

Co-operative Independent Commission -RevisitedRETROSPECT AND PROSPECT

by

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The C.I.C. Report was a most impressive analysis, which seemed to be pointing a still confident Co-operative Movement towards greater competitiveness and integration. The role of the CWS, which had become blurred in post-war years, would become central again, and key features of a rejuvenated Movement would be more adequate re-investment of surpluses in modern merchandising, clear objectives for well-trained, well-selected managers, and bright, cheerful and efficient shops to attract the general public as well as the loyal Co-op members, for whom the 'divi' would cease to be the main reason for loyalty. Where optimum scale indicated the need for wider than district operation, federal chains of specialist shops would be established to ensure an adequate Co-operative presence in the market, especially in the non-food trades.

Why the Failure to Implement?

The prescription was written by a high-powered, experienced and well-informed group of experts, all of whom were deeply sympathetic to the Co-operative Movement. Over the following twenty five years, their message must have remained deeply imprinted in the thinking of all leading activists within the movement.

That it was not fully implemented within the following ten years was a tragedy, and we are now left with an enfeebled giant who has largely disappeared from the High Street. And yet if we could turn the clock back to 1958, it is very doubtful if the pattern of democratic indecision and parochial pride, which have been the local blessing and the national downfall of the movement, would permit that moment of great opportunity to be seized. Co-operative democracy was not well fitted for living in a world of supermarkets, hypermarkets and national chains. Economic success for the movement spelled increasingly the withering away of its local roots. Without clear objectives, both consumer democracy and thrusting management were jeopardised.

The Absence of Considered Objectives

Without fairly clear objectives, no business can flourish, but at least up till 1960, the social and political objectives of Co-operative societies did not conflict seriously with their economic objectives - expansion and dividend maintenance. Since then, however, the business objective - survival by any means - and the social/political objectives have not been on speaking terms. In many of the major societies there has emerged a wide rift, with the social/political alliance having to accept the dictates of the business men of the Movement - but usually over the dead bodies of their societies. All ambitious schemes of reorganisation have been suspect at local level, and have become outdated by the time support has been won for them. Remedial action on the business side has come in patches, usually from positions of weakness, and without integrated planning. So it still is

with 'regionalisation'. After 15 years it has gone ahead too slowly, with most of the weaknesses of Co-operative democracy and management spelled large within regional societies. I submit that today there is no Co-operative Movement - only a patchwork of self-regarding retail societies and federals. I submit that it is the exception rather than the rule for any of them to have deliberately agreed on their objectives - whether social, political or economic.

The Same Guidelines Needed Now -

The main guidelines for Co-operative trading success in the 1980s are not significantly different from those which the Gaitskell/Crosland report pointed out 25 years ago. What is different now is that the logic of events has changed the situation so radically in recent years that it is nowadays difficult for Co-operators to persist in illusions of greatness, stability, loyalty and working class solidarity. Most have at last opened their eyes to the facts of life, that superstores are here to stay, that Sainsbury and Tesco are fierce competitors, and that dividend stamps have virtually followed the dividend into the history books.

- And Particularly from the Minority Report

For myself, the guidelines were best written by Col. Hardie in his minority submission, which remained ignored at the end of the Independent Commission Report. In 1958-59, I thought that he was over optimistic in asking for just two large Co-operative organisations. More acceptable politically would

surely be 20-25 regional or conurbation societies, each with a turnover of £30-£100 million, and capable of running a viable chain of supermarkets. For dry goods there would be one or two federal organisations running chains of department and combination stores, along the lines of the projected Domus chain in Sweden.

Now in 1983, we can see that Col. Hardie was wiser than the rest of us. Politically it would have been no harder to engineer a national organisation than to promote the district and then the regional amalgamations, which have been fought tooth and nail by almost every society which was not to be the dominant partner, or which did not see bankruptcy staring it imminently in the face.

The force of Col. Hardie's logic is now clear to all. Without trading success, there is neither survival nor reason for existence of the consumer Co-operative movement. Without a national highly-integrated movement there can be no trading success for Co-operators in the face of clear-headed, thrusting multiple chains, siting, investing and operating on a national basis. The Co-ops may still command an enormous slice of consumer spending power, but the margin between survival and rapid decline remains alarmingly narrow. The emerging regional societies with their 30-mile radii and £00 million of annual sales, will find that their internal problems have grown apace, but they are still not large enough to be sure of reaping the benefits of large scale operations - in terms

of specialised management, rational investment, buying power and merchandising ability. Their major stores are still not the focal points in the large towns.

The Choice Now

The main choice nowadays is whether the Co-operative Movement is going to will the fundamental reorganisation which is called for, while its main components have still some strength. Or whether it will be left for the CWS and CRS to take over complete control of a decimated movement, whose trading position has been completely eroded. Given all the recently acquired expertise at the disposal of the CWS these days, that might not be such a bad thing as it would have seemed in 1958 - if only it was not going to have to swallow and digest all the weakest businesses first.

Note of the Author

DR. A. WILSON was until recently Deputy Director of Extra-Mural Studies at the University of Manchester, with a particular concern for Industrial studies; long interested in Co-operation - in pioneering courses for Co-operative management, in Co-operative research, and as a main begetter of the Society, its first Chairman, later its Secretary and now its Treasurer.