

Co-operation between Co-operativesREPORT OF THE 1982 S.C.S. CONFERENCE

by

DR. A. WILSON

The principal business of the 16th annual conference of the Society for Co-operative Studies was to consider a report on the findings of its first working syndicate which had concentrated its attention over a period of two years on the apparently straightforward issue of 'Co-operation between Co-operatives'.

Introduction by Rita Rhodes

In opening the discussions, Mrs. Rita Rhodes, the Chairman, pointed out that although the principle of 'Co-operation between Co-operatives' was now recognised in the International Co-operative Alliance principles - as an extension of the idea of mutuality - it had been missing from 1844 to 1966. She had little doubt, however, that it would have been strongly approved of by the Pioneers. The possibilities of closer co-operation between co-operatives of different kinds, such as Credit Unions, Agricultural Co-ops. had been looked at in some depth by the syndicate. How could they help each other's further development? As indicated in the report by Archie Mackintosh, about 20 people had participated in the work of the syndicate on their personal responsibility but providing a wide range of Co-operative experience. These included John Morley (Agriculture & Horticulture), Roger Sawtell (CDA Board and Workers' Co-ops.), Peter Bussey (Credit Unions), Ian Brierley (Co-op. Bank), Archie Mackintosh and Selwyn Ward (Housing), and Harold Campbell

(Retailing and Housing). Helping to bind their findings together had been the grand old man of modern Co-operation, Will Watkins with his vast experience of the ICA.

### 1. Mr. W.P. Watkins

The syndicate had, in fact, been instituted as a result of a challenging article by Will Watkins in the "Co-operative News" in May 1980, which had suggested that while it had been easy for Co-operators and Co-operative organisations to unite for common purposes, they had normally failed to unite in support of their diverse interests and even in presenting the movement as the main protector of consumers. Nor could one complacently assume that the various federal arms of the various forms of Co-operation helpfully embraced one another. So how best could we help the ICA principle to find successful economic expression?

In a talk which fascinated the historians and philosophers in his audience, Will Watkins pointed out that the origin of his study of the subject lay much further back in history than his article. It started in the first year of the Co-operative College in Manchester when Professor Fred Hall requested him to build up a course on International Co-operation. He then realised that, before tackling International Co-operation, he had to know much more about national Co-operation and how the various national Co-operative movements had begun and developed.

### Expansion and Integration

He found that the Co-operative Movement had spread across the world by a twofold process of expansion and integration, integration being the

means by which Co-operation advanced from one economic field into another, as with the retail consumers' societies entering wholesale trading. After trying other methods, they had formed federations, based on Manchester and on Glasgow, with the help of the Industrial and Provident Act of 1862. About that time the Rochdale system had begun to spread in France, Switzerland and Germany, following a similar course. Before the end of the 19th Century a group of national movements had formed the International Co-operative Alliance.

Earlier in the 19th Century, periods of depression had produced many workers' productive Co-operatives, especially in France, where the theory had first been worked out. Later the ideas of Charles Gide influenced consumers' Co-operative movements which he pictured working their way backward from retail through wholesale trade and manufacture to production on the land. Co-operative structure tended to show both horizontal and vertical growth. The agricultural movements generally developed separately, sometimes with conflicts of interest with the consumers' organisations. Mutual hostility between the various groups meant that their total weight in the economy failed to tell, and their separate approaches to governments failed to influence policy.

### The French Model

After the Second World War leading Co-operators in France began to work towards the integration of every branch of Co-operation in membership of the Groupement National de la Cooperation (GNC), and by 1980 all branches were affiliated. The result was a closer form of organisation with its own Newsletter twice a month and more effective communication, consultation and concerted action.

In Britain we have had two distinct generations of Co-operative enterprise. To the first had belonged the consumer and worker producer movements in the middle of the 19th Century, followed in later decades by the farmers. Then had come the building societies, insurance and finance organisations of the early 20th Century, which had been largely protected against many of the problems faced by the Co-ops. of the older generation. This younger generation received considerable support both from the older movement and from the better legal framework by then prevailing. However, while it had been relatively easy for Co-operative organisations to unite when their interests were identical, it remained difficult, but no less important for them to unite in mutual support, when their interests were diverse. It was therefore encouraging to see how the conception of Dr. Georges Fauquet in "The Co-operative Sector" (1937) of a national economy in three sectors - private, governmental and co-operative - seems to be the framework recently adopted by the Mitterand Government in France, with a role of greater importance than formerly being assigned to Co-operative and mutual (friendly) organisations.

### The Need in Britain

The ICA Commission on Co-operative Principles included 'Co-operation between Co-operatives at every level' as a sixth principle unanimously on the proposal of Howard Cowden, the eminent US Co-operator who had built up the petroleum business of his farmers' supply co-operatives from a network of filling stations to refineries, pipe lines, wells and participation in the International Co-operative Petroleum Association. It remained an important responsibility of the Society for Co-operative Studies to raise the Co-operative Movement's vision above that of everyday trading, and have ideas for further development of Co-operative principles and

practice. Here in Britain the domination of the big distributive and productive enterprises in the food trades called for collaboration between the agricultural and consumers' Co-operative Movements in the interests of both farmers and the consuming public.

## 2. Dr. Roger Clarke

Confirmation that developments along the lines of closer collaboration could be socially and economically helpful, and had not been confined to France, came from Dr. Roger Clarke, the assistant director of the Scottish Council of Social Service, which had been deeply concerned with unemployment and community development for many years. Recently he had spent three months in Eastern Canada studying the collaboration between Co-operative organisations, especially in terms of social links. He had concluded that the importance of tolerance of the differing perspectives of Co-operative organisations was more clearly recognised in Canada than in the UK - perhaps because the need was more obvious there.

Co-operation was practised throughout Canada and there had been a new wave of housing and social service co-ops. The main emphasis varied in the different regions, with agricultural Co-operation very strong in the prairies, while fishing Co-ops. were strong in Nova Scotia and Prince Edward Island.

### Collaboration, Formal and Informal, in Canada

He had been particularly impressed by the contribution of the Antigonish movement in Nova Scotia - where the adult education extension movement had introduced a Co-operative force in 1932. Against a background of chronic unemployment and poverty, and under the slogans "Each for all" and

"You can become the master of your own destiny", credit unions had been established. These led to buying clubs, then to fishermen's unions and fish processing and marketing associations. Later came health programmes and local pharmacies. Many of these small Co-operatives still survived fifty years later, and one could find four or five Co-operatives in a village of 3,000 all working closely together.

There was no development agency, but there was a clear recognition of the possibility of co-operation between the different sectors of Co-operation. There was a strong sense of local identity in the villages which greatly helped this recognition, without necessarily leading to formal linkage between the various organisations. There was, however, federation at local level, federation at provincial level, and federation at national level. Housing, agricultural and credit unions all belong to the Co-operative Union of Canada, which is strong at national level and highly effective in public relations work and in development work with poor countries.

### In Discussion

In the discussion on these talks, it was clear that both Roger Clarke and Will Watkins had provoked a wide range of reflections. Some Co-operatives, it was pointed out, are busy rediscovering the needs and the methods of Co-operation, which was not just an ideal. Shared economic interest, or self-interest, remained a very important element, and the question was often about which social and individual needs which could best be met by common action. A related point suggested that before the coming to power of a Labour government in 1945, many community services had been supplied largely by Co-operatives, and the Labour and Co-operative political leaders developed

a Welfare State largely modelled on these services. Now many people were looking to a further stage with the possibility of Co-operation supplanting or supplementing the state services. Co-operators needed to be alive to the possibilities of alliance beyond any strict definition of the Co-operative movement. Many associations were virtually co-ops. even if not so called. Even in Canada, many of the most interesting developments were growing up outside the established movement. In some cases the outsiders seemed to have a keener sense of Co-operative principles than people within the movement itself.

### Co-operation or the State?

The depressing nature of the problem of developing services linked to a sense of community in inner cities - where, all too often, there was no sense of community or solidarity at all, with a complete lack of family stability amongst an increasingly transient population raised its ugly head to dampen any undue optimism. The gloom thickened with the lamentation that people do not seem to want to help themselves nowadays, and the observation that the psychological consequences of taking away from people the need and responsibility for organising their own play and recreation were now becoming apparent. When the State moves in, it brings with it the professionalisation of the services, and makes war on the amateur with his sense of stewardship. Do people really need the Welfare State to do so many of the things that might still be done better by Co-operative effort?

The question of size is crucial, answered another. "Small is beautiful", and when we get to large size in urban co-operatives, which is the reality in the UK, the Co-operative ideal tends to fade away, if only because the trading demands are too great for the small organisation. Members became a nuisance to managers, who would like to

be left with 'democratic control' exercised amongst themselves. Unfortunately the managers at present were not even producing good stores, good sales and good results. Meanwhile the membership figures were a nonsense, and some measure of outputs and inputs of the various types of Co-operative organisations was badly needed.

### A Structure for Collaboration

The structural format for closer collaboration between Co-ops. of different types came in for some examination. Co-operation became very difficult when the groups were of radically different size. The retail movement still dominated the situation, while the new Co-ops, viewed the retailers with scepticism, except when they might possibly be a source of finance and aid. Some scepticism was also expressed about the ability of the Co-op. Union to cover the needs of housing and worker producer Co-ops. Basically the Union was still linked to the consumer retailing movement, with 10 of the Executive from Retail, 9 from CWS (indirectly retail) and only 1 from the Productive Federation. The majority of the Central Executive come, then, from retail societies, coming up through their Sectional Boards, but with a heavy proportion of CWS. The design of the Co-op Union, one contributor argued, was in fact almost as remote as possible from grassroots members.

To balance this pessimism, came the not altogether comforting rejoinder that Co-operators were grappling with intractable problems inevitable in a Byzantine structure. As far as the officers of the Co-op. Union were concerned it would be quite unfair not to recognise that they were deeply committed to Co-operation far beyond just the retail movement. Meanwhile for the new wave of Co-operatives, it needed to be recognised that there could not be much prospect of the retail movement doing more than occasionally helping financially.

More optimistically it was pointed out that criticism of the CDA Forum had already produced good results, and that the viability of the Forum had greatly increased. Useful results might also be forthcoming from increasing local authority involvement in Co-operative development, provided the political influence did not become too strong.

### Further Tasks for the S.C.S?

The discussion ended with a consideration of what the Society could do more locally to stimulate the sharing of expertise between Co-operatives. Perhaps it could help to collate the lessons from experiences being made by worker Co-ops? Perhaps it could help evaluate the needs and the feasibility of a new umbrella, or organise the flow of advice to existing umbrella organisations? Perhaps it should concentrate on the education and training needs of existing Co-ops? All this should be coupled with the realisation that attempts to force trading links between Co-ops. which they might not want would not lead to greater co-operation.

While it was important for the formal Co-operative movement to see its place in the social economy between the state and the private sector of enterprise and voluntary action, there would be no point in telling the State to keep its hands off, before looking for appropriate ways in which Co-operatives, in close dialogue with other voluntary agencies, could operate effectively, and ways in which the government and the State can give support.