

Education and Adaptability in Securing Co-operative Success

By Richard Bickle

Introduction to the issues

'Our priority must be developing the capacity of our own members to hold management to account and participate in this, their co-operative business rather than doing 'PR' in the community' is the sort of statement often heard from British consumer co-operatives' membership personnel justifying their interpretation of what 'co-operative education' means in a modern context. Are they correct? Is their 'members versus community' model of what education can mean helpful? Or does it belie a dangerously impoverished view of what a co-operative business is really about that will actually undermine its ability to serve those same members they claim to focus upon? Is their attitude a real attempt to develop a counter-balance to management power in societies? Or an example of 'realpolitik', the truth being that this is the only educational work that management are willing to fund?

The 'promotion of education' has been an enduring feature of statements of co-operative intent from the Rochdale Pioneers, who adopted it as one of their principles, to the recognition by the Oxfordshire Mutuality Task Force that 'successful mutual structures are knowledge driven'.¹ However, in practice it has often been ill-defined and poorly understood, either being seen as fundamental tenet of co-operation or a costly distraction from the real business of trading.

This article seeks to examine what 'education' is in the context of the history of the Co-operative Movement, how it has contributed to the Movement's successes and failures, and how their relationship can be understood. I do not purport to offer a definitive analysis of these issues, but hope that readers will find it a thought provoking contribution to the debate about the movement's future in light of the 2001 Report of the Co-operative Commission and that it will help them to draw conclusions of their own.²

Co-operative education and the auto-didactic tradition

The early Co-operators were part of a long standing tradition of self-education (what Jonathan Rose calls 'Auto-didacticism') among the British Working Classes.³ Often artisan craftsmen, wishing to match

the dignity and independence afforded by their practical skills with the intellectual freedom of learning,

They resisted ideologies imposed from above in order to discover for themselves the word of God, standards of beauty, philosophical truth, the definition of a just society.⁴

It was natural therefore, for co-operators such as the Rochdale Pioneers - valuing as they did their own education and wanting to further it - to establish an educational fund out of trading surplus that provided their members with the use of a reading room and library as well as various courses of study, and for other societies to establish similar funds. However, in addition to this provision, which was explicitly identified as 'education', there were also informal or vicarious opportunities for learning obtained through co-operative membership.

For instance, virtually every society had a hall which, in addition to use for members' meetings and other co-operative activities, would have been hired out for all sorts of broadly educational use. However, by far the most significant form of co-operative member education (despite never being identified as such), that was necessarily built in to the operation of every single co-operative organisation, was that which was derived from participation itself; the discovery that, by working together, tangible benefits could be secured for oneself and one's fellows.

Similarly, when they were formed, auxiliaries such as the Women's Co-operative Guild offered their members both formal classes and lectures etc., as well as the sort of self-development derived from the opportunities presented by membership itself. For example Deborah Smith, a Nelson weaver (born 1858), the daughter of illiterate parents, writes about becoming secretary of the local Guild branch that "it opened up a new life to me ... I got new ideas, a wider view of life. It taught me to think for myself on all questions".⁵

Co-operation and complexity theory

Trying to use conventional business models, which are couched on the assumption that organisations are unified and centrally-controlled entities, to understand the behaviour of the co-operative movement and analyse its successes and failures is inherently problematic because, while in one sense it is a single discernible whole, it can also be seen as an 'improbable collection' of independent and autonomous parts.⁶ This has been particularly true during the last 50 years when it has seemed perplexedly incapable of arresting its perceived decline.

What is required is an analytical framework more suited to the movement's specific characteristics and I want to suggest that this can be found by examining it as a complex adaptive system using models derived from evolutionary biology. The basic insight of this approach is that organisations, eco-systems and ultimately life on earth, its atmosphere and substance as a whole, are self-organising systems in which order emerges from chaos as a result of the dynamic interaction of their apparently autonomous parts. From this perspective organisational health is defined both in terms of 'adaptation' in the past and 'fitness' to cope with changing circumstances in the future.⁷ Management is not seen as an activity that should attempt, or indeed could if it tried, to control the minute detail of everything an organisation does. Rather it seeks to shape the organisational environment through structures and incentives designed to lead it to operating in the 'sweet spot' between maximum diversity- and therefore adaptability - and utter chaos.⁸

All adaptive systems require feedback mechanisms to allow them to respond to changes in their environment; think for example of the thermostat on an oven or heating system. The question then is raised as to what the feedback mechanism is that gives co-operative organisations and the co-operative movement as a whole their adaptability.

Education and adaptability

I want to show that it was the pursuit of member and employee education, as ends in themselves, that provided co-operation with its adaptive capability in the past and that their gradual erosion are inextricably linked to its more recent period of decline. However, in order to do so, it is necessary to make a more detailed analysis of the nature of the movement's educational activities.

Len Burch has argued that open-ended and intellectually liberating kinds of 'education' should be distinguished from forms of 'training' that are simply means to pre-determined ends imposed upon the participants. He suggests that one criteria by which to distinguish these fundamentally different activities is:

[Whether] the provision is intended, and designed, to enhance people's potential to control and change their (social or physical) environment (in un-predetermined ways), or ... to change people in order that they better meet or fit some predetermined environmental desiderata.⁹

Using this model, the auto-didactic tradition of the earliest co-operators

was clearly intellectually liberating, as was the provision of reading rooms and libraries. Classes might potentially lead students towards some sort of pre-determined end (although they could, through society education committees, have some input to the agenda setting process). However, where most forms of education were either superseded by public provision (as was the case with libraries) or somewhat patchy in their coverage (in the case of formal classes),¹⁰ participation was, by definition, provided universally by societies and very widely by the Guild. The latter's activities were describe by Rose as 'a female mutual improvement association with a feminist agenda',¹¹ but Guild members lacked institutional power, rarely getting elected to Management Committees, and had to rely on the 'power of the purse' and the threat of exercising a block vote at election time. The former, in contrast, had experiences of decision-making that were both personally empowering, but also tended to socialise them into accepting established assumptions and patterns of thought about what co-operation was for.¹² Therefore, as time went on, co-operative societies increasingly replicated themselves as successful retailers rather than as part of a wider Movement for social change.

Understanding co-operative success and failure

For most businesses, success is defined as the ability to make profits and thereby create 'value' for the providers of their capital. In contrast, a co-operative seeks to meet its members' 'common economic, social and cultural needs'.¹³ The ability of the co-operative movement, right up to the 1950s, to attract new members¹⁴ and the phenomenal scale of its business empire suggests that it was both providing a valued service to its members and prospering on 'conventional' indicators too. Similarly, its subsequent decline can be seen both in terms of market share (which dropped from 'at least 25 per cent' in 1950 to 'under 5 per cent' today)¹⁵ and membership (with many society share registers today reported to contain a majority of accounts belonging to members long since deceased).

Donald Campbell argues 'that all evolutionary systems depend on three elements: variation, selection and retention', and, by implication, if their operation becomes compromised, they will lose their adaptability and, gradually therefore, their capacity to replicate themselves in successive generations.¹⁶ This model seems to offer a good fit with some interpretations of co-operative history.

In its early days, the movement drew strength from the 'variation' both between different manifestations of co-operation itself and from the fact that many of its members were also involved in a range of

other movements for social change ranging from Chartism and Trades Unionism to Non-conformist Christianity and radical secularism. As political circumstances changed, people simply transferred more of their time into supporting a cause whose immediate prospects appeared to be brighter (an example of 'selection') and they brought with them a wide range of different experiences which influenced the development of each successive popular cause (in other words 'retention'). Thus, when the 1832 Reform Act together with the bad harvests of the 1840s and the continued trade depression following the French wars compromised the effectiveness of campaigning for parliamentary voting rights and taking part in industrial action, the Rochdale Pioneers' model of co-operation could attract widespread support, incorporated lessons learned from earlier co-operatives that ultimately failed, and had rules such as 'political and religious neutrality' which facilitated the widest possible range of participation. Similarly, the organisational imperative to work federally, so that societies could achieve together what none of them could accomplish alone, brought co-operators together in a forum which allowed experiences to be shared and some idea of 'best practice' established. This form of 'organisational learning' was another practical example of 'retention' at work.

Later, all three elements were undermined. Peter Davis has argued that 1862, when the terms for the ensuing battle between consumer and producer interests for moral (and organisational) supremacy in the movement were framed, is the origin of many later weaknesses.¹⁷ He claims that this represented a fundamental break with the communitarian philosophy of all previous co-operatives, including the Rochdale Pioneers, and that it led to an essentially individualistic ethos developing in which profit distribution to individual members (be it by consumer dividend or workers' profit share) became more important than securing a more radical transformation of society for their collective benefit. This could be seen as explaining why the consumer part of the movement, claiming victory over 'producers' for its leadership, became largely concerned with operating shops. Thus, one aspect of 'variation' was lost in favour of pursuing a limited if successful agenda, but co-operators lost the initiative in other areas such as housing and saving/borrowing to the building society and garden city movements - essentially middle class organisations with an individualist rather than collectivist agenda - despite the importance of these issues to its own members.

The consequence of this narrow base was not to become apparent until the 1950s when the failure to keep pace with the growth of the multiple retailers since 1945 led to the setting up of

the Co-operative Independent Commission to 'propose ... such methods and organisation as may be thought best suited to ... secure the greatest possible advantage to the Movement'.¹⁸ The assumption the core business of a co-operative society was, by definition, that of food retailing was not questioned in their Report and there was no serious discussion of what lines of business the movement could enter to provide consumers in post-war Britain a tangible benefit by dint of their Co-operative ownership - ie the nature of the 'Co-operative Advantage'.¹⁹ The Commissioners did recognise that:

In an age when the general trend seems relentlessly to be towards centralisation and remoteness, we regard it as most desirable to preserve local organisations with local roots and local loyalties. The movement is fulfilling a real social purpose whenever a co-operative society is looked upon as being an integral part of local community life - not as a distant, remote organisation controlled by strangers from London or Manchester, but as "our" society, with a local name, local loyalties, and local men and women on its board.²⁰

However, in recommending an albeit limited amalgamation plan (reducing the Movement from nearly 1,000 societies to 200-300 - an average size roughly that of Chelmsford Star Society today), they were seen to endorse the view that there was an imperative for societies to get bigger if they were to be able to compete with other food retailers.

The reality was that no society, however large, had the scale, alone, to provide this sort of competition. As Lord Graham (who was instrumental in many mergers when working for the Co-operative Union) wrote recently, 'amalgamation promises nothing that two well-managed separate societies cannot produce'.²¹ (It is interesting to note that the only period since 1958 when the movement has consistently maintained its share of the grocery market for a decade was between 1967 and 1977.²² This followed a number of national initiatives led by the CWS including the introduction of the Co-op logo, the re-launched Co-op Brand, the 'Operation Facelift' refurbishment programme, the Co-operative Dividend Stamp scheme and a series of national advertising campaigns). Yet what happened were a series of crisis-driven, mergers in which pre-existing problems tended to be replicated on an ever-larger scale. The balance of power between the national federations (on whose scale and leadership independent societies had traditionally relied) and increasingly large individual Societies changed in favour of

society officials with empire-building ambitions but at the expense both of local participation, identity and democracy and the optimal provision of services to the members.

There was a tendency for 'selection' to be of less advantageous options for development ('prestige projects' that mimicked the multiples and conformed to their agenda), an increasing wish to hide any reference to the word 'Co-op' in trading identities,²³ and very little capacity for 'retention' - identifying examples of 'best practice' and applying them more generally or recruiting successive generations of the same family in terms of employees or active members. Indeed, many people who might previously have considered careers in the co-operative movement now found socially useful alternatives in the expanding fields of state provision such as teaching or social work far more attractive.

The Commission's recommendations also had unintended deleterious consequences in terms of the provision of educational opportunities for the members. By advocating the transfer of responsibility for staff training from society education committees to newly formed personnel and training departments, the profile of 'education' as such within the Movement was immediately undermined. Trading managers and boards of directors could now dismiss it as a peripheral activity whose budget was an easy target for cut-backs compared with the perceived need to maintain dividend payments at any cost and the demands for high levels of capital investment. Ironically, the fact that in many of those societies that did have an established tradition of investment in and commitment to member education the function had become housed in separate premises from those used for trading simply exacerbated this false impression.

That the idea of the relatively local society as almost an end in itself was correct, can be seen for instance in the continuing success of the Lincoln Society. One of the most prosperous in Britain today, it has remained an integral part of its local community, playing a leading role in projects such as Lincoln and Gainsborough Adult Training (LAGAT), the mutualisation of the local football club, the founding of the University of Lincoln and Humberside and latterly helping its Students' Union to register as a consumer co-operative. This has been based on running a sound business and pursuing a long-standing policy of developing local talent both in the board room and in terms of staff and management.²⁴ This sort of local vitality goes some way to explain why mergers seemed to breed weakness rather than strength by taking a business further and further away from its roots.

The fact that so many amalgamations were necessary at all

though suggests a systematic kind of failure at the local level. This can be attributed to a number of causes. Previous success had bred a culture of complacency and the developments demanded by the perceived need to rival the nation's leading supermarkets and chain stores demanded unprecedented levels of capital expenditure and financial risk while the potential resources to manage and direct these projects were shrinking. Most significantly, there was no longer an effective mechanism through which members could give a lead. In fact the whole notion of membership was becoming increasingly illusory. (Long before society share registers had filled with the names of the dead, the loss of any kind of personal identification between members and 'their' society has to lead one to question if they could really be regarded as 'members' in the full sense at all). However, if were seen to be **the** answer, other solutions were not being sought and it was not working federally became the only way to sustain organisational independence that societies were willing to fully back initiatives such as Co-operative Retail Trading Group (CRTG).

Missed opportunities

Looking at the Movement from the perspective of the ways the food retail industry as a whole has developed in recent years, Seth and Randall argue that 'the lack of progress of the co-operative movement represents half a century of unalloyed tragedy', going on to conclude that:

They failed and continue to fail to make the one move that might have strengthened their resistance - that of unifying themselves into a single cohesive enterprise with a recognisable strategic focus.²⁵

However, not only does their analysis display an understandable mis-comprehension of the nature of the problem (to compete societies needed to share a cohesive strategy rather than become a single organisation), it also ignores the real successes there have been in co-operative trade in the post-war period.

Areas such as travel agencies and the motor trade - both lines of business in which customers are subject to mis-information and exploitation - have taken an increasingly large share of co-operative trade in recent years. However, until the development of the 'Co-op Travel' buying group in the 1990s and, in the last year, a similar initiative in motors, there had been little national co-ordination or co-operation and little consensus on a strategy reaching beyond

society borders.²⁶ There are, however, few, if any, examples of completely new lines of business being started after 1950. All those mentioned above had been pioneered earlier but only became really significant in the period under discussion.

By developing businesses where competitors lacked the co-op's overall scale and were regarded by the public as untrustworthy, societies had stumbled upon the sort of 'co-operative advantage' their forbears had had in the food trades. That so many people choose co-operative funerals suggests that the co-op's trusted image was key to this success. However, until Terry Thomas led the way with the Co-operative Bank's now-famous 'ethical' policy in 1992, it seemed that, inside the movement, no-one had noticed this fact and certainly didn't explicitly promote the link with their co-operative ownership.

The question is inevitably raised as to why these opportunities were missed, and a number of answers present themselves. Two of the problems that the Independent Commission had identified were that traditional selling points such as dividend were becoming less important to consumers compared with price and investment in better stores and that hiring school leavers and promoting internally would no longer be a reliable way of securing the best management talent because of the improved educational opportunities offered by universal access to grammar schools and further education under the 1944 Education Act. The Report noted that 'it is of course women who do the bulk of shopping'²⁷ yet didn't recognise the problems caused by the continuing mismatch between predominantly women shoppers and members compared with largely male directors and officials. As a result decision-makers retained the assumption that, for the members, dividend was the defining characteristic of a co-operative and, as the ability to afford it disappeared, seemed to lose faith in the whole notion of a competitively advantageous 'co-operative difference' based on consumer ownership.

A similar pattern can also be seen in terms of the movement's educational efforts. There were some exciting new initiatives being developed such as the Co-operative College's innovative programme of consumer education. It included a wide range of resources for local societies to use and also provided tutors to address meetings, week-end schools etc. However, according to David Lazell (Tutor Organiser, 1959-62), it was not greeted with the commitment and enthusiasm it deserved, citing the relatively poor resources many societies had for 'member education' and the fact that trading managers often either thought that 'education' was not their concern or actually saw increasingly well-informed and

assertive customers as a threat.²⁸ This is not to say that individual initiatives were not successful. A series of books with titles such as 'Textiles and the Consumer' and 'The Law and the Consumer' were popular, but sales outside the movement greatly exceeded those within it. Similarly, on a local level, the societies who embraced the concept with enthusiasm and had the educational funds to resource it were few (including Royal Arsenal, South Suburban, Leicester and Derby) and successful innovations, such as Leicester Society's in-store consumer advice bureau or South Suburban's store based evenings explaining how to understand different cuts of meat and what they could be used for, were not replicated elsewhere.

In terms both of trading and education then, the co-operative movement's greatest problem after 1950 was a poverty of vision that can be traced to the fact that the decision-makers had become socialised into an organisation increasingly narrowly based on food retailing. In the words of John Henry Clippinger, it shared the problems of many organisations that they are 'so well adapted to their past that they fail to see their future'.²⁹ In this situation further decline was inevitable.

The 2001 Co-operative Commission

The 2001 Co-operative Commission Report has found the Movement in an inherently more favourable position for the future than its 1950s counterpart despite turnover being a fraction of its former level. The pages abound with examples of how the Sector as a whole is seeking to work together for the first time in 140 years. Consumer societies have begun to re-discover the value of promoting their co-operative identity, using it to shape policy, and actively co-operating with each other on a federal basis. Having lived through 50 years of polarised debates about public versus private ownership, the public are also now much more amenable to ideas of mutuality than they were in the immediate post-war years when statist solutions seemed to offer the best chance to solve people's problems.

In terms of understanding the movement as a complex adaptive system, the enthusiasm with which the concept of the 'Virtuous Circle' (consisting of 'Social Goals', 'Competitive Advantage' and 'Commercial Success') illustrated on the Report's front cover could be seen a defining break point with past confusions about the 'what' and 'how' of successful co-operative trading. However, the very breadth of this support might itself lead one to question whether all its proponents actually find the same qualities and meaning in the model.

It is my view that the 'Virtuous Circle' can be used to justify a dangerous myth that should be being challenged, and that it is open to far too much variety of incompatible interpretations for it to be of much use in its present form. Its great weakness lies in the fact that it popularises the 'woolly' and poorly understood conception of 'Social Goals' and creates the impression that these can be separated from an abstract notion of 'Commercial Success'. The conclusions reached about it depend very much on where on the circle you begin: do you start with social goals that then drive competitive advantage, or with commercial success before you can consider social goals?.

Far too often, one hears trading managers claim that their first responsibility is to make a profit and that Co-operative Values only then arise in governing the way it is spent. The fact that, hidden within 'Social Goals' - this feel-good but insubstantial invention, are such things as 'Member Benefit', 'Ethical Corporate Culture', 'Campaigning for the Consumer', and 'Democratic Participation', simply illustrates my point.³⁰ These are the defining characteristics of a co-operative. There can be no co-operative business - let alone one which has 'Commercial Success' - without them, yet - be it deliberately or not - they have been marginalised.

The obvious solution would be to use a triangle instead of a circle; it is a truism worth stating that when one side of a triangle is removed it ceases to be. This alternative would have been unambiguous and, had 'Social Goals' been renamed 'meeting members' needs and aspirations', then all the better.

However, the Report's greatest weakness, ironically, is its failure to elucidate any clear explanation of the nature of the 'Co-operative Advantage'. The section entitled 'The Distinctive Character of Co-operatives' includes warm words about 'distinctive organisation ... [with] ... social goals' but goes on to state that 'in the markets in which co-operative businesses operate there is a need to keep pace with private sector provision'.³¹ Sadly, this reflects a repeat of the 1958 Commission's misconception about the nature of the problem and leads to a long discussion about meeting commercial performance bench-marks rather than developing a distinctive market position, as a co-operative, that other competitors cannot beat. Businesses do need to be viable, but the necessity of demonstrating the tangible benefits of their structure has not been made explicit.

Realising the potential

If the 'great tide' of co-operative history is already moving in the

'right' direction in terms of delivering the tools the movement needs to begin to realise its potential as an economic, social and political force in society, is there any need to be concerned about these flaws in the Commission's work? I believe that there is.

There is enormous potential for co-operative solutions to offer goods and services not provided satisfactorily by either public or private sectors; social care, housing, family business succession etc. However, it will only be realised if the movement's capacity to do so is greatly increased. This will require a clear focus on its fundamental purpose - to meet the real needs of real people, its members, and to engage them as active participants rather than passive customers or employees. It can only be delivered if there is a step-change in societies' ability to recruit and retain the very best staff and management and if all forms of co-operative are prepared to work together, actively, to make it happen.

Co-operatives are essentially local organisations that can take an holistic view of their members' shared needs and aspirations. However large they are in legal or organisational terms, if they are to succeed, they need to be rooted in and involved in building up local communities and their ability to take collective action. One of the advantages of co-operative structures in this respect is that they ensure that locally generated profits are retained in the local economy. However, this is also true of many other locally based businesses. If there is to be a vibrant local 'business ecology' delivering employment and accountability to the community, co-operatives need to establish collaborative relationships with these businesses. One example of this might be Plymouth and South West Society's member benefit package that offers members discounts from other local companies, or the deliberate incorporation of units to let to other small businesses in co-operative store developments. Similarly, in order to foster a wider culture of social responsibility and participation, societies need to investigate the possibility of trading partnerships with other organisations that share their commitment to social accountability. For example, links have already been established with businesses such as Traidcraft for the sourcing of fair trade wine.

In practical terms, how might this vision be realised? As a first step, there is a need to make sure that examples of best practice, not just in terms of new ventures or membership issues but also in basic trading issues such as employee training or store formats, are identified (both in Britain, and by developing links between British co-operatives and those in other countries) and the conclusions made available to all. For example, why is that there are no centrally collected statistics available to societies allowing them to compare the performance of their particular store formats with those of the

best? What are relative merits of the various approaches to member benefits pursued by different consumer societies? Perhaps the Co-operative Union should also take on a role that calls societies to account for anomalies identified by ordinary customers such as the fact that Banana farmers can be brought 10,000km to promote Fair Trade fortnight but members are not given the opportunity to meet local produce growers; or, that the Co-operative Bank are happy to locate full service branches within premises housing Co-operative Group department stores while not doing likewise in similar stores owned by independent Societies; or, that co-operative bags for life appear to be only available in a few Co-operative Group stores rather than through all societies?

If the adoption of 'best practice' is to work, as well as ensuring that information is collected and shared, there needs to be some forum through which co-operators can meet one another and exchange ideas. These already exist in the form of the Regional Co-operative Councils (RCCs) and they have the added benefit of being able to facilitate active collaboration on a local level. One of the most exciting innovations has been the plans drawn up by some RCCs for the strategic development of the co-operative sector in their area in the future and these should be replicated in every region in future. Their role could be extended to short-listing and approving local grants from the Co-operative Foundation thereby giving societies an incentive to participate in their RCC.

In terms of key performance indicators (KPIs), there needs to be some bottom-line type method to assess how much 'value' societies have added to their members by meeting their needs in a way that the public and private sectors would not do. To this end, local members and RCCs should have some input into developing their own indicators and assessing whether they have been met. At all times there is a need to guard against the risk that the use of KPIs creates the impression that things which can't be quantified are not important and indicators need to change from time to time to avoid inadvertently imposing perverse incentives on the movement's activities as a whole.

The value of learning, pursued as an end in itself which does not seek to lead the participants towards a pre-determined set of conclusions, was key to the movement's early growth and vitality. New ways need to be found to offer this sort of learning to today's generation of staff and members. One existing model is that of the autonomous local members' groups already operating in some places. Another might be to offer employees opportunities for education and self-development in a wide range of subjects and skills rather than just those relating to their particular tasks.

While the Commission identifies the need to attract external management³² It seems reasonable for the recruitment, development and retention of our own specifically co-operative talent ought to take precedence. To this end, there are two opportunities that need to be grasped. First, there is a need to recruit some of the many ethically committed young people entering the labour market who do not currently consider co-operative employment. Societies need to work with a range of other organisations (certainly other forms of co-operative but also possibly the voluntary sector) on 'ethical recruitment fairs' aimed at both graduates and school leavers. This could be followed up with a training scheme that offered a wide range of different experiences of a variety of organisations including co-operative education, membership and development work. It might also be possible to make more imaginative use of the opportunities presented by work-experience placements. Second, the many able young people who are not in continuing education and work as casual part-timers for societies need to be targeted with wider educational opportunities than simply task-based training. If able staff are encouraged to pursue their education and subsequently leave the movement's employ they can still be useful advocates of co-operation, especially if they end up in the position of 'opinion-formers' in the community. There is also a need to examine other retailers' experiments with devolving management to the staff in a given store collectively to see if they might be replicated?

Most important of all is the need for the prioritisation of public education. It is no longer possible to assume any level of co-operative knowledge amongst the population at large. Without this basic understanding, people will not have the opportunity to choose co-operative solutions to meet their individual and collective needs. Therefore the Co-operative Foundation needs to build on existing work done by societies with local schools and other institutions to ensure that this knowledge and set of skills is available to everyone. Ideally this would include practical experience of running facilities such as youth clubs, students' unions, or tuck shops on co-operative lines, backed up by an educational strategy developed by each RCC for their region to avoid the situation where the provision of resources for schools work is very patchy in some regions and non-existent in others. If the movement seriously promotes the use of co-operative methods of learning, and the experience of what co-operative organisations can offer with young people in education today, it will find that the next generation of co-operators are much easier to find and that co-operation will be able to increase its contribution to the economic and social life of the community.

Conclusions

The co-operative movement can be viewed as a complex adaptive system which depends upon the dynamic interaction of its autonomous parts to maintain its capacity to adapt to changing circumstances. The auto-didactic tradition of its founders, the fact that participation itself was an educative experience, and the capacity for organisational learning secured through the act of federation, together provided the feedback mechanism by which this adaptability was secured during its most dynamic period.

By the 1950s it had become trapped in a narrow evolutionary niche of food retailing. Decision-makers lost their ability to critique their own assumptions about what the movement was for. As a consequence, it failed to adapt to meeting the needs of customers in a culture of mass consumerism after 1950 and went into nearly 50 years of decline.

During more recent years, the consumer societies began to recognise the value re-asserting their distinctive identity and the century old divisions with other forms of co-operative are being healed. It also finally recognised the operational imperative to work together, both on a federal basis and in co-operation with other forms of co-operative, and discovered a renewed interest from policy makers and the public alike in its model of participative solutions to meeting people's common needs and aspirations. However, many of the innovative examples of best practice are still not being widely adopted and the question of building the capacity to meet these demands is not being strategically addressed.

The 2001 Co-operative Commission suggested that its mission should be 'to challenge conventional UK enterprise by building a commercially successful family of businesses that offers a clear co-operative advantage'.³³ Whether we are being asked to challenge the perception that there is such a thing as a 'conventional' business, the 'conventional' model of the short-term profit-maximising pie, or the actual behaviour of those businesses is not clear. However, if the Movement is to reach its full potential and meet all three challenges, it will need to prioritise the education of its employees, members and the general public in local communities in a way that goes far beyond what might usually be regarded as 'marketing', 'public relations' or 'training'.

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education centre. The opinions expressed in this article are entirely his own and in no way represent any of the bodies with which he is associated. He would like to thank Len Burch, David Lazell, Mary Lenton and Pam Walker for their help and advice in writing this article.

Notes

1. Quoted from 'Mutuality: owning the Solution, the Report of the Oxfordshire Mutuality Task Force', Co-operative Futures, Oxford, 2001
2. The Co-operative Advantage: Creating a successful family of Co-operative Businesses, The Report of the Co-operative Commission, London, January 2001
3. See The Intellectual Life of the British Working Classes, Jonathan Rose, Yale University Press, New Haven, 2001, pp13
4. Ibid, pp12
5. Quoted from ibid, pp77
6. See The Grocers, Andrew Seth and Geoffrey Randall, Kogan Page, London, (seconded 2001), pp147
7. See The Nature of Selection: Evolutionary Theory in Philosophical Focus, Elliot Sober, University of Chicago Press, 1984, quoted in, The Biology of Business, John Henry Clippinger III (ed), Jossey-Bass Publishers, San Francisco, 1999, pp?
8. Ibid, pp8
9. From 'Member Relations and Education - Reflections', Len Burch, Journal for Co-operative Studies, No 74, April 1992, pp29-32
10. Rose notes for example that 'most [societies] spent nothing at all on education, Rose (2001), op cit, pp79
11. Ibid, pp77
12. For example, Alan Burton Notes in 'The People's Cinema: The Films of the Co-operative Movement', National Film Theatre, London, 1994, the unrealised fears of private cinema owners that the Co-ops were planning to launch their own chain of cinemas, a possibility so far removed from food retailing that there does not seem to be any evidence that it was seriously considered by those in positions of authority.
13. From the ICA Statement on the Co-operative Identity, 1995
14. Up by 50 per cent from 8 to 12 million between 1939 and 1958 according to Co-op: the people's business, Johnston Birchall, Manchester University Press, Manchester, 1994, pp146 and 143
15. See Seth and Randall, (2001), pp146-147
16. Quoted in 'Seven Levers for guiding the evolving enterprise', Philip Anderson, in Clippinger (ed), (1999), op cit, pp120
17. See 'Rochdale: A Re-evaluation of Co-operative History', Peter Davis, in Towards the Co-operative Commonwealth: Essays in the History of Co-operation, Bill Lancaster and Paddy Maguire (eds), The Co-operative College and History Workshop Trust, Manchester, 1996, pp109-125

18. Co-operative Independent Commission Report, Co-operative Union Limited, Manchester, 1958
19. For example, they concluded that the Movement's relative strength in non-food in small towns with very little multiple competition and weakness in large towns where competition was strong meant that it should invest heavily in those larger centres rather than to a search for other areas where this sort of opportunity (to provide Co-operatively what the public and private sectors did not) lay before duplicating the existing facilities of the capitalist competition.
20. Co-operative Independent Commission (1958), pp19
21. Quoted from 'A Solid Foundation for our Movement to build from', Lord Graham, Co-operative News, 9/2/02, p12
22. See table on page 22 of the 2001 Co-operative Commission Report (op cit). Source: TNS Till Roll Trade Services
23. The poor image of the movement was one claimed reason for this but, in reality a really good shopping experience in a shop marked Co-op would be no less pleasurable for that and it would help challenge this negative perception. An experience of whatever kind in a shop that was clearly hiding its true identity gives the impression that being the Co-op was something to be ashamed of.
24. See 'Lincoln Co-operative Society Case Study', Mike Aiken, in 'Membership Strategy for Co-operative Advantage', Roger Spear, Journal of Co-operative Studies, Vol 33, No 2, August 2000
25. Seth and Randall (2001), op cit, pp145&147
26. See discussion in his 'A Survey of 16 British Consumer Co-operative Societies', Peter Davis, Journal of Co-operative Studies, Vol 33, No 2, August 2000, pp124-179
27. Co-operative Independent Commission (1958), pp23
28. David Lazell recalls that, on his retirement in 1977, Marshall is said to have noted his 'failure to get the movement to take consumer education seriously' as one of his two main regrets.
29. Clippinger (ed), (1999), p7
30. See table based on presentation by L E K to the Commission in Co-operative Commission (2001), p20
31. Ibid, p13
32. Co-operative Commission (2001), p6, recommendation 39
33. Ibid, p85