

FROM READERS1. CO-OPERATIVE LIVING - THROUGH GAMES AND PLAY

Geoff Wade and  
Pete West  
 (West Coventry Woodcraft  
 Folk)

96 Westwood Road,  
 Earlsdon,  
 Coventry CV5 6GB

"Co-operation is a way of life, an ideology, a belief system, and, in Western society, an alternative to the stress creating competitive ethos.

For those of us in the wide Co-operative movement, the ideology and life-style of Co-operation offers the practical means to the achievement of our shared goals, including peace and international understanding. Co-operation as a trading mechanism also offers an alternative to rampant capitalism or monetarism.

Much has been written on the subject of Co-operation as a trading mechanism and Co-operation as a mode of production, alas, less attention has been devoted to Co-operation as a psychological ideology - and the lack of attention to that area needs to be rectified if we are to achieve full development. Similarly, an understanding of the power of co-operation as an ideology is essential if we are to achieve those goals of peace and international understanding.

Thus there are two very important reasons why the Co-operative Movement should turn its attention to the study of Co-operative psychology:

- 1) To generate fresh interest in the trading and production movements.
- 2) To move closer to our ideological goals.

## Competition

In Western Society much emphasis is placed on competition and success. Competition begins in early childhood among siblings, continues through school, college, and youth organisations, and culminates in rivalry, vandalism, violence and, all too often, war. At the same time, we are urged to co-operate and help others. The concept of "team spirit" is as functional to capitalism as "the success story" but such contradictory expectations are potentially conflict-producing for the individual.

Rivalry is the central feature of much of our school procedure. It happens at all levels and in various forms. It may be between pupil and pupil, or between the sexes. One class may be set to compete against another class, even school against school, as in athletic contests. The children are continually forced into competing against their peers. This same teaching profession, and type of youth leadership, who generate such an ethos often complain of unco-operative children.

The psychological effect on children of excessive competition is very alarming, especially for those of us who believe in the aims of the Co-operative Movement. Their reactions seem to depend mostly on their rate of learning; slow learners experience discouragement and despair. Average pupils tend to either excessive emotional stress or to a "just-get-by" attitude. Fast learners develop an over high and optimistic opinion of their abilities. ALL pupils develop indifference to the fate and welfare of other pupils. It also includes strong fear of losing 'face' or status, if one should fail to maintain their expected position in the class. For many

children labelling occurs and the children begin to accept their fate as failures, after all, we are told, there can only be one winner.

The same problems can be identified in youth organisations and the mechanised games associated with industrial societies. Over specialisation has become widespread in games as in industry. Games have become rigid, judgemental, highly organised and excessively goal-orientated. There is no freedom from the pressure of evaluation and the psychological distress of disapproval. Games where children frantically compete for what only a few can have guarantee failure and rejection. Children are encouraged to delight in others' failures. They hope for it, they help it happen, because it enhances their own chances of victory. Children nurtured in this way, become cogs in the competitive system, the parts of the whole which ensure the continuation of the selfish society. Those who cannot win by legitimate means may seek delinquent means of achieving "success".

The end result is an economically very unequal society, a society which creates vandalism and other delinquent behaviour, a society where personal consumerism is held as a highly desirable goal, but where only a few can win through to achieve that goal legitimately. Others re-evaluate their goals, the rest either accept their station in life or seek advancement through illegitimate action. Only a few identify alternatives such as Co-operation. Furthermore, the contradictory goals and behavioural norms create widespread psychological distress which becomes manifest in conflict, or in apathy.

### The Co-operative Alternative

When children are put into learning situations which call for genuine co-operative effort, their

behaviour tends to show the following features:

They pool their experiences of problems similar to the one before them. This is good practice in communication, as well as an exchange of active information.

They distribute tasks according to desires, which are usually based on aptitudes. The effort and responsibility for an adequate solution is shared. Each child is responsible. In addition, they have the example and the urging of their friends to strengthen the motivation to contribute.

There is common credit for success and common blame for failure. The child is guaranteed a share of the reward, or, on the other hand, the sense of failure is lessened by the sense of shared responsibility.

In short, the competitive pattern stimulates intense struggles for reward and status. It makes into play the psychological emotions of aggressiveness, and fear and anger if frustrated. It tends to emphasise indifference at the expense of sympathy whilst, in contrast, the co-operative method emphasises sympathy - not indifference.

These psychological personality traits extend well beyond the activity being undertaken. We know that skills are learnt by repetitive practice. The same holds true for behaviour patterns. Children practice their future roles when they play. This is obvious in games like "mothers and fathers" or "war games"; it is just as true, if less obvious, in competitive games.

Children are not naturally competitive, there are many communities in the world where competitive play is unheard of. Children learn to become comp-

etitive through games. By the same rules of psychology it is possible to develop the skills of co-operation. We have a duty as adult Co-operators to give children the best possible tools of analysis, children nurtured on co-operation, acceptance and success have a much greater chance of developing strong self-concepts, just as children nurtured on balanced diets have a greater chance of developing strong and healthy bodies.

Co-operation is directly related to communication, cohesiveness, trust, and the development of positive social-interaction skills.

In co-operative games the players must help one another by working together as a unit, leaving no one out of the action to sit around waiting for a chance to play. The fact that children work together toward a common end, rather than against one another, immediately turns destructive responses into helpful ones. Players feel that they are accepted as part of the game. The result is a sense of gaining not losing. Once children have got over the shock that co-operative games require skills very different to those upon which they usually rely to "win" games, then they will usually agree that co-operative games are more fun. This is because the psychological stress has been removed. We would wish to stress to youth leaders and teachers that the transition from using competitive skills to co-operative ones does need reassuring encouragement. Once this has been achieved the rewards are very satisfying.

### Ongoing Research

Research into developing co-operative games is taking place in Canada, (Professor Terry Orlick) and research linking co-operative games with the teaching of co-operative ideology is taking place in Ungar Ornar, the Swedish Co-operative Youth

Movement, and in the West Coventry District of the Woodcraft Folk.

This is an area of research which has been much neglected by the Movement and the authors would suggest that the Society should consider the setting up of a study group to examine this area.

## 2. ORGANISATIONAL PROBLEMS OF WORKER CO-OPERATIVES

M.L. Stent

368 Swan Lane,  
Stoke Heath,  
Coventry,  
West Midlands.

"Worker/producer Co-operatives should be the organisations of the future; they are organisations that can promote pride in work, they should be non-alienative, adaptive to market conditions, adaptive to individual needs. They are organisations in which the whole of the individual is catered for, they should expand as his needs expand, and as the sum of the individual needs expand. They should have within them the seeds of a new working class, a class that determines its own needs and that of the community in which it exists.

At this time there is a growth in Co-operatives and bearing in mind the fact that they pre-date any other form of organisation I find it most peculiar that little is known about how they are run, and about the problems that are encountered in running them.

There are two things that need to be said before I continue. First, there is no 'best way' of running any type of organisation, especially Co-operatives, since the character they take on is that of the sum of the people who work in them. Secondly, it has to be remembered that any Co-operative organisation in England has to work as part of a capitalist system of production, and thus works under the same economic conditions, with the following exception - that bureaucratic capitalist organisations are loath to deal with them.

The basic problems I have come across in Worker/Producer Co-operatives in the past 14 years, and for which the Co-operative Union and the C.D.A's have not provided a solution, are as follows. For the sake of analysis it will be divided into two parts. 1) Ordinary Organisational problems, and 2) Problems that specifically relate to Co-operatives.

### 1. Ordinary Organisational Problems

- a) The product
- b) The market for the product
- c) The premises
- d) The method of production
- e) The workforce
- f) The capital
- g) Distribution of goods
- h) Selection of personnel
- i) Industrial relations - there are special industrial relations problems associated with co-operatives.

### 2. Problems related to Co-operatives

- a) Resistance of capitalist producers to provide raw materials
- b) Resistance of capitalist retail outlets to sell products

- c) Resistance of public to the buying of products
- d) Inability to expand production
- e) Over-concentration on small batch production
- f) Inability to adapt to changing markets
- g) Lack of technology
- h) Transportation of finished goods
- i) Increasing hours of work
- j) Constantly reducing wages and bonus
- k) Lower than normal wages and bonus
- l) Organisation lasts for only a short time
- m) Tends to develop a hierarchy, or bureaucratic specialisation.
- n) Lack of unified policy in co-operation.

There may be others that you can add to these, but those which I have outlined will suffice for an introduction.

What is required is some method of overcoming these problems. They need not exist, should not exist, and must not exist if Co-operatives are to continue to operate as an alternative to capitalistic enterprises. In order to overcome these problems there should be a new form of Union of Co-operatives, or a Co-operative agency that is able to process these problems, both with each Co-operative, and at a national level. There needs to be some sort of professional approach to the problems, and some sort of professional assistance in advising on these problems without removing decisions from the Co-operative. Thus what I am asking for is a group of people who can professionally service co-operatives, just as any other organisation can be professionally serviced when the need arises.

#### An Agency for Professional Services

The character of such an organisation would be as follows:-

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- 1) Small full time staff trained to cope with Co-operative organisational problems and
- 2) Other problems outlined previously
- 3) To co-ordinate distribution of goods
- 4) To co-ordinate contracts between Co-operative producers and Co-operative outlets
- 5) Also serviced by volunteer staff who together with full time officials would
- 6) Advise the setting up of Co-operatives
- 7) Emphasis should be on teaching the members of Co-operatives to cope with their own problems, thus to only use the organisation when necessary
- 8) To set up educational facilities and run courses for co-operators
- 9) To be funded by Co-operatives who pay yearly membership fee for services
- 10) To be under control of Co-operatives that pay fees for services
- 11) To be based on districts or geographical areas, not to be centralised

In addition to this trading should be initially between co-operatives. However, within this, what needs to be looked at in detail is the role of the Co-operative Bank, the CWS and the local Co-operative societies, who should in any event:

- a) For the Co-operative Bank - provide financial services
- b) For the CWS and the local Co-operative Society for Co-operative Studies, Bulletin 44, April 1982

Society - provide outlets for goods etc.  
produced by Co-operatives.

I think that it is necessary to treat this as a discussion paper, but in any event it is time to move the Co-operative movement onwards, out of the years of stagnation that now overwhelms it."

### 3. BUYING AND SELLING PRACTICES

#### OF RETAIL SOCIETIES (Bulletin 43)

J.W. Charlton

PO Box No. 31  
Corporation St.  
Coventry CV1 1GE

"In their analysis of buying and retail practices by retail societies, Messrs. Aspray, Gallagher and Lord Jacques attempt the formidable task of condensing into 1,000 word articles the economics of the country's largest retailer. They concentrate on the structure of retail operations under the headings of multiples, co-operatives and independents, and two of the writers describe the problems emerging from Co-operative structure and organisation and conclude with opinioned answers.

In any discussion on retail society problems variance will exist on the most effective answer to the Co-operative dilemma of a national loss of

trade to the multiples, and while general statements are made, the article writers give little attention to the more specific item of supplier discounts and retailer/supplier negotiations to maximise the amount of discount available to the retailer.

The articles lack dialogue on the qualities and qualifications required from the incorruptible buyer and his relationship with suppliers, and the temperament and skill required in a buyer to negotiate best terms. Food retailing with its spectrum of product groups provides a variety of discount prices from suppliers. Discounts on bread vary greatly from discount on biscuits; pet food suppliers present discounts at different rates from the egg market, and negotiation for the buying of soap powders to a warehouse is very different from the negotiation for direct delivery to shops of meat products. Discount negotiation with national brand firms are irreconcilable with cost price practice of the C.W.S. on Own Label manufactured goods supplied from Co-operative sources.

With each supplier's representative there is a package of variable levels of discount, and the representative will have a clear demarcation of the limit of his negotiating level with a retailer. His firm when setting the parameters for negotiation will take into consideration the factors affecting on-cost to the supplier whether in direct delivery, distribution to warehouses, trunking to hypermarkets and trade volume

When all the factors of production and distribution are collated, the negotiating parameters are set, and it is in the face to face negotiation between the retail buyer and the

supplier's representative where the amount of discount available is crystalised and converted into cash as a reduction from trade price. The buyer is the fulcrum on which the minimum and maximum limits of discount are balanced and his negotiating skill will determine to whom that balance favourably swings.

It is my belief that there is a serious weakness within the Co-operative Movement to strike hard bargains through buyers at retail and wholesale level and the full procurement strength of the Movement is not exploited in buyer/supplier negotiations simply because we do not co-ordinate our buying potential and our buyers are not hardened negotiators."

Jim Taylor

Deneholm  
26 Kirkintilloch Rd  
Lenzie  
Glasgow G66 4RL

"The recent special feature on Buying and Selling Practices of Retail Societies was extremely interesting but various points were mentioned which are perhaps worthy of comment.

I would suggest, first of all, that, while the buyers of the C.W.S. who negotiate nationally do their level best to negotiate prices at least on a par with our national multiple competitors, there must be many occasions when their ability to do so is restricted because of the fragmented nature of the retail movement. While our competitors can negotiate on the basis of quantities

which will be taken up, C.W.S. negotiators will be negotiating on the basis of quantities which might be taken up. In these cases, the seller, then has to incur additional costs in calling on individual societies' buyers in order to sell their wares into these societies. Surely in his negotiations with the C.W.S. the seller will bear these costs in mind and undoubtedly these must be reflected in the finally agreed buying price. I have not mentioned, of course, the sellers' costs where they are involved in the delivery of the goods involved to retail outlets of various sizes. If, in fact, on these occasions, the national buyers acting on our behalf are obtaining prices on a par with our national multiple competitors, then I would suggest that because of the additional costs incurred by the seller mentioned previously, the movement is getting better treatment from its suppliers than our competitors.

Then again, apart from not obtaining the full value from nationally negotiated buying prices because of the foregoing, the distribution oncosts which are applied by retail societies may result either in our price structure not being as competitive as it might or our profit margins being squeezed. While it was mentioned that, because of our structure, there are two balance sheets to service i.e. C.W.S., and each individual society, it is possible that, in many instances, particular commodities will have to bear three oncosts (a) the C.W.S. oncost; (b) if goods are delivered to a retail society warehouse, the warehouse oncosts; and (c) shop oncosts. I would venture to suggest that there cannot be many, if any, other retailers who have to meet this kind of situation. Let's not forget, either, that the oncosts which have been mentioned will also reflect the effect of

having individual and local administration in each Society.

Our selling practices also must be difficult to rationalise from the viewpoint of an uncommitted consumer. There are small stores, medium sized stores and large stores. In any one Society, these may even operate under different names - in some cases without the word "Co-op" being mentioned in any way, shape or form. There might be two or three different price levels operational in the area of any one Society. With regard to smaller shops, it is sometimes suggested that these should continue to be operated for the benefit in particular of the deprived, elderly and so on. There are cases of this happening, but the price structure at these Branches will be set at a higher level than other larger units. Is this how the movement gives the disadvantaged members of our community a benefit?

Then again, it is suggested that, in spite of all the opposition previously expressed against R.P.M., there should be a return to a modified version of this system. Surely our main effort should be to ensure that manufacturers are prepared to supply to each and every retailer, subject of course to requirements of consumer safety and protection in areas such as medicines, etc. whose restricted sales are essential. If a retailer is able by his expertise and/or trading strength to obtain better terms from the manufacturer and thus pass on a better deal to consumers than his competitors, should we not support that situation? After all, we may be the retailer involved. The argument for R.P.M. seems to be based on an argument to enable the smaller retailer to continue. Quite frankly, the small independent trader will continue to

survive because the key factor in his business is his flexibility - flexibility in the service he provides, in his hours of operation, in the range of commodities carried. Almost any Society which closes branch shops will have approaches made to them for these premises by persons who wish to set up in business. So the independent shopkeeper is by no means down and out and there will always be those who wish to have a go on their own - and make a success of the job.

In our attempts to be all things to all men, we have merely confused the younger generation of consumers who did not build, nor were they supported by, the Movement in the "bad old days". The fund of loyalty which is mentioned in another article in the bulletin and which we did have at one time is rapidly disappearing as the older generation pass on and such loyalty cannot be relied on any longer in this highly competitive age.

It would appear that the only way in which the movement can survive in the future will be by ensuring that our buying and selling practices operate for the benefit of consumers nationally. At the present time, because of our fragmented nature, this is not so, and it will be only by the elimination of the additional costs which arise as a result of this fragmentation that the consumers will gain. An argument in favour of a national society? Quite likely - but then comes the argument about democracy in the movement. The only comment which can be made regarding that is - does democracy really exist in the movement at present and has it actively existed for a long number of years in the form of anything but lip service?

At the end of the day, the movement, based as it is on retailing, will only survive if the consumers see their local co-operative unit as being of some advantage to them compared to our competitors. If the consumers see the main advantage to themselves can be achieved by obtaining their requirements from our competitors then they will, in a sense, be using their democratic rights except that they will be voting with their feet and not with their hands."

Max Wood

26 Ringwood Close  
Crawley  
West Sussex RH10 6HH

"On numerous occasions during the past sixty years attention has been drawn to the weaknesses of the buying and selling practices of retail societies, both by competent individuals and official inquiries. The Report of the General Survey Committee of 1919 expressed alarm at the growth of the multiple stores, and suggested ways in which the competition could be met. W.B. Neville took up the theme in 1930 when he told Congress that in marked contrast to our competitors "we are loosely co-ordinated units without any real cohesion." That is the situation in a nutshell. The CWS elaborated the theme in 1955 in its report on the Future of the Co-operative Dry Goods Trade (in which trades our weakness is most apparent).

The Dry Goods Trade Association, that curious hybrid set up by Congress in 1951, spent much of

its time grappling with the problems of the co-ordination of retail demand. Buying panels comprised of retail managers and the productive units were not the answer. The democratic constitution of the Movement has within it certain difficulties which militate against the merging of independence as between individual buyers and societies, thus hampering any meaningful co-ordination of retail demand.

Theoretically (and this has been discussed ad nauseam) the solution is a national society with an economic structure similar to that of the most successful multiple store groups. So we come full circle!

The 1919 Survey spoke of securing the loyalty of our members through the cultivation of their faith in co-operation as a social force. How old-fashioned that sounds now! If the apotheosis of the managerial revolution through which we have been passing is a national society, there might be very good reasons for customers to patronise it, but why should they become shareholding members? In such a situation one wonders whether the Industrial and Provident Societies Acts (this also has an old-fashioned sound!) could still be utilised by such a society, or whether new ad hoc legislation would be required. But perhaps a national society would find it more advantageous to re-register under the Companies Act and thus end all this haggling!"

#### 4. THE CO-OPERATIVE DEVELOPMENT AGENCY (Bulletin 43)

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Chris Cornforth  
Peter Melford  
Jenny Thornley

Faculty of Technology  
 The Open University  
 Walton Hall  
 Milton Keynes  
 MK7 6AA

"We would like to reply to the provocative comments from Dick Bluer about our article on the CDA. Mr. Bluer appears to be saying that all sectors of co-operation should be developed by the Co-operative Union. In our article we were attempting to set down the functions that we considered could be carried out at a national level in support of workers' co-operatives. We made no firm suggestions as to who would fund the CDA-type staff or where they should be housed. To do so would have required far more space. May we point to two of the problems involved in recommending the scheme favoured by Mr. Bluer.

First, it is not at all clear how the Co-operative Union would adapt its services - at present tailored to the needs of retail co-operation - to the particular needs of workers' co-operatives. Secondly, there are political problems to overcome. Most of the new workers' co-operatives have grown up without any contact with the CU, instead looking to ICOM and local CDAs for assistance. Naturally enough, ICOM would resist being absorbed by a more powerful sector of co-operation. Added to this, ICOM purports to be non-political and it is hard to see how the CU, with its Labour Party connections, could entice such a radical change of heart. The local CDAs for their part, have found great value in their broad base of membership, among

which the retail co-operative societies stand side by side with trades councils, local councils and others. It is likely that they will jealously guard their independence.

It would be interesting to hear the official view of the Co-operative Union on this issue. At the time of the CDA's formation in 1978 the CU was happy that it should be government-funded and independent of the retail sector. Since then a sub-committee of the CU Central Executive has reported on how new and existing co-operatives in 'housing, industrial and productive fields' could be more closely linked to the CU."