

A Co-operative Identity for the Millennium

by G.J. Melmoth

Much has been said in all corners of the globe about Co-operative principles and several drafts have run their course. A further detailed exposition here might be a little too much at this juncture, but there are some last minute, postscript thoughts to add, and here they are.

My last piece on this subject, in Journal 82 last December, gained the title from the Editor "End in View", - but it lost in its final form a side heading which he had initially added, . . . "Lay on, MacPherson . . ." In the sometimes mysterious ways of editors, this injunction became the title of his own piece in Journal 82. In either place "Lay on, MacPherson . . ." was, of course, a tribute to the Canadian Professor of that ilk who has been thundering down the straight in recent weeks with Co-operative principles tied to his steed. Dr. Marshall, when he first referred to the phrase in our correspondence, added: "everyone, of course, knows the conclusion of the quotation . . ." Not everyone, as it happens. Whilst I know my Birnam Wood from my Dunsinane, and my Macbeth from my Macduff, I had to look the reference up, which for the benefit of readers similarly placed, concludes "And damn'd be him that first cries 'Hold, enough!'"

Short and Simple?

The April, 1995 meeting of the ICA Board in Sao Paulo, Brazil, wearily plodding through arguments for leaving this in or that out, or trying to cut short the special pleading of one of its number (rhetoric in Board meetings is invariably counter productive) was in the event close to Shakespearean hellfire damnation, although no member of the ICA Board cried "enough", or even "hold, enough!" The case for the short and simple gained the upper hand and, of course, there is great merit in it. This was underpinned by the "youth" argument. If we do not want youngsters to turn their backs on the promise and potential of the Co-operative way, then we should not obfuscate the message and weigh it down with detail. During the course of the Board meeting, Macduff/MacPherson was skilful in leading his nag around the more obvious pitfalls in this approach but even he began to flag before the "End (was) in View".

Principle on Economic Participation

The main casualty of the youth argument was the alleged complexity of the new principle on economic participation. This dealt both with capital

and its remuneration and also participation in surplus. The 1966 version, it will be recalled, handled the issues simply enough by stating as 3. "Share Capital should only receive a strictly limited rate of interest, if any". Principle 4 of 1966 defines the permissible objects of allocation of surplus by members. The 1995 manifestation fusing these two principles, as amended in April by the Board, was perhaps over-simplified. And hence we learn the lesson that brevity and clarity are not always happy bed-fellows.

Ian MacPherson slept on some of the ICA Board's amendments, plainly finding some of them uncomfortable, and did well to find a formula which went a long way to bridge the gap between those anxious to reflect concerns particularly in the productive sectors discussed below, and those wishing to discard baggage which they believed weighed down Co-ops so much that there was a temptation by management and members to convert into joint stock companies. (Perhaps some in this category tended to use the youth argument as cover.)

Generally Convincing

Because of Ian MacPherson's late night reflections and the Board's appreciation of the wisdom of his second thoughts, as well as the cleansing process which this very thorough review has resulted in, my own view is that the draft in the form being submitted to Congress, to be read where necessary in conjunction with the Background Paper, will stand up to analysis. Yves Regis, the President of CICOPA (the ICA specialised body of industrial, artisanal and service producers' Co-operatives), in lauding the man who in 1988 initiated the re-appraisal of Co-operative basic values and fundamentals, said (CICOPA Bulletin of 8th June, 1995) "I am not alone in thinking it will probably be the most important contribution to international Co-operation for which we have to thank our President, Lars Marcus."

M. Regis goes on to make the important point that these fundamentals do not really change. (We have inherited the Pioneers' attachment to the word "principles" which the ICA is reviewing for the third time in its century of existence. The Co-operative Bank which has in recent years so successfully reclaimed and proclaimed its Co-operative inheritance and ethos, points out on the front cover of this year's Annual Report "Times Change but Principles Don't".)

Yves Regis argues that "if Moses' Ten Commandments had been adjusted over the centuries to meet with actual practices of one sort and another, what would remain of them? Surely not a reference or a guide to our

behaviour but at the most a sociological catalogue without value, without vigour. The question on the contrary is to harmonise the basic values of Co-operation with the economic and social changes taking place throughout the world so as to build the foundations for a meaningful future."

There is much to be said for this point of view. When faced with Sven Åke Böök's "Co-operative Values in a Changing World", I felt that the ICA risked confusing what were, in effect, universal Co-operative fundamentals with the practices of particular sectors. Under Ian MacPherson's guidance, that risk has all but evaporated. The fundamentals are readily discernible in the latest draft, but the emphasis reflects today's environment.

Principle on Financial Structure

CICOPA fell victim to the Board's sudden rush for clarity and did not gain a great deal from Ian MacPherson's post-Board meeting re-think. The previous draft principle on Financial Structure contained the phrase "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" and the present draft does not. It seems unlikely on reflection that the inclusion of this reference would have caused any sector particular difficulty in view of the qualifying word "usually". Perhaps the consumer Co-operative orientation historically of the ICA membership left out of account in the drafts of the first internationally expressed principles the tradition in producers' Co-ops, notably those in France, of indivisible reserves which are seen to guarantee the long-term continuation of the Co-operative enterprise. The CICOPA conference in Vitoria in June, 1994, concluded that "indivisible reserves are part of the basis of the theory and practice of Co-operation as well as one of Co-operation's historical and current principles. They must be included within the obligatory principles of producer Co-operatives."

It does appear that the ICA Centennial Congress, or to be more accurate, the General Assembly which follows it, will be faced with a vigorously argued amendment from the producer Co-operative movement calling for the reinstatement of this touchstone phrase. And who is to gainsay them?

Whither the ICA?

I shall be surprised if the draft and the accompanying Background Paper do not generally and in every other respect command the support of a majority of the ICA membership and a consensus in the UK. More important perhaps, given the hundreds of debates on Co-operative principles which have largely discounted the climax set piece occasion, will be the issues

which need to be hammered out in the Board and in ICA Regions afterwards on "Whither the ICA?" The era which Lars Marcus ushered in during 1984 is fast coming to an end. The new regional devolution in the Alliance is three years old. The direction and strategy of the ICA over the next decade now needs formulating in consultation with the membership. That is the challenge for the Millennium. Re-defining the Principles is simply the start.

The Author

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In Passing

"One, as it seems, very important experience that we have learned is that it is also very hard for Co-operatives to abandon successful strategies of yesterday. . . . To carry out a new strategy is challenging everywhere, but in a Co-operative you need a much broader process of understanding and decision making.

. . . To fulfil the Co-operative ideas it is necessary for everyone who has a responsibility for the Co-operatives to be disloyal to such means as outdated strategies, structures and locations. Our loyalty should only be to the objective of being an effective vehicle for economic welfare of the members."

*Roland Svensson, President and Chief Executive Officer
of Kooperativa Förbundet - Journal 83, May 1995*