

Rôle of British Consumer Movement

by Dr. Rita Rhodes

In Journal 79 Lloyd Wilkinson and I wrote about the rôle of the British movement in the International Co-operative Alliance. That article tended to concentrate on personal contributions. In this one, therefore, I should like to look at two other very important and inter-related aspects of the relationship in the present and future - and also in the formative past. These aspects are the British movement's propagation of Rochdale Co-operation within the ICA and, associated with this, its financial support for the organisation.

The two are related inasmuch as the Rochdale formula led to a very large consumer Co-operative movement in Britain. Its size and propagation of Rochdale Principles made it important within the Alliance, an importance that was underpinned when Rochdale also became the Alliance's ideological and motivating force.

Moreover, during the early years of this century Rochdale Co-operation became the basis of large-scale consumer Co-operative movements in many European countries: France, Germany, Holland, Belgium, Austria, Switzerland and, before the Revolution, Russia. These movements developed among urban and industrialised workers and soon formed the backbone of the early ICA. Such movements held the British movement in special regard because it was the most successful and notable exponent of Rochdale Co-operation.

Membership Contributions until 1970s

Its size also made it financially important to the Alliance. For 80 years it was its highest membership payer. The one most nearly approaching it was the Russian movement but that was no longer voluntary after the Revolution. During its first two years the Alliance's subscription income amounted to £222 and £218 respectively. Of that all but a few pounds came from Great Britain. By 1920 Great Britain paid £845, while the newly created state of Georgia, the next highest contributor, paid £323. By 1975 the British and Soviet movements, into which the Georgian movement had been subsumed, paid £25,191 and £16,510 respectively.

My recent researches into the ICA suggest that, despite such sustained high contributions, the British were modest in their relations with the ICA.

The Influence Exercised?

For example, at the ICA's Congress in Hamburg in 1910 there was a move to transfer the organisation's fledgling office from London to Hamburg. An eye-witness account by Prof. Charles Gide, in an early history of the Alliance, observed that the move might have succeeded had it not been for the First World War. Gide also commented on "the reserve of our British friends, who did not wish to discuss the question of supremacy which it was intended to take from them."

This could have been "reserve", modesty, or plain political nous: but my belief that it was modesty can be supported by what happened on another occasion. At the ICA's Congress in Stockholm in 1927 changes were made to the rules. Under these no country, or union of countries, could exercise more than one-fifth of the total voting power in any Congress, or hold more than a given number of seats on the Alliance's Central Committee. In effect these changes applied only to the British and Soviet movements. Their ready acceptance of them reflects their recognition that it was important for smaller ICA member movements to be able to influence ICA decision making. However, whereas the Soviet movement sought rules changes to gain a commensurate reduction in its membership fees, the British movement did not. It therefore continued to pay at its previous rates and so remained the ICA's highest payer until the 1970s.

Changes in National Contributions

Then the position began to change. Between 1972 and 1975, Japanese subscriptions rose from £2,579 to £16,065. By 1983 they had risen dramatically to £66,184. Soviet subscriptions in that year at £35,000 had overtaken those of the British, at £30,785.

However, British financial generosity had not been confined to membership fees. Various ICA relief funds were well supported by British societies. For example, during the Second World War the Alliance established its Relief and Rehabilitation Fund. By 1945 it stood at £311,215 but, of that sum, British societies had contributed £257,011.

Other Lines of Influence

Ideological leadership and sustained financial support helped to increase British influence in the Alliance in other ways. We have already noted that there was an attempt to move the ICA's head office from London to Hamburg in 1910. A less well documented initiative occurred in 1919 when the French tried to move the office to Paris. Again this was unsuccessful and the longer the Secretariat remained in London the more

it imbibed British traditions. For example, the ICA's constitution, although undoubtedly a product of the democratic involvement of all ICA member movements, came to be operated in quite British ways. These were typical of British working class organisations of the period. I believe that had Walter Citrine worked for the Alliance, rather than the TUC, he would have felt completely at home in it! ICA administration also came under British influence because it was headed for long periods by officials - Henry May, Gertrude Polley, Will Watkins, W. Gemmel Alexander, John Gallacher, (now Lord Gallacher of Enfield,) and Robert Davies - who had previously worked for the British movement.

All this is, of course, historic. What of the present?

Decline in British Influence

In the last three decades factors have changed which have led to a decline in British influence. This has been reflected in a number of ways. There has been no British President since 1955, the honour going either to the French or the Swedes. In 1982, by a majority decision in a postal vote of the ICA's Central Committee, the head office was moved from London to Geneva. At the Stockholm Congress, 1988, a British nominee failed to gain election to the ICA Executive for the first time. It would be wrong to interpret these facts as implying disrespect or ingratitude. Rather they reflect changes in ICA politics which had resulted from the organisation's growing size and complexity. That growth can be illustrated by the following figures. In 1948 the ICA's affiliated membership was just under 100 million. By 1992, it has grown to almost 700 million and has risen further since. This growth reflected successful Co-operative development in Africa, Asia and the Pacific, and South America. It led to the establishment of the ICA Regional structure in these areas.

As a result British membership fees have declined as a percentage of overall subscriptions. They have also been overtaken by those of other movements, notably the Japanese.

Increasing size and diversity have also meant that consumer Co-operation, with which British Co-operation has been most closely associated, has become less important within the ICA. In 1946 consumer Co-operatives accounted for 56 per cent of ICA membership. By 1992 that figure had fallen to 14 per cent. As we are uncomfortably aware, the Dutch, German, French, Austrian and Finnish consumer Co-operative movements have either shrunk or disappeared. However, British membership of the ICA is still closely linked to the consumer movement: thus the Co-operative Union

is the co-ordinating agent among the UK organisations with representation on the ICA General Assembly - the others are the CWS, the CIS and the Plunkett Foundation.

Such observations lead us to ponder the future.

The Future?

To some extent that has been shaped by decisions taken at the ICA's Congress in Tokyo, 1992. The Alliance's increased size, diversity, complexity, and growing regionalisation led to major rules changes there. Under these the ICA became a regional structure based on Africa, Asia and the Pacific, the Americas, and Europe. This means that the British movement now functions mainly within a European context.

It is perhaps too early to see how this new relationship will work out. Elsewhere ICA regional structures had been closely linked to Co-operative development. There had been no similar need in Europe where Co-operative movements had become well established and had created a number of joint bodies at European level. We shall have to see how a new ICA structure in Europe will relate to these, and also to the Alliance's own head office that has always been based in Europe.

The first Regional Assembly, held in Prague last October, elected a 12 member ICA European Council and approved provisional rules. It was encouraging, and also significant, for future British relations with the Alliance to see that Graham Melmoth, Secretary of the CWS, was elected president of the European Council. I am sure that the Society will want to wish him well in this office and many hope that he might go on to become the next ICA President.

Attention to Issues of Membership

Within the new structure policy questions are still only in their formative stages. Initial concerns - in addition to the re-examination of Co-operative values and principles, discussed in recent Journals and elsewhere in this issue - seem to be Co-operative legislation, corporate governance, the environment, and gender problems. One issue that I hope that the British movement will push is that of Co-operative membership. At the ICA's Tokyo Congress I warmed to the call by Prof. Hans Munkner, Germany, that the role of Co-operative members should "be brought back into focus". He challenged the idea that they should be reduced to mere customers, and also questioned the wisdom of capital being raised from external investors or being allowed to "become more than a servant".

In Europe the British movement could speak of recent experiences in

trying to increase membership, particularly those of CRS and the CWS. It could also pass on the lessons distilled from its participation in the International Joint Project on Co-operative Democracy which has been examining ways of strengthening members' participation.

Sources of Capital

The question of membership relates not only to encouraging Co-operative democracy and helping to sustain bona fide societies but also to the question of capital, as Prof. Munkner recognised. That, in turn, impinges on the independence and autonomy of Co-operatives, and the question of whether they can retain these if they accept external funding, however well-meaning. Since 1904 this has been a frequently recurring, and hotly debated question in the ICA. I favour those who argue that external funding runs the risk of weakening members' ownership and control.

Such issues touch on the earlier episode mentioned in this article when British Co-operators contributed £257,011 to the ICA's Relief and Rehabilitation Fund during the Second World War. What would that represent in today's monetary terms? It certainly contained no external funding. It was the members' money and represented their trading loyalty; it was used to express their feelings of fraternity and solidarity with Co-operators in other countries hurt by the war. True fraternity can really only be expressed with your own money.

The episode illustrated British generosity in the ICA. It also reflected values of autonomy and independence. I hope that these are values that a later generation of British Co-operators will continue to press in the ICA.

The Author

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Her thesis on the "ICA during War and Peace 1910-1950" has recently earned her the degree of Ph.D. and is being published by the Alliance as part of its centenary celebrations. Dr. Rhodes is also active in consultancy in Co-operative education and training.