

# Report – and Reflections

by Lily Howe

The Society's annual conference at the Co-operative College was a delight to chair. With information-packed addresses followed by lively discussions and workshops, it stimulated minds already tuned to two distinct but related themes: '1992 – open for business' and 'Life after the CDA'.

## After 1992?

The first – and major – theme, with three speakers, was predictably and properly probed in the context of the much broader New Europe which, with its 750 million consumers from the European Community, EFTA and East and Central Europe, provides either a daunting or an exhilarating prospect for Co-operative enterprise. The outcome hangs on political will, consolidated economic strength, efficiency and a clear recognition that Co-operatives have no time to lose. For consumers the present imponderables of the single market were reviewed and the importance of consultation emphasised.

The second theme was examined against the background of the opportunity now presented for the movement to return to the original broad concept of the Co-operative Development Agency: the representation and promotion of all sectors.

Without specifically saying so, the conference, through both its themes, effectively underlined the principle and – even more relevantly – the practice of 'co-operation between Co-operatives'. A refreshing and welcome thought came through: that there is more than one way to co-operate. At both national and international levels positive and immediate responses could include acting in a collective way while keeping separate identities.

### *1992 – and Consumer Co-operatives*

Roger Jones, CWS deputy secretary who has a special role in helping to co-ordinate UK preparations for 1992, set out 'The implications of the single market for consumer Co-operatives'. He stressed that in retailing and in the food and non-food industries increasingly rapid restructuring had been imposed well ahead of the legislative changes.

In the UK the effect of 1992 on retailing promised to be significant. Attracted by margins operated by most multiples – but, significantly, not in many cases by Co-operatives – retailers from mainland Europe had entered the UK. And this point was also taken up by John Owen who referred to European retailers

– notably Aldi, the private West German supermarket chain already active in many countries, which was busy establishing a retail presence here.

Mr Jones underlined a key issue for Co-operatives: the crucial need for additional capital if market share were to be developed or, in many countries, merely held at existing levels. (A major point made over the years in Co-operative circles but still, significantly, on the agenda.) Further, if Co-operatives were to contemplate combinations and joint ventures across national borders, they had first to speed up the process by which they combined and worked together at national level.

Positive immediate responses could be adopted. Co-operatives could act in a more collective way, while keeping separate identities, by using existing formal Co-operative links and by fusing new ones, for example by increased interchange of market intelligence between Co-operatives from different countries. They could take up the opportunity for own-branding. The UK movement was giving a lead by providing products and marketing expertise for Co-operative brands throughout Europe in this promising growth market.

At another level, greater supra-national co-ordination of Co-operative political lobbying was needed, Mr Jones maintained. This meant giving more attention and resources to organisations such as Euro-Coop.

### *Role of Inter Coop*

John Owen, the Inter Coop Retail Committee chairman, speaking on 'The single market – an Inter Coop viewpoint' stated that Inter Coop, with its worldwide network operating in 18 countries, had a key role, central to the challenges posed by the single market, in promoting economic collaboration among its member organisations. But, he emphasised, Inter Coop, the commercial arm of the ICA, had only a small structure and was probably stronger in EFTA countries. If it were to meet the challenge of the single market its leading members must invest more heavily in its structure and operation.

InterCoop had undertaken wide ranging consultations with member organisations and Mr Owen was keen to point out that it wanted them to work urgently at national level for even greater integration of central and regional societies and to invest more heavily in retailing. Remaining Co-operative industries should be rationalised and geared for exports to other Inter Coop organisations, with the major producers working together on a European production strategy. Member organisations should also explore joint development projects, particularly looking to under-developed retail markets.

The urgent message from both Roger Jones and John Owen was 'Think European' – establish national frameworks and develop further international collaboration.

And here may be an appropriate point to reflect that in East and Central Europe the countries cannot all be lumped together on the ground that they are all moving from state control to a market economy, for different stages of economic development, background and culture have to be taken into account when their needs and those of their Co-operatives are considered, a point to be firmly in the minds of Western Co-operative colleagues lending a hand in the transition.

### *Threat or Opportunity?*

Frieda Stack, Co-operative Union Parliamentary Committee assistant secretary (European Affairs), led the conference into 'The single market and consumers – a threat or an opportunity?'. The European Community, she pointed out, had never been primarily concerned with consumer interests. Its aim was to harmonise the economies of member states so that goods, services, capital and people could move freely in a single market. The presumption was that if industry benefited consumers would benefit too.

But while industry would benefit from the removal of fiscal, technical and physical barriers consumers would not necessarily do so. Would prices come down? Consumers could now bring in only £250 of goods from other member states and producers had exploited this by charging different prices in different states. Removal of frontier controls on consumers should mean that such price differentials were no longer viable.

Would there be more choice? Product ranges had already greatly increased and there should in future be a wider spread of services, in the financial area for example. But the signs were that this choice may be limited.

Would standards rise? The EC was setting standards for a wide range of products. But the danger was that these standards, set by consultation with industries, would meet their needs rather than those of consumers.

Only – Mrs. Stack stressed – if their organisations were consulted at every stage and if their interests were covered in every piece of legislation could consumers be confident that the single market offered them opportunities too.

Reflecting here on the other side of the coin – the input from Co-operatives as a consumer movement – Euro-Coop, representing the national unions of consumer Co-operatives at the EC Commission, is crucial to the Co-operative

and wider consumer case. The point put by Roger Jones on Euro-Coop resources is important; so is that put by John Owen on support for Inter Coop.

### **Life after the CDA?**

Keith Brading, former Chief Registrar of Friendly Societies who is now independent chairman of the new Liaison Group of the Inter-Sector Forum, turned the attention of conference to 'Life after the CDA'.

He reminded conference that the functions of the Co-operative Development Agency, established in 1978, were widely drawn, but modest funding had restricted activities to a comparatively narrow range, mainly connected with worker Co-operatives. The functions the CDA was originally given should, in his view, be regarded as an essential part of the activities of the broad Co-operative movement.

A structured organisation, involving all the Co-operative sectors, was now needed. Three functions, in particular, were vital. First, *representation* of the needs of all the sectors to government, political parties, the public and other bodies, including the media. Second, *promotion*, creating greater awareness of the benefits of the Co-operative system and the provision of advice and support to both established and emerging Co-operatives. Third, *research*, providing think tanks, for example to identify new areas for Co-operative endeavour and ways of developing existing Co-operatives; new forms of Co-operative organisation could also be examined.

The proposals had been endorsed by the Forum and by representative bodies of the main sectors as well as the CWS, CIS and Co-operative Bank. All were now participating, through their senior officers, in what was at present styled the Co-operative Liaison Group.

Possible projects were being considered. Final decisions were still to be taken on funding, the present position being that a modest contribution might come from government for the first two or three years, so long as at least matching funds came from Co-operative sources.

Provided current support could be maintained, an organisation was in being which could gradually be developed to fill the role for which the CDA was created, Mr. Brading concluded.

### **A General Reflection**

Here, as a member of the original CDA board and as a current SCS representative to the Forum, for me the Liaison Group with its wide range is greatly to be welcomed. It will have more weight, more bite and, potentially,

much more of a practical end product than the Forum (now to meet just once a year), helpful though this has been in forging relationships between the sectors. And again, the more thrusting and efficient the movement the more effective can be the representation and promotion through the Liaison Group, both here and in Europe.

The week-end did not allow time to touch legislation, l'économie sociale, the social charter and many other European aspects. This is a measure of the tremendous task facing Co-operatives if they are effectively to challenge increasing concentrations and sharper competition, so becoming a countervailing force following the great European shake-up.

Challenging for its chairman? The conference raised more than a passing thought or two!

### **The Author**

MRS HOWE was editor of the Co-operative News until she retired in 1985. Since then she has been active in many areas of the Co-operative movement – including the S.C.S., which she served as Chairman in 1989-90.

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### **In Passing**

*"There is another offence unto Charity which no Author hath ever written of, and few take notice of; and that's the reproach, not of whole professions mysteries and conditions, but of whole Nations, wherein by opprobrious Epithets we miscall each other, and by an uncharitable logick, from a disposition in a few, conclude a habit in all.*

*Le mutin Anglois, et le bravache Escossois,  
Le bougre Italian, et le fol Francois,  
Le poultron Romain, le larron de Gascongne,  
L'Espagnol superbe, et l'Aleman yuronqne.*

*Sir Thomas Browne, quoted in  
A Year of Grace by Victor Gallancz.*