

The Power of Partnership

by Bert Oram

When the Co-operative Development Agency was established in 1978 I accepted the chairmanship with mixed feelings. I was glad to be able to play a leading role in an important new phase of Co-operative thinking and action. I was apprehensive that the financial resources provided by Parliament were woefully inadequate if the full potential of Co-operative development was to be realised.

Looking back now and given the lukewarm and reluctant support of the incoming government soon after CDA was established, it is remarkable how much has been done and how long the agency has lasted.

Much of the credit for this is due to the ability and ingenuity of the two directors of the CDA, Mr Dennis Lawrence and Mr George Jones. In particular I recall the way in which Mr Lawrence successfully presented the case for a renewed grant to the Agency, and the way in which Mr Jones organised secondments of key personnel from sympathetic businesses.

The Proper Scope?

In the early weeks of the agency's life we were faced with a dilemma and had to reach a crucial decision about the scope of our work. Should we concentrate our limited resources principally on one area of Co-operative development, namely workers' Co-operatives, or should we seek to operate over the whole range of Co-operative enterprise including agriculture, housing and financial services? We chose the former course. Looking back I am not at all sure that we were right to do so, though if it was a mistake it was more my own than anyone else's. I am now inclined to agree with George Jones who writes (in *No. 67 of the Journal of Co-operative Studies*) "... we have concentrated on the workers' Co-operative area too narrowly ..."

Was it a mistake? During the period of advocacy for the setting up of the CDA it was the broader view that prevailed. In one of the preparatory papers the proposed scope was wide indeed. Co-operatives, it was urged, had a great potential for providing services such as transport and "bulk-buy" shopping in rural areas, and for helping special groups such as the unemployed, students, disabled people and immigrants to face their problems in self-governing enterprises. Co-operative housing, too, was seen as an area needing encouragement and support.

These were all admirable intentions but when they were examined in the light of a grant of only £300,000 for each of three years, and when the sums were done in respect of the staff that would be needed to make an impact in all these areas, it was decided that the narrower focus was the prudent one.

Moreover it was doubtful indeed whether the two established Co-operative movements - the consumer movement and the farmers' movement - would be able or willing to help directly in the promotion of Co-operatives in areas beyond their own parameters. They had problems of their own.

The Achievement in Workers' Co-operatives –

So it was to be workers' Co-operatives first and foremost - indeed almost exclusively. It can be argued that statistics prove we were right. When we started there were some 200 Co-operatives owned by their workers. Today there are some 2000. No one would claim however that this growth is due to the national CDA alone - or mainly. Local CDAs, often established and supported by progressive local authorities, deserve much of the credit for promoting and responding to this growth; and the Industrial Common Ownership Movement has done good work in this field despite its rather purist and restrictive philosophy.

There is no doubt however that the CDA contributed in great measure to the growth of workers' Co-operatives in the last decade. During that period it responded to thousands of requests for advice from groups of workers wishing to establish Co-operatives. The CDA's set of model rules gave such groups of workers a variety of organisational methods from which they could choose the one which best suited their circumstances.

– And the Other Consequences?

There is however another side to the discussion as to whether the CDA was right to concentrate on workers' Co-operatives. One of the main arguments that had been advanced for setting up the agency was that the traditional Co-operative movement in Britain had developed in a very lop-sided manner. Consumer Co-operation was strong and dominant. Farmers, fishermen, tenants and those needing credit on favourable terms had been much less successful in organising themselves on the basis of mutual aid. Elsewhere in Europe there were notable examples of successful and powerful Co-operative movements in sectors of the economy which had been neglected in Britain.

Therefore it was argued by those who were conscious of this defect in the British movement that the CDA should concern itself with development of a

broad spectrum of Co-operative enterprise. Indeed in Section 2 of the 1978 Act which sets out the purposes of the Agency there is no suggestion that any one form of Co-operative should have prior consideration.

It is to my mind at least an open question whether our resources, small though they were, would have been better spread over the whole field rather than almost entirely on workers' Co-operatives. Perhaps the statistics of Co-operative formation would have been less impressive but the public recognition of the Co-operative potential might well have been much greater.

Service as a Forum

We did indeed make a minor incursion into the wider territory of our responsibilities. We were required by the Act "to provide a forum for discussion and debate within the Co-operative movement". During my time we held a number of meetings of senior representatives of the various sectors of the movement. The discussions were of great value, not least because these "forum" meetings provided the first opportunity in the long history of Co-operation for different kinds of Co-operators to exchange experiences and ideas.

It is encouraging to know that that process continues today and that several working parties of the Inter-Sectoral Forum are examining problems of the movement, such as its legal and constitutional requirements, and that useful reports are emerging from their work. Indeed there is a good prospect that a financially strengthened Forum will be a valuable residual entity following the winding up of the CDA. Support for the Forum is now the maximum that we can expect from the present government.

Therefore Co-operators who wish to see their movement, in all its forms, develop into a major third sector of the economy must look for, and work for, a new government whose philosophy is in tune with the Co-operative principles of democratic control of businesses and equitable sharing of surpluses.

Role of Government

Given such a government, Co-operators need to work in partnership with it. It will take two to make this partnership. On the one hand there must be a government convinced that there should be a third sector of the economy, a Co-operative sector which is neither public nor private; and on the other hand there must be a Co-operative movement broad enough and bold enough to create that third sector and to accept some limitation on the "voluntarism" which has hitherto been a restrictive shibboleth.

My view of the role of the government in this partnership is as follows:

1. It should provide the legal framework within which Co-operatives can prosper.
2. It should make investment funds available to the Co-operative movement on equitable terms. For this purpose there should be a Co-operative "window" within a national investment bank.
3. It should reorganise the public utilities not by renationalising them but by forming "statutory Co-operatives". These Co-operatives would be owned and controlled by bodies representative of organisations which are major consumers of the output of the utilities and/or are competent to safeguard the public interest.
4. Because there is at present no department of state with a remit broad enough to comprise all the functions outlined above, it will be necessary to create a new ministry, a Ministry of Co-operatives.

Response by Co-operative Movement?

If the state were prepared to provide the basis for Co-operative development as conceived above, the Co-operative movement would need to organise itself nationally in such a way as to build effectively on that basis. Small and modest though it is at present, the Forum is a suitable model for what is needed on a vastly increased scale. It should become a National Co-operative Council with official representatives from all the major sectors of the Co-operative movement to enable them on a regular basis to exchange experiences and technical information. This Council should have the following agenda:-

- (a) Develop trading relations between various Co-operative sectors;
- (b) set up joint Co-operative training facilities;
- (c) establish a national Co-operative investment fund for loans to Co-operatives;
- (d) and coordinate demands for government assistance in close consultation with the Ministry of Co-operatives.

Power in Partnership

Action on the above lines by the state and the Co-operative movement in partnership could have a major impact upon the social and economic structure

of society as a whole. We are faced with serious current problems in industry, commerce, housing and services for which Co-operative solutions seem to be valid. Therefore we should apply Co-operative principles to the solution of those problems. This process cannot await a slow development comparable with the first century and a half of Co-operative development on a voluntary basis.

Progress needs to be much more rapid. Resources need to be marshalled on a very different time scale than hitherto. That is why a partnership is needed between the state and the Co-operative movement because it is through that movement that ordinary people are able to participate in, and share responsibility for, matters which directly affect their own lives - whether at their place of work, their dwellings, their means of obtaining goods or services, or their means of marketing their produce.

The Author

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