

So Far - and Further to Go

A resolution of the ICA Congress in Tokyo in 1992 expressed appreciation to Mr. Sven Ake Böök for the report "Co-operative Values in a Changing World" which it had commissioned from him following the 1988 Stockholm Congress#. The resolution also summarised a general view and the further explorations intended:-

- “4. Co-operative commitment is based on shared values. Although it is not necessary to try to achieve complete consensus on values, there is general understanding that three core values are behind the Co-operative concept: equality and equity; voluntary and mutual self-help; and economic and social progress.
5. Above all, the basis of Co-operation is the member, whose interests and needs must at all times be reflected in the objectives and work of Co-operative organisations.
6. From this perspective, Congress agrees that Co-operatives reflect their basic values through the following actions:
 - * economic activities for meeting members' needs
 - * participatory democracy
 - * development of human resources
 - * social responsibility and responsibility for the environment
 - * national and international co-operation
7. Because of the importance of a clear articulation of Co-operative identity, Congress recommends that the ICA Executive Committee initiate a process to review the current "ICA Co-operative Principles", as amended in 1966, and bring any recommendations for possible change to the 1995 General Assembly, after discussion with the Regional Assemblies in 1994.
8. In view of the sectoral structures within the ICA, the Specialised Bodies should participate in this review, and should furthermore be requested to develop operating guidelines which reflect the application of the Co-operative Principles in their specific areas of activity.

#See Journals 68, 69, 70, 71, 72, 75 and 76.

9. Congress accepts the invitation of the British Co-operative movement that ICA hold a special Centennial Congress in Manchester in 1995, and expresses the view that this should be the occasion for the adoption of a Co-operative Charter to guide the work of the international Co-operative movement of the twenty-first century.”

1966 Formulation

The 1966 formulation of Co-operative principles by the ICA to be reviewed is as follows:-

- “1. Membership of a Co-operative society should be voluntary and available without artificial restriction or any social, political, racial or religious discrimination, to all persons who can make use of its services and are willing to accept the responsibilities of membership.
2. Co-operative societies are democratic organisations. Their affairs should be administered by persons elected or appointed in a manner agreed by the members and accountable to them. Members of primary societies should enjoy equal rights of voting (one member, one vote) and participation in decisions affecting their societies. In other than primary societies the administration should be conducted on a democratic basis in a suitable form.
3. Share capital should only receive a strictly limited rate of interest, if any.
4. Surplus or savings, if any, arising out of the operations of a society belong to the members of that society and should be distributed in such manner as would avoid one member gaining at the expense of others.

This may be done by decision of the members as follows -

- (a) By provision for development of the business of the Co-operative;
 - (b) By provision of common services; or
 - (c) By distribution among the members in proportion to their transactions with the society.
5. All Co-operative societies should make provision for the education

of their members, officers, and employees and of the general public, in the principles and techniques of Co-operation, both economic and democratic.

6. All Co-operative organisations, in order to best serve the interests of their members and their communities, should actively co-operate in every practical way with other Co-operatives at local, national and international levels.”

Post-Tokyo Progress

Professor Ian MacPherson, Dean of the Faculty of Arts and Sciences at the University of Victoria, Canada was commissioned by the ICA to lead the explorations envisaged at Tokyo, collating views from Co-operators throughout the world and putting forward recommendations to the Alliance. He has the assistance of a resource group and has been engaged in wide consultations and in drafting. The outcome at present is the first official draft of the report for the 1995 Congress - which has been printed in full in the ICA Review of International Co-operation Vol. 87 No. 3 1994. By generosity of the ICA and the College a small number of copies of this Review is available for early applicants - please send requests to the Librarian, International Co-operative College, Stanford Hall, Loughborough LE12 5QR.

This first official draft consists of three sections:

1. A Statement on Co-operative Identity - definition, values and principles.
2. The Co-operative Identity in the Twenty-first Century - a background paper about the review of the Principles and the reasons for the proposed changes.
3. Fulfilling the Co-operative Dream - a declaration (previously called a 'charter') for the Co-operative movement in the twenty-first century.

This draft has been reviewed by the resource group and by the ICA Board at the end of October and consultations will continue towards the final document which the ICA Board will approve for submission to the 1995 Congress.

The UK Response

The Co-operative Union and, in particular, the Education Department are

conducting the UK response. This has included distribution to all member societies in the Union of a questionnaire prepared by Professor MacPherson; a series of day and week-end courses on "Co-operative Values in a Changing World" in 1993 and the first part of 1994; and a conference at the College in March 1994 on "Moving from Values to Principles".

The Journal is now printing *The Statement on Co-operative Identity*, a key section of the draft document intended to lead to the formulation to replace the current "ICA Co-operative Principles" and short enough to be accommodated in this issue.

The *Statement* was submitted to the three contributors, together, as a setting, with the *Background Paper* and the *Declaration*. They were invited to respond with a critique of the *Statement* and their articles will no doubt be taken into account in the continuing ICA deliberations. We are very grateful to the contributors - and also to G.J. Melmoth, Vice-President - Europe of the ICA and Mervyn Wilson, Officer for Member Education of the Co-operative Union for their help in organising this feature.

Views on the Statement from readers will also be welcome - for consideration for publication in the Journal, in whole or in part, and unless forbidden by the author, to be passed to Mervyn Wilson (of the International Co-operative College, Stanford Hall, Loughborough, LE12 5QR) to be taken into account in completing the U.K. response: views to reach the Joint Editor, Dr. Marshall by mid-January 1995.

October 94

R.L.M.

Statement on Co-operative Identity (First Official Draft)

Definition

A Co-operative is an autonomous association of persons united voluntarily to meet their common economic and social needs through a jointly-owned and democratically-controlled enterprise.

Co-operatives collaborate locally, regionally, nationally, and internationally in federations, alliances and other joint activities so that they can meet member needs most effectively.

Values

Co-operatives are based on the values of self-help, mutual responsibility, equality, and equity. They practice honesty, openness and social responsibility in all their activities.

Principles

Co-operatives reflect these values by applying the following principles as general guidelines for their activities.

Membership The primary purpose of Co-operatives is to serve their members and, as applicable, non-members, in a prudent and effective manner. Within their capacity to admit members, Co-operatives are open on a voluntary basis, without political, religious, gender or social discrimination, to all who can contribute to, and benefit from, their activities.

Democracy Co-operatives are democratic and participatory organisations actively controlled by their members. In primary Co-operatives, members enjoy equal voting rights, on a one member, one vote basis. In Co-operatives at other levels, administration is conducted and control is exercised in a suitable democratic manner. Men and women responsible for the administration of Co-operatives involve members, managers and other employees, according to their roles, in making decisions and setting policies.

Financial Structure Members contribute equitably to the capital of their Co-operative and share in the results of its operation. Usually, at least a portion of a Co-operative's capital is owned collectively, intended to further the long-term purposes for which the Co-operative exists. Co-operatives may pay interest on their capital; they compensate employees fairly, according to the standards of the society in which they exist. Members

allocate surpluses for any or all of the following purposes: (a) developing the business of the Co-operative; (b) benefiting members in proportion to their involvement with the Co-operative; and (c) encouraging the further development of the Co-operative movement.

Education Co-operatives foster reciprocal, ongoing education programmes for members, leaders and employees so they can teach - and learn from - each other in understanding and carrying out their respective roles. Co-operatives have a responsibility to inform the general public, particularly young people and opinion leaders, about the nature of the Co-operative movement.

Co-operation among Co-operatives In order to best serve the interests of their members and their communities, Co-operatives actively co-operate in every practical way with other Co-operatives, locally, regionally, nationally and internationally.

Autonomy Co-operatives are autonomous, mutual-help organisations controlled by their members. If they enter into agreements with governments and other organisations, they do so freely, on mutually-acceptable terms that ensure their autonomy.

Community Co-operatives are concerned about the communities in which they exist. While focusing on member needs, they strive for the sustainable development of those communities through policies that are respectful of the environment and acceptable to the membership.

End in View

by G.J. Melmoth

“Co-ops control one hundred per cent of Uganda’s cotton-ginning capacity, ninety-nine per cent of Sweden’s dairy production, ninety-five per cent of Japan’s rice harvest, seventy-five per cent of Western Canada’s grain and oil seed output, sixty-five per cent of India’s sugar production, and sixty per cent of Italy’s wine production. A Co-op in Shanghai is considered a world leader in waste management and re-cycling techniques and a Co-op in Argentina is one of South America’s major book publishers.”

The above quotation, which I have lifted from a beautifully presented celebration of 150 years of Co-operation published by the National Co-operative Bank of America called “A Day in the Life of Co-operative America”, covers most of the world’s continents and serves as a useful counter to the question: “Revising Co-operative Principles? Why bother?” This is an issue well beyond the parochial concerns of any one nation’s or sector’s Co-operative movement. It is a vital subject, worldwide.

“Custodian of Principles . . .”

The ICA is the recognised custodian of Co-operative principles and has already reviewed them twice in its almost hundred years’ history. Professor Ian MacPherson is now galloping down the home straight within sight of the winning post, having slid on to the mount “Co-operative Values in a Changing World” from which Sven Ake Bööck dismounted in Tokyo. Professor MacPherson generously acknowledges Mr. Bööck’s work in his background paper as he also does ‘Co-operative Principles - Today and Tomorrow’ by W.P. Watkins. The MacPherson steed has been or is being tried out on most Co-operative racecourses around the world since he took on the task of completing the revision in October, 1992. These include Tokyo, Tel Aviv, Nairobi, New Lanark, Prague and Sao Paulo and the horse subtly changes its weight and colour at each appearance, but a recognisable animal is now discernible with distinctive features, although he may have lost a little of his cheery North American bounce in the process!

Professor MacPherson has had access to a distinguished group of international academics and Co-operators to advise him and they have undoubtedly influenced him in the way he has tackled the task. As already stated in this Journal the draft documentation he has prepared is in three sections:

- (1) a Statement on Co-operative Identity (definition of a Co-operative; values; principles);
- (2) a Declaration for the Co-operative Movement in the Twenty-First Century *Fulfilling the Co-operative Dream*. This Declaration started out as what was intended to be a "charter" which would accommodate the general practices of each Co-operative sector;
- and (3) a Background Paper *The Co-operative Identity in the Twenty-First Century* giving the context in which the principles have been reviewed and explaining some of the changes involved.

Towards the Centennial Congress 1995

Following submission of the first official draft of the documentation to the four Regional Assemblies of the ICA this autumn and taking account of feedback from these by the spring of next year, we should be close to what is to be presented to the Centennial Congress in Manchester in 1995. The Declaration will be published as an attractive illustrated booklet and will serve as a useful shorthand way of bringing together the origins and story of the worldwide movement in all its national and sector manifestations. The Background Paper is commentary on the process which has led to the revisions of the 1966 version of the principles (i.e. - in brief - open membership; one member one vote; limited interest on share capital; equitable distribution of surplus; education; Co-operatives should co-operate).

The missing links so far are the elements of practice peculiar to each particular Co-operative sector which the Background Paper says are being prepared by the sectors. It should be noted, however, that whereas general ICA documentation speaks of the Alliance embracing ten sectors (agriculture, banking, credit and saving, energy, industry, insurance, fisheries, housing, tourism and consumer Co-operatives), the Background Paper identifies five "traditions", carrying classifications more broadly based than the ten originally described: namely (1) the consumer movement; (2) Co-operative banking; (3) marketing of commodities in primary industries; (4) services such as insurance, health, housing, child care; and (5) producer Co-operatives. The Background Paper suggests that "Through its 1995 Statement on The Co-operative Identity, the International Co-operative Alliance will formally accept as equals all five of these traditions. It will recognise the vitality each possesses and it recognises that, whatever the original sources, each tradition is adapted in different ways within different societies and among different cultures." I suppose that this is a last shot at the predominant European/consumer-orientated strain which still underlies much of the strength and thinking of the Alliance.

The Need for the Statement

Undoubtedly, if the ICA's membership reflects the changes in society, in the world order and in the mores of Co-operators generally, so must its statement of principles. As nineteenth and twentieth century Co-operative ideas have been influenced, for example, by the human rights fought for in the French Revolution and the American War of Independence, so such late twentieth century concerns as community, ecology and gender are percolating vigorously through the consciousness of Co-operators throughout the world - even in those countries where cultural traditions are resistant to the process.

This brings me in this whirlwind commentary first to an overview of the exercise as a whole. I think it has been extraordinarily well worthwhile, although I doubt that we in the UK have done anything like justice to the issues. Professor Hans Münkner in a recent speech to Japanese Co-operators makes an ominous observation born of experience of developments of a number of Western European consumer Co-operatives: "There cannot be Co-operatives without Co-operators". To this I would add that there cannot be Co-operators without the commitment of those who run Co-operatives - boards of directors and management - to inspire their customers to join and their members to participate in their society. Businesses run ostensibly in the name of Co-operation, with no active relationship with their customers as members, are a threat to the whole Co-operative family and reason enough to have another look at principles.

If then, we concentrate on the Statement on Co-operative Identity, as presently drafted, how does it live up to Rochdale ideals in twenty-first century conditions? Does it show signs of patchwork and compromise? Does it tilt its head in too many directions at once? Or have the authors got it about right?

The Definition

The Definition seems to encompass the essential elements which define a Co-operative: association of people; autonomous (free of government interference); voluntary; jointly owned; meeting both economic and social needs in a democratic fashion. It goes on, in effect, to re-state the old Sixth Principle, except that for reasons unknown, which will no doubt excite the French, it says "Co-operatives collaborate locally, etc.". What is wrong with the word "co-operate"? Anyhow the point is virtually stated again in the list of principles. It does not need to appear twice and could probably be dropped as a principle on the premise that by definition Co-operatives co-operate with each other.

Values

As stated previously I have found this well argued (although I would prefer the English spelling for the verb to “practise” and for a few other Americanisms!)

Principles

Membership: This principle as re-drafted does show signs of too many hands and I doubt the need for and desirability of the words “and, as applicable, non-members”. Surely to serve non-members cannot be a Co-operative principle? To omit it does not prevent the Co-operative serving non-members. To include it puts members and non-members on precisely the same plane which undermines the principle. Ian MacPherson has explained in the Background Paper, I think quite convincingly, why “social” discrimination is to be preferred to “racial” discrimination. “Within their capacity to admit members” seems a weasel-like qualification to the principle of ‘open membership’ and would be better omitted.

Democracy: The last sentence would be better expressed by using the terminology of the present principle, i.e. instead of “men and women responsible for the administration . . .”, It is strange that a principle about democracy otherwise makes no reference to elections!

Financial Structure: The suggestion in a UK context that “usually” at least a portion of a Co-operative’s capital is owned “collectively” is not strictly true, at least not in the case of a winding up, although in practice, whilst the Co-operative continues to trade, the accumulated reserves are, in effect, held to the collective benefit of members. The Co-operative Union’s Working Group on Corporate Governance recommended consideration of rule book provisions to cover the distribution of surplus after payment of debts and share capital in the event of the solvent dissolution of a society. This revised principle, although omitting reference to restricted rates of interest on capital, leaves it open for relevant sectors such as consumers to continue such a restriction as an operational practice. I think the re-phrased principle, however, is likely to prove acceptable in practice in the UK.

Education: The present principle imposes more of an obligation on the Co-operative to make provision for education of members, officers and employees, as well as the public. The new principle could usefully be tightened up in this respect.

Co-operation among Co-operatives: I have suggested above that if this

principle remains as part of the Definition, it need not be repeated in this section.

Autonomy: This is new. It could not be stated expressly in the days of the Soviet bloc with its influence in the higher reaches of the ICA. The new principle is to be welcomed as public recognition of a Co-operative's need to be independent (and seen to be independent) from the state.

Community: This is also new. In some ways, it is surprising that given the essential collective nature of Co-operation, the concept has taken so long to emerge as a principle. In the Britain of the 1980s, of course, promotion of the community per se ran markedly counter to the prevailing political philosophy, but in that period nonetheless, the CWS attracted into membership a number of multi-purpose Co-ops serving Highland and Island communities. The new principle also brings within its scope recognition of the importance of concern for the environment and sustainable development. This is currently a central element of the policy of the Board of the ICA and thus chimes in with its priorities.

In Prague in October, 1994, Ian MacPherson will have taken stock of European opinion on the direction and quality of his work. I think Co-operators in Europe will have reason to be grateful to this affable and shrewd North American for what he has done so far to help the international movement to re-define its raison d'être in today's world, although they may not yet realise it.

The Author

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Redefining Co-operation

by Martin Meteyard

The current discussion on *Moving from Values to Principles* is both an opportunity and a challenge: an opportunity to clarify and update what the Co-operative movement is about as we move into the 21st century, but also a challenge to measure up our own working practices against those principles, and to prove our relevance to the future.

As Professor MacPherson puts it so well in his Background Paper: "principles . . . are empowering frameworks - energizing agents - through which the future can be grasped". The following remarks, while mostly critical in nature, are intended to help us to do just that: to grasp the future, instead of being overwhelmed and obliterated by it.

Membership

The concept of membership is fundamental to all forms of Co-operative, and thus to the 'Statement on Co-operative Identity'. I have no quarrel with the basic idea, but I do wonder if some of the concepts associated with it in many places (including the 'Statement') are now a help or a hindrance.

Take, for instance, even the opening definition that members in a Co-operative unite "to meet their common economic and social needs" - which, as Ian MacPherson explains in his Background Paper, "emphasizes that Co-operatives are organised for the members". Does that really answer all the questions, or does it not beg a few as well?

Part of the problem is the sectoral nature of the Co-operative movement, to which I will return below. But take that sector with which I am most involved and familiar, and on which my livelihood depends: worker Co-operatives. Is it really the case that a business providing goods or services to the wider community should just be "organised for the members" (i.e. those who work in it)?

This is not an academic question, for either the worker Co-op sector or indeed others. In the case of worker Co-ops, many have failed - at least in the UK - precisely because they were organised for their worker members and not their customers!

Ironically enough, Ian MacPherson's Background Paper does allude in passing to a possible alternative means of defining "membership" as

meaning “there should be a special relationship between the Co-operative and the people it essentially serves”. I think this opens the way to a much more fruitful examination of the issues.

Stakeholders

Take my own Co-operative, which is a wholesale distributor of natural foods. We “essentially serve” people in a number of different areas: our workers, our customers, our suppliers, the vegetarian community, the healthcare community (helping to improve people’s diet), and so on. They all have a stake in the success or failure of our business. So perhaps in all our Co-operative sectors we need to rethink the concept of “membership” in rather different terms, as pertaining to stakeholders.

But, you may ask, why include employees at all? After all, did not the 19th century UK movement come to the conclusion (under the tutelage of the Webbs) that workers formed a sectional interest, and that we were really all united only as consumers?

Yet I would argue that workers are fundamental stakeholders in any form of Co-operative enterprise - including the consumer sector. This is because work (or the lack of it) is a central focus of human activity, and of the creation of wealth which underpins human development.

Take membership of a consumer society. How much time do you, as a member, spend availing yourself of the society’s services? Probably a couple of hours a week at most. You might even decide to go elsewhere!

Yes, that Co-operative does provide important services and benefits to you, the consumer. But do they loom quite as large in the scale of things as if your job, your ability to earn and provide, your very livelihood depended on it? Of course not.

Good Examples

Now this might seem quite abstract, except that the principle of ‘stakeholders’ has been tried elsewhere and it seems to work. In the Mondragon group of Co-operatives in the Basque country in northern Spain, for example, the Eroski supermarket chain is 50/50 owned and controlled by workers and consumers. Of course there is a huge potential conflict of interest (e.g. consumers could suffer from higher prices if workers benefit from higher wages). So they created a structure within which that conflict would have to be resolved in the interests of wider co-operation. Doesn’t that seem to make sense?

Equally, the Polytechnic and other educational Co-operatives at Mondragon

have three categories of membership: workers, students, and the wider community. Again, it would seem to make sense in terms of the key stakeholders in that enterprise.

And where have we got by ignoring that principle? Look at the UK consumer movement. As a member of CWS Scottish Co-op, I have no illusions that CWS is really run by its members; on the contrary, it is run by a small section of its employees (senior management). Unlike some others, I don't blame management for that; someone has to take the lead. But wouldn't it be better to have a membership structure which recognised that members (and other employees) have a key stake in the business, and by doing so perhaps also hold management rather more accountable for their actions than they are at present?

Common Ownership

But there is a further qualification I would add here to the notion of member supremacy, which is the idea that Co-operative assets are owned and managed in trust for past and future generations; that members are simply temporary custodians and beneficiaries of those assets.

This idea is sometimes referred to as 'common ownership', and would certainly seem to have the potential for greater public appeal than the dogma of nationalisation which is the current interpretation of the phrase in Clause IV of the Labour Party's constitution.

The reality of most Co-operative organisations which last for any length of time (and this applies equally to CWS and to my own small worker Co-operative, started in 1978 by four people who have all since moved on) is that present success rests on past investment of both labour and member capital. As Alan Middleton of Lincoln Society has remarked in another context, what right do we have to misuse the resources so painstakingly built up in the past?

Equally we have an obligation, going beyond immediate member interests, to build up those assets for the benefit of future generations and the Co-operative way of life.

Indeed, it is probably in the notion of stewardship of resources that we can also best express our modern environmental concerns: that we have a responsibility to conserve and pass on the most basic resources of the planet if there is to be a future at all. Here, surely, is where only a Co-operative approach can ensure the very survival of the human race?

If this sounds somewhat melodramatic, I would urge readers to study

pages 39 to 43 of the 'Declaration for the Co-operative Movement in the Twenty First Century' which accompanies the 'Statement on Co-operative Identity'. Seldom have I read a clearer outline of the enormous challenge which faces us as the world staggers into crisis.

Co-operation among Co-operatives

That brings us to what in my view is perhaps the most fundamental (if also the most recent) principle of all: co-operation among Co-operatives. There have been moves to ditch this due to its infrequent occurrence in practice (at least in the UK). But look at the terrible costs of its neglect.

Look at the declining market share of the UK consumer Co-operatives as societies have clung on to an outdated autonomy (or was it status?). Look for that matter at the worker Co-operative sector, where major opportunities in areas such as wholefoods and printing have been lost through the refusal of Co-ops to work more closely together.

This is not an option, but a necessity. And it applies not only within our particular Co-operative sectors, but also across them. As Ian MacPherson again notes in his Background Paper, "the international movement has a unique opportunity to assist in the *harmonization of interests among groups of people organised as producers and consumers of goods and services, as savers and investors, and as workers*" (emphasis added).

Will Watkins makes the same point in *Co-operative Principles Today & Tomorrow* (page 33), where he writes that as pressure grows from governments and the private sector, 'the more will the different branches of Co-operation be obliged to study and support one another and the less will it be practically possible for them to advance independently in their respective ruts.'

He also gives a specific example of which we should take heed: the needs of young producer Co-operatives in developing countries to access markets via the consumer movement in economically advanced countries. Just what are we doing to meet that challenge today?

The problem is that, for all our values and principles, we lack a vision. Can we, should we strive to build a global society based on Co-operative principles that can chase away the "shadows" of the 21st century so graphically outlined in the "Declaration"? Do we still believe in the possibility of something called the Co-operative Commonwealth? (This is actually required of all members of the Co-operative Party, but is perhaps about as relevant to its actual practice as Clause IV is to the Labour Party).

The original draft I was sent of the 'Statement on Co-operative Identity' contained the uplifting statement that, "Co-operators seek to build a better world". This has now disappeared from what is described as the first official draft; does this mean that, on reflection, we now feel that this is beyond us? Is it, in fact, not the end of the beginning but the beginning of the end?

"Where there is no Vision . . ."

I would like to sound more upbeat about future prospects, especially as the texts do contain many positive things which I would expand upon given the space.

I strongly believe that the future is Co-operative or it is nothing; or, to put it as the 'Declaration' does, the future of Co-operatives "is limited only by the capacity of their leaders and members to envision what might be and to plan for what is possible."

But are we testing that capacity to the full? Have we made this debate one that ordinary members of Co-operatives can understand, take part in, and in so doing widen their own horizons?

I know for a fact that most members of most worker Co-operatives in the UK are entirely unaware of this discussion, even though the ICA Congress will take place in Manchester next year. Yet those worker members (10-15,000 of them at a guess) number almost as many as those who actually participate in the affairs of the consumer movement. They are also, on the whole, a lot younger!

Yes, let us adopt a new statement of principles in 1995, but only if it is to be a living guide to action rather than yet another text to gather dust on the shelf. Let us go public, let us take it to ordinary people, let us hold it aloft in advocating Co-operative solutions to pressing economic and social problems.

And, not least, let us use it to re-examine our own practices and put our own house in order before it is too late to escape from our "respective ruts".

The Author

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“Lay on, MacPherson”

by Dr. R.L. Marshall

The care and competence of the Statement on Co-operative Identity (first official draft) inclines me to ask for more - and within this gentle request there may be an occasional pressure or invitation worth attention.

Clarifications?

I think the Statement would gain from a little elaboration of the following elements, perhaps in a brief introduction.

- (a) Where, in general, are the Definition and the Values and the Principles to be found? To what extent basically from a view of human nature - say, from its conflicting thrusts of co-operation with and aggression against others and from the aspiration to strengthen the first? To what extent from the intention of the founders? From an analysis of current practice? From current influences or philosophies or fashions? From some set of values and principles judged in general terms to be good and then discerned, with or without strain, in Co-operatives? A note on the source of identity would be useful.
- (b) There should also be an acknowledgement that the terms of the Statement constitute, not a claim of perfection achieved but a set of standards to be sincerely pursued. Human beings and their institutions are flawed and even Co-operatives and Co-operators share this frailty. Any discrepancy between the professions on behalf of Co-operatives and their practices is a breeding ground for scepticism and cynicism.
- (c) The depth of concern with Co-operative Values and the range of human activities to which Co-operative Principles are applied vary very much among Co-operatives and Co-operators. The kibbutz Co-operative and the consumer society are kin but also different. It is important that judgement of each form is related to its depth and range.

On then, to the terms of the Statement under its three main headings.

1. Definition

This is well contrived but this textual point is worth a glance - though not for long: withdrawal from the phrase: “. . . association of persons . . . to

meet their economic and social needs. . ." of the word "their". This would acknowledge that many Co-operatives choose a *limited* range of needs.

2. Values

There should be more emphasis on the service of Co-operatives to economic self-interest as a central ingredient and basic motivation - to be pursued, enhanced, controlled, of course, within an organisation of mutual help. It has been, is and will be so, and the present further reference to this defining characteristic by saying in Principles under *Membership* that the Co-operatives should provide service in "a prudent and effective manner" does not quite match the importance.

3. Principles

- (a) In the opening of this section there could well be an acknowledgement that some principles are more central and basic than others. Thus democracy seems to enjoy that kind of priority of importance and action.

It would also be well to acknowledge the need to avoid or counter the possible tensions between Principles. For example, *Democracy* can take decisions that limit the commitment to other Principles such as the avoidance, specified under *Membership*, of "political, religious, gender or social discrimination" or it may press for services to members which are in tension with marketing policies advocated for their contribution to "a prudent and effective manner" of commercial operation.

- (b) *Membership*
"Within their capacity to admit members" perhaps needs some elaboration - to the effect that societies may adopt an optimum scale of operation.
- (c) *Financial Structure*
Should not the fact of joint or social ownership be stressed more to match its basic importance?

A small textual point is that it should be made clear that "equitably" is intended to apply both to the contributions to capital and to the sharing of benefits.

- (d) *Addendum?*
Is there a further principle that since each Co-operative rests on an

assumption of its power to achieve economic and social benefits for its members, it has a responsibility of giving by its survival and success encouragement for the extension of the Values and Principles "wider still and wider?"

Into Action

Having indulged myself by contributing to this discussion, I confess belatedly to an eagerness to move on from the formulation of the Definition, Values and Principles which I am sure is going to emerge convincingly from Professor MacPherson's explorations. The next stage is the one referred to in the Background Paper - that the different sectors will draw up analyses of contemporary and calculable conditions of operation and the responses which their Co-operatives need to be making. From Values to Principles - and now to Action. "Lay on MacPherson . . ." in continuing stimulus and guidance.

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