point for meeting these needs.

By such means one can envisage the growth of a Co-operative movement in Britain much more integrated and comprehensive in its scope than that which we know today. With the benefit of hindsight we can now see that its limitations are due largely to an excessive reliance on the consumer theory of

Co-operation. New opportunities are opened up for Co-operators if they see consumer Co-operation as an important part, but only a part, of the full Co-operative potential.

In an earlier issue of this Bulletin (No. 26, February 1976) John Gallacher argued cogently for a radical reconsideration of the basic consumer tenets of the Co-operative movement and for a positive recognition of the role of the worker in the control of societies. He concluded "A change of outlook and even character will be required so that eventually retail Co-operatives will be employee oriented societies of the co-partnership type in the first instance and gradually evolving as workers' Co-operatives."

In that provocative sentence lies, I believe, the key to solving many of the problems with which the consumer Co-operative movement is beset. How should societies develop? Are modern, centralised and large-scale methods of wholesaling and retailing incompatible with a continuing Co-operative service through small shops in the suburbs, small towns and villages? Can Co-operative membership become a meaningful reality again and can apathy be overcome? Can Co-operative shops successfully provide personal and specialist services?

Co-partnership Societies for Retailing?

The co-partnership concept of which John Gallacher reminds us is probably the answer, in my view, to the problem of Co-operative small shops and to the problem of providing those services - hairdressing, green-grocery, "whole foods", books are examples - where personal attention and flexible

working hours are the key to success. Many employees would willingly become co-owners if their extra effort were seen to have a direct reward over and above the basic trade union wage. A series of co-partnership societies could be linked with the central large-scale regional consumer societies and receive from them and to their mutual benefit central wholesaling, accountancy and publicity services. Such a system would be the Co-operative equivalent of the private chains which today link small independent shopkeepers. Indeed such a Co-operative network would have considerable operational advantages over the private chains, not least in the customer-member relationship with the co-partnership shops. Not only could existing consumer-owned small Co-operative shops be converted and become viable on this basis but it would be open also for the newly emerging specialist worker-owned retail shops (wholefood, books etc) to obtain useful services by joining the co-partnership chains. Moreover further extensions into the remoter parts of rural Britain can be envisaged through bulk-buy units and small multi-purpose or community Co-operatives.

Such developments would free the regional consumer societies (or eventually a national society) to concentrate on the main retailing task in modern society - the provision of the basic domestic requirements through modern, scientifically organised large-scale departmental stores, supermarkets and hyper-markets.

No Co-operative trading organisation can succeed however if those who manage them think only in terms of premises, staff, merchandise and customers. Co-operatives are essentially organisations of members whether those members be consumers,

farmers, workers, residents, savers or borrowers. Unless they associate together in a distinctive and Co-operative way the commercial success of the enterprise will be less than it could be and its social value will be nil.

The need for that Co-operative association of people is essential not only within an enterprise but also between enterprises in order that the manysided needs of the manysided human personality can be satisfied in a Co-operative way.

As W. P. Watkins has said (No. 26 of this Bulletin, February 1976):

"What is a relevant and essential consideration is the Movement's macro-economic task of building up and progressively reinforcing the superiority of Co-operation to private and capitalistic competition (or combination) as a system of supplying society's wants. In contradistinction to the programme of the Rochdale Pioneers, the Movement has grown and progressed, not by the multiplication and collaboration of self-supporting communities in which every member would be both worker and consumer, but segmentally, through the evolution of different Co-operative forms representing separate economic interests in more or less isolation. In the circumstances of today none of these segmental organisations can hope to stand, still less make rapid enough progress, alone. Inter-Cooperative relations are both logically inevitable and in practice mutually advantageous. The integration of the whole Co-operative sector in each national economy is just as necessary as the accelerated extension of

Co-operation amongst Co-operatives across national frontiers which the I.C.A. is now engaged in studying. One of the keys to the solution of the problems of integration is the re-statement in contemporary terms of the rights and responsibilities of workers in Co-operative industry to the enterprises in which they serve."

I would only add that that re-statement is not the responsibility of Co-operators alone. It is a task which trade unionists also should not shirk.