

Book Reviews

Co-operatives. Markets. Co-operative Principles. edited by Jose Luis Monzon Campos, Roger Spear, Alan Thomas and Alberto Zevi. Ciriec International, Leige, 1996. ISBN 2-9600129-0-9

This set of readings provides a valuable postscript critique of the work on co-operative values and identity that produced the new Statement of Co-operative Identity in 1995. What is the basis for an analysis of the reform of co-operative legislation? How are the law and the states that enact the laws to be related to forming and reforming or even transforming the co-operative project? Here the editors identify a polarity of positions based on approaches ranging from minimalist (the law provides only a framework where a recognised NGOs - like the National Council for Co-operation in Belgium - determines the rules of what constitutes a co-operative) to the maximalist extreme (that sees co-operative values determining positive co-operative law). Across this polarity the contributions are categorised by the editors into basically three approaches, although, as is recognised by them, some of the contributions mix approaches or use different components of the separate approaches for different stages in their analysis.

The three approaches represented are:

1. the Deontological approach - based on an idealist philosophic conception that derives practice from universal first principles that arose in the works of Plato utilising the ideal-deductive method. The deontological approach has been important in debates about ethics as it holds that some actions are morally obligatory regardless of consequences;
2. the Utilitarian or consequentialist approach which arises from utilitarian and pragmatic philosophies utilising the pragmatic inductive method. In this methodology which has its origins in Aristotle, a form of reasoning is followed that allows general conclusions to follow from specific single facts and has been very important for the rise of western empiricism. It has been fundamental to the mainstream writers' approaches to organisation and management in the West;

3. the third approach favoured by the editors, namely the Systematic approach accepts that co-operatives can be analysed best from the standpoint of a system in equilibrium "... inasmuch as a challenge to one rule affects all the others." Rules are derived that support the combination of relationships that exist between those component parts of the co-operative system that make it truly co-operative.

There are important insights and issues raised by these approaches that all serious students of co-operation and co-operative organisation and values need to seriously reflect upon. This is a book to be read and re-read with reflection and care. I have only limited space here so I have concentrated on the British chapter 8.

The recognition of the different emphasis in Roman and Anglo Saxon Law - association in the former and purpose or objects and the trust placed in persons to carry out those objects in the latter is an interesting one. As Spear and Thomas say both trust and association are important values. They do not develop the question unfortunately to develop whether the question of trust as an important value for co-operatives is adequately presented in the current ICA Statement of Co-operative Identity. In fact they actually make no reference to it at all. The role of management and elite culture in carrying out or subverting co-operative objectives is not addressed. The implication that small is beautiful is hard to avoid from their review of the British scene. Here, however, as they are obliged to acknowledge, The Co-operative Bank's Business Policy creates a challenge to that thinking.

One wonders whether the distinctions made by Spear and Thomas of new and old have as much validity as the distinction between large and small scale business in understanding the various structures and values that inform the different sectors of the British Co-operative Movement. A life cycle view of co-operatives as forming a spectrum of old and bureaucratised structures absorbing the values of their environment and young and radical challenging the environment is seductive but needs treating with caution. There is much of libertarianism and individualism informing some strands of co-operative formed or informed by the "radical values" of the 1960s which some

may argue have little to do with co-operative values at all.

Spear and Thomas consider the pressure in the market making increasing size a significant factor in ensuring survival as an economic unit. This begs the question strongly implied in this chapter concerning the possibility or impossibility of the survival of the co-operative element. If size is a real issue and market forces increasing business size really is inevitable then value based analysis may be more important than the editors appear to recognise. Deontology is not the only justification for starting with values. Values do not have to be seen as immortal principles beyond time and space they can also be seen as important expressions of a concrete humanity and human society with relationships and goals based on an understanding of humanity. This understanding may be the result of an empirically sustained analysis of the human condition although I doubt that any fact arising from the practice of social science is really value free.

Values are important linkages between a mass culture and an elite culture. The questions remain. Does the elite manipulate or serve the mass interests. Can it be made more accountable? Can it be made to serve better the broader social needs of the various classes or interest groups that have claims on the resources it manages and to some extent distributes? To this end co-operative values and the ownership structures and principles of distribution that flow from them may have a critical role to play. Particularly so if those values can lead to retaining an identifiable co-operative that is also economically successful and even dominant in the marketplace.

Trust based on law tries to ensure the ultimate accountability of the elite. Trust based on shared purpose and values ensures relevance, connectedness and legitimisation through the pursuit of shared and complimentary goals. It ensures the organisational dynamism that has been lacking for many years but has shown signs of rebirth in some quarters of the British movement. The challenge to co-operative development is the problem posed for defining the objectives of co-operative management development. Co-operatives must continue to respond to a marketplace in which their continued relevance will be tested. This is not necessarily to adopt the contingency or consequentialist approach but rather to understand the changes required in terms of the continued relevance of the co-operative project. How we

understand that project will determine the values we emphasise and the way we see such values determining the rules governing co-operative structures of ownership and management. The market determines that we must react but how we react is determined by our goals. Only if we make the project and its associated values work for us in the marketplace will the question of the survival of a co-operative identity be assured. That co-operative structures and relationships show such a wide variation may give us cause to pause before accepting the validity of the Systematic approach but it should equally give grounds for optimism concerning the adaptability of co-operative responses supporting the underlying co-operative project under a wide variety of market conditions in time and location.

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