

REVIEWS

by Malcolm Hornsby



1992 is the year of the third great attempt by the world Co-operative movement to clarify its own perception of its essential nature, through the debate at the ICA Congress later this year on Co-operative Values in a Changing World. Appropriately, the major focus of the current Plunkett yearbook is the nature of these changes as they affect Co-operatives across the world.

Bayley, E. et al.: *Yearbook of Co-operative Enterprise, 1992*; Plunkett Foundation, 1992; £14.95.

One theme of the collection of essays in the *Yearbook on Co-operatives and Public Policy* can be expressed in this succinct form: several Indian organisations termed "Co-operatives" are not Co-operatives by any stretch of the imagination even if the law recognises them as such. They are government-owned, government-controlled enterprises, which work against and/or are formed in contravention of most if not all the universally accepted principles of Co-operation.

Co-operatives as Instruments of State Policy

This theme is the common thread of articles on central and eastern Europe; sub-Saharan Africa; Nigeria and India. It reflects a discomfort which has been present in Co-operative discourse for over three-quarters of a century, since it first became apparent that Co-operative sectors, in the European empires, but also in the merging Soviet Union, were emerging, not because of community demands, but as instruments of State economic and social policy. Suddenly, almost unlooked for, two great developments have been initiated which are bringing this debate into the centre stage.

First, in the aftermath of the world debt crisis, rigorous programmes of structural adjustment have been imposed upon (or adopted by) less developed countries. These have included widespread privatisation of formerly state controlled or para-statal assets, the relaxation of state controls on economic decision-making and the slow attrition of the process of supervision and control of both farming and industrial sectors.

Secondly, from the later 1980's, a parallel process has been taking place within the centrally-controlled economies of the former Soviet Union and eastern Europe. This process, presented in the western press as "democratisation", has in reality been little more than the dismantling of the systems and structures which made economic life possible.

Co-operatives in LDC's, but also to an extent in Eastern Europe, have occupied a space between the state and the private sectors, charged with the implementation of state policies and objectives, but allowed a degree of participation and autonomy. This anomalous position has always caused tensions, but, with the impact of privatisation and the austerities of structural adjustment, the priority is to find a new role and a new set of relationships for Co-operatives.

The Current Changes

The articles which make up most of the first section of the Plunkett Yearbook are a very early set of reactions to the impact of these processes upon the respective Co-operative sectors. The articles raise questions about ownership, What happens, under privatisation, to so-called Co-operative farms which are little more than state enterprises? Has the Co-operative any legitimacy, or should the land be divided or sold? Another set of issues concern membership, asking who have rights of membership, and what should be the status of non-member employees. Another issue is the alienation of power, authority and responsibility. How can Co-operatives assume control of their own decision-making and take upon themselves responsibilities which have hitherto been made at a governmental level.

Inevitably, at this stage, there are more questions than answers. The overturning of the role of Co-operatives as para-statal institutions of government policy-making is a great change in the nature and role of Co-operatives. It remains to be seen whether Co-operatives as a mass economic movement can survive the change, and, if so, in what form they will survive.

My advice to anyone concerned about the identity and nature of Co-operatives is to struggle through these important articles.

The Other Sections of the Yearbook

The 1992 Yearbook contains a section concerning Co-operatives for mentally and physically handicapped people, which contains a wealth of description on the provenance and organisation of these organisations, which, in the concern about how to get control out of the hands of the professionals and into the hands of the members, continues one theme of the first section. There is also a section on Co-operation in the Curriculum, and a useful round-up of the UK Co-operative scene.

Pestoff, V.A.: *Between Markets and Politics - Co-operatives in Sweden; Frankfurt and Boulder, Colorado; 1991; DM 48.*

Any book about Co-operative enterprise with a title as pertinent as *Between Markets and Politics* should have something to say to students of the UK Co-operative movement. This is a book about Co-operative enterprise in Sweden, and Sweden, although never a major imperial power, has been through the forcing house of introspection which comes to Co-operative movements as a result of being adopted as a model by the Co-operative sectors of developing economies.

We are all aware of a mythic past, in which Co-operation, without compromising its essential nature, could confront maturing capitalism on its own ground and succeed; the UK and Sweden are two countries which can locate this mythic past on their own territories. The economic rivals and political enemies of successful Co-operative movements have often expressed confusion about the dual natures of the organisations they confronted and felt a sort of incoherent resentment that they could not pigeon-hole them either, on the one hand, as "only a trading society; it was ridiculous to pretend they had any educational purpose", or, on the other, as "a floating Labour party jumble sale - a faintly ridiculous socialist intrusion into the marketplace."

Pestoff's book is very occupied with the formal analysis of the Co-operative membership and electorate - the sort of Co-operative sociometry which interested some academics in the UK a generation ago. We learn the class composition of Co-operative membership in Sweden, sector by sector, discovering that retail Co-op membership is essentially identical with the social and occupational structure of the population; that Co-op members are more likely to own their own homes than the population; that Co-op members are more likely to own their own homes than the population in general; that they are more likely to be married, divorced or widowed, and slightly less likely to be single; and that workers in producers' Co-operatives are significantly more likely to have two or more children than the population at large.

Professionalisation: Causes - and Consequences

Pestoff finds that, as in the UK, professional managers have displaced lay leaders to a great extent in Co-operatives, and suggests that the organisations are becoming "de-Co-operativized" and losing their identity in the process. Unfortunately, in such a formal study of Co-operative democracy he is unable to substantiate this view by showing in what way, if any, the decisions taken by this professional leadership differ from those of their lay predecessors.

As someone who has tried to look at this area of conflict between the political

and the market orientations within the UK retail sector, I admire Pestoff's industry very much, and like the attempt to erect a theoretical framework - a move from pluralism to corporatism, incorporation at many levels into the mechanisms of State planning - to explain this professionalisation. Now that he has cleared the ground, I hope he will go on in a future book to look at the nature of the decision-making process - what areas of decision-making have been transferred from members to officials, or from primaries to federals, and what has been the effect on Co-operative responsiveness to changing market conditions. UK Co-operators would like to know whether these manager-activists identify and embrace the needs of the membership as effectively as their lay predecessors, or whether they see Co-operative members merely as punters to be exploited? One point resonates. The new Managing Director of the Swedish productive federal (both a CWS and a Co-operative Union) perceives Co-operative business in the past as not so much a different business culture, as one in which profit was not clearly paramount, and concludes that for the future "Profitability is everything in his type of business". How, I wonder, will traditional Co-operators in Sweden decode this message?

To a student of the UK retail scene, the term "between markets and politics" is a powerful one, which raises questions about the essential nature of Co-operatives. How can such a hybrid organisation, at once capitalist and anti-capitalist, market-orientated and market-rejecting, survive in an age which seems to be waving a last goodbye to socialism?

Heywood, F. and Rashid Naz, M.: Clearance - the View from the Streets; Community Forum, Birmingham; 1990; £10.95.

This book is an important addition to the literature of housing, with a particular interest for people interested in community responses to housing need - Co-operatives and housing associations. It is a study of one city, Birmingham, and, as far as I know it is a unique look at the processes of dispossession and re-location which take place when an area of housing is cleared under slum clearance programmes, and people are uprooted and re-housed. Frances Heywood and Mohammed Rashid Naz interviewed a substantial number of people affected by this process, and were present at many meetings, transactions and inter-actions between housing officials and clients. In their book homeowners and tenants, often elderly, poorly educated and economically vulnerable people, are given back their own voices.

"They offered 71 Palace Road - that was too small for my family. They offered Nol. 27 Palace Road - we accepted - but a few weeks later they informed me that the house was due to be pulled down: they withdrew that offer and offered me a house on Pretoria Road for a short stay and

said they would transfer me, but I have not accepted this offer. A few weeks ago Mrs ... from Newtown Housing Centre came and told me I must leave this house and accept the offer of temporary accommodation, otherwise I would have to make my own arrangements. I am in fear now that they will get me out from here without giving me reasonable accommodation. I ask them for 17, Victoria Road, Bordesley Green, which is boarded up, but has three large bedrooms but they don't want to consider this". (Interview 92, Family with eight dependent children).

The picture is a very bleak one. They are describing a power relationship of fundamental inequality and show people being marginalised and exploited, and humiliated in the process. If any book shows the need for housing with a human face - whether owner occupation, Co-operative or tenant controlled, it is this one.

The Record of Co-operatives

What they say about Co-operatives is, predictably, mixed. Although attempts to create Co-operatives encountered hostility and resistance within the power structure, they also encountered naive and uninformed enthusiasm which failed to appreciate the problems and pressures. Although Co-ops provided some of the best outcomes, like the Small Heath Park Co-op, they also created some of the most painful conflicts - in a dispute about allocations, one Bengali Co-operative activist was beaten and left for dead. He withdrew, disappointed, from the Co-op he had laboured to begin. Housing associations, rather more distanced from the local community, seem to have provoked no such conflicts, since they seem to act, and be perceived, as (benevolent) landlords.

To pick out what was for the authors a minor concern like Co-operatives, does violence to a book which aims to project the whole mixture of politics, economics and social and psychological tensions inherent in a process as fundamental as clearance and rehousing. I shall just reiterate that this is an important and moving book which Co-operators should read. Reading it myself, the historian in me weeps that the Co-operative and labour movements turned their backs on housing Co-operation in 1914, and backed the dogmatic solution of State landlordism. This error is still being paid for by poor and helpless people in the cities of Britain.

The Author

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