

The Co-operative Development Agency

ITS ORIGINS AND SETTING UP

The Co-operative Development Agency was called into being by an Act of Parliament (The Co-operative Development Agency Act 1978).

The Working Group

The Act, which had the support of all the political parties represented in Parliament, gave effect to the recommendations of a Working Group appointed early in 1977 with the following terms of reference by the Government of the day:

"To develop further the idea of a Co-operative Development Agency to encourage the formation and monitor the performance of Co-operatives, to help promote the interests and aspirations of the Co-operative Movement, and to provide support, information and advice generally;

to consider how such an Agency might be composed, established and financed; and

to make recommendations."

The members of the Working Group were drawn from organisations representing the various sectors of the Movement (Agriculture and Horticulture, Consumer, Credit Union, Fisheries, Housing, and Industrial or Productive), from the Trade Union Congress, and from Departments of Government with an interest in Co-operation.

Before presenting its views on the general objectives to be pursued by an Agency, the Working Group drew special attention to the

revival of interest in Co-operation as a form of organisation for industrial and commercial activities of all kinds; and in particular, in its possibilities as an alternative sector of the national economy which might occupy a far more important place than hitherto, alongside the private and public sectors as commonly defined. That interest stemmed largely, the Report noted, from the prospect that successfully organised and conducted producer or industrial Co-operatives might offer a solution to what was seen by many as a major cause of the country's economic difficulties: the problem of engaging all those who work in an enterprise in the pursuit of ends which should be complementary but are too often opposed. Those ends were the success of the business as a commercial undertaking and the enhancement of the self-respect of the work-people as fully participating members of the enterprise.

Recommended Objective for Agency

More generally, the Report considered that the Movement might be about to enter upon an active period of development and that it would be desirable to provide machinery to facilitate that development. It concluded that the general objective for an Agency should be:

- to promote the principles and practice of Co-operation;
- to represent the interests of the Movement to public authorities and institutions generally, and to Government in particular;
- to keep the development of Co-operation and the law governing co-operation in the United Kingdom under review; and to this end

- to undertake studies and research whether on its own initiative or on request;
- to recommend for public consideration ways in which the development of Co-operation whether in existing or new areas of activity might serve the public interest, and might be facilitated;
- to identify, promote and encourage viable projects to be undertaken on a Co-operative basis;
- to advise Government departments and agencies and other public authorities on proposals to establish Co-operatives;
- to provide advice to Co-operatives or to groups wishing to establish Co-operatives, including advice on any public sources of finance and other assistance available.

Differences Within the Working Group

Opinions among the members of the Working Group, drawn from the various sectors of the Movement, were divided on the method of establishing an Agency, what should be the composition of its governing body, and by whom the appointments to it should be made. A minority considered that each of the participating representative Co-operative organisations should appoint a member of the governing body. With the power of appointment would go a corresponding power of dismissal. A majority found this objectionable on the ground that it did not recognise immense disparities of size among the participating organisations; and that the effect of such a method would be to turn the governing body into a negotiating committee whose members would be required to represent the sectoral interests of

organisations which had appointed them, would hold them accountable, and could dismiss them. The majority concluded that the members of the Agency should be appointed by Government. This conclusion was reinforced by the view, on which all were agreed, that the Agency's expenses, estimated at £300,000 (at 1977 prices), should be met from state funds.

Scope set by the 1978 Act

The view of the majority was adopted by the Government, and approved by Parliament. So, the statute prescribes the Agency's objectives very largely as recommended in the Report; places on Government a duty of making the appointments to the governing body; and provides that the Agency shall be financed out of money provided by the State. The amount provided initially (£900,000) was expected to be enough for three years. A further £600,000 is contingently available.

The report of the Working Group did not recommend, nor does the Statute provide, that the Agency should dispose of money with which to provide finance for Co-operatives. And, though the Agency is allowed to make charges for its services, it is not allowed to act as a commercial business.

Extension for Further Three Years

The Agency was set up in Autumn 1978. The incoming Government decided to review the position at the end of the Agency's first three years, and are now in the summer of 1981 proposing to lay an Order before Parliament extending the Agency's life for a further three years, subject to cash limits.