

# International Notes

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Co-operatives in Economic Growth was the general theme of the Sixth International Co-operative Scientific Congress, advance notice of which was given in No. 7 of this *Bulletin*. The Congress held its sessions at Giessen in the Federal German Republic from the 22nd to the 25th September and brought together some 250 participants from about 30 countries in four continents. The working and social arrangements were organised by the Institute for Agricultural Co-operation of the University of Giessen under its director, Professor P. Meimberg, with the assistance of the Co-operative Institutes of the Universities of Berlin, Erlangen-Nürnberg, Frankfurt, Hamburg, Marburg, Münster and Vienna and the support of the Land Government of Hesse. The plan of work provided for plenary sessions at which papers were presented, as well as for specialised working groups which considered the problems of consumers' agricultural, credit and banking, and housing co-operatives respectively. A plenary session received the reports of the working groups and brought the proceedings to a close.

Not only did the Congress programme attempt to survey all the principal types of Co-operative association, but it took account of the differing environmental conditions in industrialised market economies, socialist planned economies and the developing economies of the young nation states. The point of common focus was the changing functions performed by co-operatives as each of these three types of economy grows and develops. The general introductory papers were supplemented by others dealing respectively with organisation and management, the formation of capital and the adjustment of the legal status of Co-operatives. It was a matter of universal regret that Dr. S. K. Saxena, Director of the International Co-operative Alliance, was prevented by illness from coming to present his paper on the practical possibilities of transferring educational experience from country to country.

## CHANGING CO-OPERATIVE FUNCTIONS

Dr. W. W. Engelhardt (Cologne University) discussed in his paper the changing functions of Co-operatives in industrialised market economies. He was at pains to point out the ambiguities lurking in the term 'function', but his attention was directed mainly to the manner in which Co-operatives discharged certain tasks in defending or promoting the interests of their individual members and to the roles they played as sectors of national economies. He assumed, as a working hypothesis, that, when market economies reach a stage of industrialisation, Co-operatives undergo a change of function. The decisive factor is not the type of economy (e.g. capitalist or socialist) but the phase an economy has reached in its growth. Moreover, the change of function is not optional; it is a necessity, if Co-operatives are to survive. This point of view

was largely based on the doctrine of the American Professor Rostow who distinguished five different phases of economic development beginning with the 'traditional' and ending with the age of 'mass consumption'. The first of these phases corresponds roughly to the primitive economies of certain under-developed regions and the last to present-day 'affluent' society. Naturally, it is with the problems of the transition into the fifth stage, characterised by 'mass consumption', from the fourth or 'mature' stage of economic development, characterised by industrial combination, growing respect for consumer interests and increasing and diversified intervention by the public powers, that Dr. Engelhardt and his hearers were chiefly concerned, for their solution is the subject-matter of most Co-operative policy discussions today.

For the functions of Co-operatives have also evolved with their own growth in numbers and economic power. With time their defensive tasks as protectors of specific economic interests e.g. of consumers, peasants, artisans, householders, tend to diminish in importance, while their functions as counteracting forces against concentrations of economic power menacing the public interest, as instruments of constructive agrarian or industrial policy, as complements of state action to raise standards of housing, tends to increase in significance. Their efficiency as units and their effectiveness as Movements depend more and more upon uniformity of method and unity in action, to be achieved only by concentration of resources, integration of organisation and centralisation of decision and direction. But if the functions of Co-operation change, does not its nature, as determined by its basic principles, necessarily change also? Can Co-operation alter its structures, objectives and methods, as it apparently must do in order to survive in its rapidly changing environment, and its adherents yet claim that, in the words of the French proverb, the more it changes, the more it remains the same thing?

#### CONSUMERS' CO-OPERATION

These exemplify the kinds of questions which Dr. Engelhardt, Professor Dülfer (Marburg), who dealt with organisation and management, Monsieur André Hirschfeld (Paris) who discussed the developing countries and Professor Kowalak (Warsaw) who reported on Co-operation in the socialist planned economies, posed for the consideration of the working groups. For obvious reasons the present writer joined the group on consumers' societies, of which Professor E. B. Blümle, Rector of the Co-operative Seminar at Müttenz, the training institute of Swiss Consumers' Co-operation, was one lively and provocative chairman. From the group's report, which can be only summarised here, it appeared that there was general agreement that the functions of consumers' Co-operatives are in fact changing. For example, in contrast to the earlier object of protecting the consumers against exploitation by traders, the aim today was to make the Co-operatives more efficient than their competitors, this being necessary, of course, in order to keep competition alive under conditions in which oligopoly might well result in its virtual suppression. At the same time, in the process of adaptation to contemporary distributive methods, the consumers' societies run the risk of losing their

distinctive features. In some countries it might be said that the Movement is stagnating. If the Consumers' Co-operative Movement is effectively to protect consumer interests, it must be a source of exact information about consumption goods and their quality, besides educating housewives, in particular, to adopt sensible attitudes to the affluent society and suggestive advertising, with emphasis less on the standard than on the style of living. In socialist states the consumers' societies could counteract economic bureaucracy by promoting democratic member-participation.

#### FUTURE NEEDS AND POLICIES

The group doubted, given the increasing passivity of the membership, whether consumer Co-operatives could contribute much to the transformation of society as a whole. If they were to do so, they must find a modern concept of democracy capable of application to the problems of large-scale undertakings. Unwelcome side-effects of the drive for economic growth were the insufficient numbers of young members, the inadequacy of traditional methods of financing, the increasing estrangement between members and management. Special measures were needed to inspire members with stronger motives for participation, in order to obviate these side-effects. In the newly-developing countries consumers' societies, in the group's opinion, were not capable of working independently as a pioneer co-operative type, but needed to be allied with some other well-established branch of the Movement, as well as to be supported financially, if need be, by government. Looking to the future, the group recommended that consumers' societies should actively fight for the consumer, even if that might sometimes conflict with their immediate business interests; that they should provide an increasing range of services catering for adult education, leisure and family well-being; that management should regard members more as consumers than as shareholders; that consumers' societies should be pioneers in enlightened personnel management and labour relations; that closer relations should be brought about between Co-operative institutions of all kinds and at all levels, e.g. collaboration within the European Economic Community.

#### INTERNATIONAL FORUM

A special meeting was arranged to consider the future of the International Co-operative Scientific Forum, the work of which had been interrupted by the lamented death of Professor Reinhold Henzler in 1968. The Forum was originally conceived as a permanent institution for mutual information and assistance on Co-operative research, maintaining contact between university institutes of Co-operation in different countries in the intervals between the triennial congresses. It was agreed that the future of the Forum should be considered by the working party of German and Austrian Co-operative Institutes and a more widely representative meeting subsequently convened to discuss plans and proposals.

In conclusion, it may be remarked that the Congress at Giessen was the first at which the Society for Co-operative Studies was officially represented. Although the present writer was a lone British Co-operator, he was by no means the only English-speaker. No one need be deterred, therefore, from taking part by any misgivings about the linguistic knowledge. Simultaneous interpretation was provided for all plenary sittings and consecutive interpretation for the working groups. Increased British participation, especially by younger academic members of the s.c.s., is greatly to be desired, but the Congresses are also open to co-operators actively engaged in management and education. A larger and weightier practical contribution would in fact have provided a valuable complement to the more abstract treatment of Co-operative problems by the academic delegates.