

NEWSLETTER

by

JENNY THORNLEY and PETER CLARKE

The Mihr Report on Co-operatives is now at its final stage within the European Parliament.

European Parliament - Co-operatives

Following the adoption of resolutions in the European Parliament in July 1980 in favour of European Community action to develop Co-operatives, the European Parliament's Committee on Economic and Monetary Affairs has been working to produce its report. Karl Heinz Mihr, a Socialist member of that Committee from the Federal Republic of Germany, was appointed rapporteur. A draft report was produced during 1981 and early in 1982 a consultation took place between the Economic and Monetary Committee and representatives of European Co-operative organisations. The Committee met in November 1982 to consider the final draft of the report. It was passed with a number of crucial amendments and is now awaiting debate in the European Parliament. This is anticipated for the April session of the Parliament. The report is European Parliament Working Document (1982-83) 1-849/82.

The report calls for the institutions of the European Community to recognise Co-operatives as permanent discussion partners; to encourage the development of Co-operatives including the investigation of further measures to speed the development of Co-operatives; to recognise the present role of Co-operatives in European Community Regional Policy and development policy, including overseas development; to consider the possibility for giving Co-operatives

and the Co-operative movement material and technical aid for education, training and promotional functions; to make available funds for the development of small and medium-sized Co-operatives and to facilitate the access of Co-operatives to existing European Community funds and institutions.

If this resolution becomes European Community policy it will represent an important step forward for the Co-operative movement in Europe. To become policy it has to be passed by the European Parliament and be adopted by the Commission of the European Communities and the Council of Ministers. Any member country, including the United Kingdom, can veto the policy.

Some, including the Socialist Group in the European Parliament, wanted the resolution to go further in its provisions. They recognise that if the Co-operative movement becomes a discussion partner, this official status will give Co-operative views added weight in the development and application of European Community policies. But, they wanted the Parliament to call upon the European Co-operative Movement to set up a European level liaison body. Additionally, they want to see an initiative taken to harmonise or partially harmonise Co-operative law within the European Community, including the establishment of a statute for a European Co-operative Company. This would provide Co-operatives in all member countries with an alternative legal form to that already in existence in their own country. They also wanted the specific creation of a European Co-operative Development Fund. Finally, they asked that the European Parliament be more

active in broadcasting the new policy.

Beechwood College

Beechwood College, now a legal entity separate from ICOM, has recently published its Spring and Summer 1983 programme of courses and seminars for Co-operatives. They divide under three main headings: training for Co-operatives, training for development workers and special interest events.

Beechwood's experience since their foundation in 1979 has emphasised the importance of social audit and on Wednesday, 15 June they are running a course on "Social Audits for Co-operative Enterprises". Beechwood says,

"All Co-operatives have social objectives written into their legal constitution yet to date there is no real means by which the performance of a Co-op. in achieving these aims can be evaluated. Social audits are a practical way of measuring the progress towards social objectives much in the same way as accounting audits measure financial performance."

As well as the short residential courses, Beechwood is also working in situ with the Stonebridge Project in Brent, and the Haringey Ethnic Project. Additionally, they have recently run a week's course in conjunction with CRS London Region on business policy and planning for worker Co-operatives.

Agricultural Co-operatives - New Structures

The Central Council for Agricultural and Horticultural Co-operation, founded in 1967, will lose its separate identity when Food From Britain is established. The functions,

including the grant schemes, of the Central Council will be assumed by one of two divisions of Food From Britain, the Co-operative Development Division. The new Director of the Co-operative Development Division is D.G. Bailey, currently the Secretary of the Central Council. The Government have given assurances that even though Food From Britain is expected to be self-financing after 5 years, the Co-operative element will continue to be funded by the Government.

The Central Council currently operates four grant schemes for agricultural Co-operatives:

1. They can provide a maximum of 75% of the cost of pre-constitution feasibility studies.
2. They can provide a maximum 75% of formation costs of agricultural Co-operatives.
3. They can provide a maximum of 33.3% of salaries and expenses of key staff on a diminishing scale over 3 years.
4. They can provide between 15% and 32.5% of the capital costs of a new Co-operative.

Since July 1980 they have also run a Product Marketing Campaign to encourage new food marketing and promotion initiatives.

Since 1967 Central Council has dispensed £22.025 million in grants to agricultural Co-operatives. It has received £9.42 million in grants from the Government for administration. There is a good case for the Government helping the worker Co-operative sector to the same extent as it has helped the agricultural Co-operative sector.

Worksheet - NCVO

Since Co-operation is very much part of the voluntary ethic, it is not surprising that many new Co-operative initiatives have antecedents in voluntary organisations. Stephen Hopwood, of the Employment Unit at the National Council of Voluntary Organisations, publishes a regular news-sheet giving information on such initiatives and all voluntary sector employment initiatives. The news-sheet is called "Worksheet".

Stephen Hopwood also produces information for voluntary organisations on all the Government's Employment and Training programmes. For example, one has just been published entitled "The Community Programme. Some implications for voluntary and community organisations."

Worksheet, and the other publications of the Employment Unit can be obtained from:

National Council of Voluntary Organisations,
26 Bedford Square,
London WC1B 3HU.

CDA - The Government's Stance

The latest reiteration of the Government's policy on the Co-operative Development Agency comes in the Government's reply to the Report from the House of Lords' Select Committee on Unemployment (command 8745, Price £2.55 available from HMSO).

The Select Committee's Report (House of Lords 142; price £8.50, available from HMSO) recommended that the development of new Co-operatives should be encouraged, for instance by expanding the role of the CDA. The Government's response is equivocal.

"The Government is in favour of unsubsidized projects, regarding them as an expression of private enterprise, and is keen to see the producer Co-operative sector flourish. Further funding of the CDA was approved in July 1981 by means of the CDA (Grants) Order 1981. The money is expected to last until August 1984 by which time the agency will have existed for 6 years."

George Jones, Director of the CDA, told the House of Commons Select Committee on Employment on 8 November 1982 that he was quite happy with this mandate. He believes that the CDA can prove itself by 1984 and that will be the time to make out the case for further assistance.

The CDA's Annual Report and Accounts for 1981-1982 are also available. (House of Commons 518; price £2.95 from HMSO).

Pensions for Worker Co-operators

The Consultative Committee, which brings together representatives of ICOM, ICOF, the Co-operative Union, the CDA, the local CDA network and Beechwood College, is discussing pensions for worker Co-operators.

Workers' Co-operatives offer their worker members a number of virtues in comparison with other types of employment. It is therefore important that adequate arrangements are made for pensions for worker Co-operators.

The Co-operative Union was asked for its advice, since they have been giving advice on pension arrangements to Co-operative societies for many years. They believe that what is

required is a basic and standardised scheme giving good value for money, which is safe yet simple to administer and understandable. The scheme must be able to attract both established Co-operatives and Co-operatives being formed and be centrally operated to make sense of the Co-operative scheme. It should be "contracted in" to the upper band of the state pension scheme.

The Oxford Life Assurance Company is drawing up a pension scheme and is hoping to provide a quotation early in 1983. Oxford Life is a worker Co-operative set up in 1979 by Group Plans Marketing (UK) Ltd. Group Plans Marketing (UK) is a company limited by guarantee founded as the UK offshoot to the US Co-operative Insurance Company, Group Plans Marketing Inc. Group Plans Marketing (UK) Ltd. started by selling life assurance policies using affinity marketing techniques via the Automobile Association. In 1979 it decided to develop and sell its own insurance policies and to do this set up Oxford Life as a company limited by guarantee. Their scheme will aim to be transferable from one Co-operative to another and have trustees elected from the Co-operative movement. It is anticipated that this will ensure that a proportion of the scheme's funds will be invested in workers' Co-operatives.

CHAT - Chopped

Following the report in the last Newsletter of the demise of SCOOP, the Society for Co-operative Dwellings Housing Co-op Magazine, it must be noted for the records that CHAT stopped publication in March 1981. It was a casualty of the reorganisation of the Housing Corporation.

CHAT started in December 1976 as the newsletter of the Co-operative Housing Agency. When the CHA closed it became a "Co-operative Housing Newsletter". The loss of it places even more emphasis on the need for a national housing Co-op. magazine.

Haringey Ethnic Co-ops. Scheme

Lord Scarman's report on the Brixton disturbances (The Brixton Disorders, 10-12 April 1981. Cmmd 2427 HMSO £8) urged "speedy action if we are to avoid the perpetuation in this country of an economically dispossessed black population". He suggested that schemes be devised to "clean up and regenerate the inner city. There is an attraction in projects which could use the idle labourer in the inner cities to tackle the physical decay which is there so evident."

As a result seven London Boroughs were each offered £50,000 in the current financial year on a matching £1 for £1 basis for schemes aimed at the problem of unemployment amongst ethnic minority adults aged 19 to 24. One of the Boroughs, Haringey, decided to use their money to attempt to launch a number of worker Co-operatives. Haringey has a well established Co-operatives policy and a Co-operatives Officer who has been in post since 1979.

Haringey aim to provide 12 weeks' training in vocational, business and Co-operative skills to groups who will then be given assistance within the Borough's existing Co-operatives policy to form Co-operatives. Following advertisements in the local and ethnic press 33

applications were received; 26 groups were represented at the consultancy session and 29 groups attended selection panel interviews. Seven groups, 24 individuals in all, have been short listed. Beechwood College are heavily involved as is the local College, Tottenham Tech. in training these group.

Young People

There is disenchantment about the value of Manpower Service Commission's schemes for providing a launching pad for Co-ops. especially Co-ops. formed by young people. Many of the MSC's training schemes are aimed at young people, but there is little opportunity for them to form their own Co-operative businesses. One problem is that, officially, the MSC cannot create permanent jobs. All its schemes can aim at are temporary jobs. But there are also more specific problems relating to the content and the nature of MSC training schemes.

Mike Lilley, of Woody Books, 84 Wolverley Court, Woodside, Telford TF7 5QX, is developing proposals for a youth training scheme on behalf of ICOM. This scheme aims to allow young people to form their own Co-ops. and/or to allow existing Co-ops. to train and perhaps take on young people. He would welcome comments and ideas on such a proposal.

Community Radio

Since the Cardiff Radio Trust, a consortium of voluntary organisations, obtained the IBA franchise for the Cardiff Independent Radio Station, suggestions have been made for "community radio stations". Citizens Band radio

(known as CB) is now legal for the individual; community radio seeks to offer local voluntary organisations and community groups more permanent and direct access to the airwaves.

Simon Partridge has produced a lively advocacy of community radio, what it is, and why it should be allowed expression. He wants such radio stations to have a democratic structure and suggests that they should be formed as Co-operatives.

His book "Not the BBC/IBA. The Case for Community Radio" is published by Comedia Publishing Group, 9 Poland Street, London W1 3DG. Price £1.95.

Co-operative Independent Commission Report - 1958

The 1983 Congress will mark the 25th anniversary of the presentation to the Co-operative Congress of the Co-operative Independent Commission Report (The Gaitskell Report). Its most well known finding was that the number of Societies should be dramatically reduced. This report is as worthy of study today as it was in 1958.

The Secretary to the Independent Commission was Tony Crosland. Susan Crosland, in her biography of her husband published during 1982, says, "when the Independent Co-operative Commission Report was presented to the 1958 Congress Gaitskell and Crosland were angry and depressed when the traditionalists defeated the central recommendations of the report. With dogged resolution the Co-operative Movement refused to advance into the second half of the twentieth century".

Tenant Management Co-operatives

The Department of the Environment has published the second report of its studies of tenant management of Co-operatives. The report "Management Co-operatives: Tenant Responsibilities in Practice" updates and assesses the work published in 1981, "Management Co-operatives: The Early Stages".

Ten Co-ops were surveyed: eight in London, one in Birmingham and one in Glasgow. The conclusions are regarded by independent experts as "quite encouraging".

"Management Co-operatives: Tenant Responsibilities in Practice" costs £4.60; "Managing Co-operatives: The Early Stages" costs £1.95. Both are available from HMSO.

Co-operatives Assembly in Barra

"On Tuesday, 14th September 1982 the Fourth Assembly of the Co-operatives in the Western Isles began in the Isle of Barra Hotel. The hosts this year were Co-Chomunn Barraidh. The Assembly, which brought together members from Ness, Parks, Harris, Iochdar, Eriskay, Vatersay, Staffin, and of course, Barra, continued over three days. There were present, too, representatives of HIDB, along with the field workers living in the islands. It was agreed that the various lectures and discussions on matters concerning management, financial control, investment, marketing, IDP, and shellfish farming, were very helpful. Now, the hope is that what was learned can be put to practical use.

The address given by the Chairman of HIBD, Mr. Robert Cowan, gave not only encouragement, but hope, to the members of Co-Chomunn present. Matters are made difficult by recession which is affecting the whole country at the present time.

At the end of the Assembly, after much discussion, the members determined to form a Federation - giving the Co-Chomunn a united voice - a strong voice - on certain issues, and also the means to better co-operation in matters such as marketing, transporting goods etc.

This fourth Assembly left participants with the clear impression that the community co-operative is at last a reality, and that, in most cases, there is a healthy future."

(Ampaipcar. The News of the Southern Isles. October 1982)

The Co-operative Opportunity

The Co-operative Opportunity, the report of the Co-op Party Commission on Employment is now available. Price £1 plus postage, from the Co-op. Party, 158 Buckingham Palace Road, London SW1W 9UB. The Bulletin hopes to review it in the next issue.

Notes of the Authors: JENNY THORNLEY is a research fellow in the Co-operatives Research Unit at the Open University, currently examining the role of trade unions in Italian workers' co-operatives.

PETER CLARKE has been Research Officer of the Co-operative Party since 1977. His interests run wider than retail Co-operatives, particularly into agricultural Co-operatives - see Towards Trading Links (of agricultural Co-operatives) with Retail Co-operatives in Bulletin 44 - and he is an Associate Member of the Plunkett Foundation.