

Democracy in Dortmund Society

by Werner Blum

For 82 years Co-op Dortmund, as a retail trading enterprise in the legal form of a Co-operative society, has been active in its home economic area, the eastern Ruhr region.

1. Development of Co-op Dortmund

The Dortmund Consumers' Society was founded in the autumn of 1901. The opening of its business followed on the 15th May 1902. In over eight decades the enterprise evolved from a "general consumers' association" into a modern, efficient consumers' Co-operative society of today.

In the first year of its existence Co-op Dortmund enrolled 349 members and the turnover amounted to 40,964 Reichemarks. On the 31st December 1984 there were 394,907 members on the society's register, so that almost every second family in its catchment area was a member and co-owner of the Dortmund Co-operative Society. The turnover amounted in 1984 to 1,965,189,325 Deutsche Marks.

Co-op Dortmund is today the largest consumers' society in the German Federal Republic, in which attention is centred as before on the member and the promotion of his (and her) interests (according to Para 1, Clause 2 of the Rules). As the society originated in economic distress, so Co-op Dortmund is today – in times when welfare is widespread – a champion of efficiency in competition; it stands for sound economy yielding material advantages and offers the opportunity of collaborating as a Co-operator in the economic activity of the enterprise.

2. Participation – Economic Democracy

To keep members informed, to accept members' suggestions and to take decisions collectively are fundamental rules of Co-operative economic democracy which have been practised by Dortmund Co-operative Society since its foundation. In the Members' Meeting, in the District Delegate Meeting, in the Divisional Delegate Meeting and in the (final) Delegate Meeting the members exercise the rights and perform their duties according to the Rules and are informed on the business affairs of the enterprise by the Board of Management.

2.1 The Members' Meeting

In the Members' Meeting, the members living in the area served by a shop elect every third year their Delegates and deputies to serve on the highest organ of the society empowered to take decisions, the Delegate Meeting and, for the three years there, to represent the interests of the members attached to the shop.

The number of Delegates for each shop depends on the number of members entered for the shop in the society's registry. Thus, for every 600 members, one Delegate and one deputy are elected in a general, immediate, simultaneous and secret vote by ballot papers.

The Members' Meetings are arranged by the principal officials of the society for a period of three years, with an agenda including a business report, topical shop problems and election of representatives.

2.2 The Delegate Meeting

For the year 1984 the Delegate Meeting consisted of 440 delegates elected in the Members' Meetings and representing the interests of the 394,907 members. Members of the Supervisory Council and the Management Board are entitled and obliged to attend Delegate Meetings but not to vote. The Delegate Meeting is concerned with questions of Rules and business policy (e.g. acceptance of the annual balance sheet, election of members of the Supervisory Council). The ordinary Delegate Meetings are held once yearly within six months after the expiry of the business year.

The meetings are convened by the Board of Management. The direction of the meeting is in the hands of the Chairman of the Supervisory Council. Resolutions may be passed by the Delegate Meeting only when it is summoned according to Rule and when at least one-third of the members are present. Decisions are valid only when at least three quarters of the members present vote for them. Votes may be taken by show of hands or by card, where the proposal to take a card vote is supported by at least 50 members.

Resolutions of the Delegate Meeting are recorded in the Minutes and signed by the Chairman and the members of the Management Board who are present.

2.3 The Supervisory Council

The Supervisory Council, elected by the Delegate Meeting consists of 20 persons, 10 representing the share holders and 10 the employees. The Presidium of the Supervisory Council consists of the Chairman and his two deputies. Election to the Supervisory Council is debarred to members of the Management Board or a permanent deputy of the Management Board. Former Board members may be elected to the Supervisory Council only after formal discharge of their responsibilities. Election is valid when the candidate obtains one third of the valid votes.

In the committees of the Supervisory Council the work of the Management Board is checked and supervised. The other duties of the Supervisory Council include the appointment and dismissal of the Board and the approval of the yearly economic plans. Resolutions of the Supervisory Council are valid if a majority of members are present and a simple majority is obtained. Decisions are recorded in the minutes and must be signed by the Chairman and Minute Secretary.

2.4 The Management Board

The Management Board conducts the business of the society on its own responsibility, in so far as it is not limited by law and the Rules. Its function is to represent the society both internally and externally with the object of promoting the interests of the society and its members, while observing and furthering the principles and objects of Co-operative association.

The Management Board consists of five members who are appointed by the Supervisory Council for five years. An extension of the appointment for a further five years requires a renewed decision of the Supervisory Council.

The society is represented (and can be committed) by two members of the Management Board or by one member, together with one Chief Officer. For representation at law the signature of two Chief Officers is sufficient. An incapacitated Management Board member can be represented by an appointed member of the Supervisory Council, who cannot serve on the Council until his official discharge from responsibility.

In the event of any dereliction of the care expected of a regular and conscientious official of a Co-operative society, the members of the Management Board are personally and collectively liable for any consequent damages. Decisions of the Board are adopted by simple majority and minuted. They have to be signed by at least two Board members.

3. Membership Services

Membership services are highly important in Co-op Dortmund. The increasing membership is due to the profit-sharing and to these activities.

The attendances at various events arranged at the specially-built member assembly centre as well as externally, increase year by year.

3.1. The Secretariat

For more than 70 years, thanks to such a co-operative secretariat, successful publicity work has been carried on among the membership. This institution has played an important part in making Co-op Dortmund a big Co-operative business. The Secretariat employs at present four full-time secretaries who carry on member services, publicity work, meetings and travel planning and who have charge of member information.

In the past year, 1984, the four secretaries have been responsible for about 400 meetings of various kinds with a total attendance of 120,000. The

peak meetings in 1984 were held principally at the members' assembly centre at Dortmund-Bruckel. There 143 events took place where 58,514 participants could be welcomed. Elsewhere than at the assembly centre there were 54 events with 17,260 participants.

On the stages of the municipal opera house and theatre of Dortmund 15 performances were given for members, at which 12,285 were present. Also in 1984 Co-op Dortmund organised a specially reserved performance of "Holiday on Ice" in which 7,400 members, their families and friends took part.

3.2. The Women's Guild

The Women's Guild consists of specially interested women Co-operators drawn from amongst the members. In 1984 the Women's Guild had 548 members. In meetings for various purposes 3,824 women Co-operators were brought together, 55 more than in the preceding year. Besides voluntary and unpaid contact with members, propaganda for new members and advice on consumer problems the women Co-operators are available for information on Co-op Dortmund to visitors to the "Co-operative Exhibition" in the Dortmund Town Hall.

4. Information and Discussion

Members are informed in the most varied kinds of meeting about Co-op Dortmund and themselves bring problems – which involve Co-operation – into the meetings. Such discussions serve as a two-sided exchange of information about the situation of the society at any moment.

4.1 The District Delegate Meeting

In the 20 Districts into which the society's area is divided from 20 to 40 District Delegate Meetings are held annually with from 30 to 40 members and deputies present.

Chairmen of these meetings are Co-operative Secretaries and leading employees of the buying and selling departments. By means of figures and graphic diagrams the position and development of the society is explained. In the same way questions concerning different types of goods and the shops as well as current topics concerning the activity of the delegates and their deputies, become points for information and discussion in a District Delegate Meeting.

4.2 The Divisional Delegate Meeting

The area of operations of Co-op Dortmund is divided not only into Districts but also into three Divisions – Eastern, Central and Western. In these Divisions from three to six meetings take place yearly, each with 200 members. At the Divisional Delegate Meeting the Management Board gives

information and discusses with the members business policy e.g. the yearly volume of investment of Co-op Dortmund. A further point for the meeting is proposals for the election of new members of the Supervisory Council from the ranks of the membership.

4.3 The Works Council

The Works Council of Co-op Dortmund consists of 31 members, composed as follows: twenty-seven representatives of the employees and four representatives of the professional workers. The Works Council represents the interests of the wage-earners before the management on the basis of the law regulating business constitutions and agreements on wages.

The problems which arise are the subject of information and discussion in seven committees before they come to the Council for decision. The Committees are as follows:

1. Business and Economic Committee and of Managing Personnel (9 members)
2. Disciplinary Committee
3. Warehouse Committee
4. Shops Committee
5. Personnel Committee
6. Premiums Committee
7. Trustees of the Bank.

The Works Council and the Director of Labour work together making personnel decisions in which the workers have the right to participate.

Note of the Author

HERR WERNER BLUM has been a member of the Management Board of Co-op Dortmund since April 1970 with special responsibility for membership services. He is also Chief of Personnel and in charge of the Society's social institutions. Before joining the Board he served in the office of the butchery department and was for eight years Secretary of the Society.