



**Society for Co-operative Studies  
Bulletin 1969**

**Linking theory &  
practice**

## UKSCS Archives Reprint Series

*Society for Co-operative Studies 1969 Annual*

Reprinted from original manuscripts 2023.

Society for Co-operative Studies *Bulletin* 6 (March 1969)

Society for Co-operative Studies *Bulletin* 7 (June 1969)

Society for Co-operative Studies *Bulletin* 8 (September 1969)

This series of reprints gives new life to the scanned articles from the *Journal* archives. UKSCS is republishing whole *Journals* from the first issue of the *Bulletin* in 1967 to the final *Bulletin* in 1985, before its renaming to the *Journal of Co-operative Studies*. This is part of the project to make *Journal* issues accessible both in re-issue print versions (available to order) as well as part of *Journal* archive collection on the UKSCS website:

<https://www.ukscs.coop/pages/journal-of-co-operative-studies>

**UKSCS**  
**March, 2023**

For print copies of *Journals* - contact [info@ukscs.coop](mailto:info@ukscs.coop) for details on cost per issue/ p&p etc.

Original print issues of the *Bulletins* and *Journals* are archived in the Periodical collection of the National Co-operative Archive, Co-operative Heritage Trust, Holyoake House, Hanover Street, Manchester M60 0AS.

Email: <https://www.co-operativeheritage.coop/search-the-archive>

Web: <https://archiveshub.jisc.ac.uk/data/gb1499-apc>

---

UK Society for Co-operative Studies (UKSCS)

Holyoake House, Hanover Street, Manchester M60 0AS, UK

UKSCS is a charitable incorporated organisation. Charity number 117529

---

# UK Society for Co-operative Studies Reprint Series 2 (1)

Journal of Co-operative Studies, March 2023

Originally published as Society for Co-operative Studies Bulletin, 6 (February), 7 (June), and 8 (October) 1969.

## Contents

### Bulletin 6 – February 1969

Editorial Note R.L. Marshall	1
Annual General Meeting	2
Reports from the regions	3
Current co-operative studies and research	6
Reports on the study projects	8
Annual report by the national officers	9
Developing ... The research still needed R. L. Marshall	14
Democracy and competition in consumer co-operatives E. P. Pritchard	16
International notes W. P. Watkins	19

### Bulletin 7 – June 1969

Editorial Note R.L. Marshall	21
Report from the regions	22
International note W.P. Watkins	24
Currents co-operative studies and research	25
Report on the AGM, including: Reports on research: Hopwood and Birch; Whitfield Lines of action 1969-70: Plans by national officers	27

University teaching of co-operation W.P. Watkins	37
Size and commercial efficiency Gibson	39
<b>Bulletin 8 – October 1969</b>	
Society news and notes	41
Reports from the regions	43
Current co-operative studies and research	45
Recent publications on the co-operative movement: A select bibliography D. Flanagan	47
Co-operative capital: A report arising from the discussions undertaken by the Western region working party J.G. James	50
International notes W.P. Watkins	53

## Editorial Note

### **The *Society for Co-operative Studies Bulletin*, 6, February, 1969**

This, the sixth issue of the *Bulletin*, is published prior to the second Annual General Meeting and Conference of the Society which takes place in Manchester on 11th and 12th April. The Annual Report, which will be presented at that meeting, is included in this *Bulletin*.

Once a national framework and some basic services of the Society had been established, the essential task was to explore lines of effective action, particularly in the regions. One line was that of the Study Projects and this issue contains a first report on these. Clearly, however, the exploration needs to be carried much further and, we hope, will be at the A.G.M.

**R.L. Marshall**

Editor (1967-1995).

## Notice of Annual General Meeting and conference 1969

The A.G.M. and conference of the Society is to be held at St. Anselm Hall, University of Manchester, Victoria Park, Manchester 14, on 11th and 12th April. The conditions for the A.G.M. and for amendments of the constitution are given in the constitution printed in *Bulletin* No.1.

The charge will be £2 10s. 0d.

### Programme

#### FRIDAY, 11TH APRIL

- 4.00 Afternoon Tea.
- 4.30-5.45 Annual General Meeting.  
The Annual Report is included in this *Bulletin*.
- 6.00 Dinner.
- 7.15-9.00 First Report .on Research: Retail Investments in Co-operative Societies:  
Mr. D. Hopwood and Mr. D. Birch, Manchester College of Commerce.

#### SATURDAY, 12TH APRIL

- 9.30-10.30 Second Report on Research: Democratic Participation in a Co-operative Society:  
Mr. J. Whitfield, Keele University.
- 11.15-12.15 Second Report (continued).
- 1.00 Lunch: Conclusion of Conference.

### Reservation of Places

At the time of printing, a few places are still available and members wishing to attend are asked to get in touch at once with the Secretary/Treasurer.

## Reports from the Regions

Reports from the regions of activity since the last issue of the Bulletin are given below:

### **Metropolitan and South**

*Joint Convenors:*

MR, PETER SHEA, B.Sc.,  
Senior Lecturer in Educational Psychology, Hockerill College of Education.

MR. JOHN WALKER,  
Assistant General Manager, Luton Industrial Co-operative Society.

The quarterly meeting held in October was addressed by Mr. M. H. Lloyd-Davies, Vice-Chairman and Partners' Counsellor of the John Lewis Partnership. The general structure of the John Lewis Partnership was fully examined, with particular reference to means of communication and the accountability of management. Comparisons were made with the Co-operative Movement in respect of democratic control and trading efficiency.

Discussion papers prepared by members so far have included "District Committees in a Regional Society" by D. Hutton, "Co-operative Democracy" by P. Derrick, "The Regional Plan and Democracy in the main Co-operatives" by B. Le Bargy and "The Regional Plan and Political Activity" by T. E. Graham.

### **Midland**

*Joint Convenors:*

MR. C. S. NUTTALL, B.A.,  
Staff Tutor in Economics, Department of Extra-Mural Studies, University of Birmingham.

MR, LLOYD A. HARRISON, C.S.D.,  
Managing Secretary, Nottingham Co-operative Society.

The branch met in Leicester on 28th September when a paper on "Democracy and Competition in Consumer Co-operatives" was presented by Mr. E. P. Pritchard. This stimulated lively discussion. It was agreed that copies of discussion papers would be forwarded to societies in the region.

A further meeting was held in Nottingham on 18th January, when the branch was addressed by Mr. M. Gibson of the University of Leicester on "In competition for market share - what difference is there between Cooperative and capitalist undertakings?"

## **North**

### *Joint Convenors:*

DR, J, STEVENSON, PH.D., IUR.D., B.A.(HONS.),  
Principal, Monkwearmouth College of Further Education.

MR. W. MARTIN REED, C.S.D.,  
Secretary and Chief Executive Officer, Newcastle Co-operative Society.

Difficulties have been experienced with recruitment of new members but every attempt has been made to encourage interest. It is hoped to organise a meeting of the Northern branch shortly.

A questionnaire on "Junior Recruitment", compiled by Dr. J. Stevenson- Joint Convenor, Northern Branch of the Society for Co-operative Studies, and Principal of Monkwearmouth Technical College and Mr. J. Lister, a lecturer at the College, has been distributed to all Societies in the Northern Section.

## **Yorkshire and Humberside**

### *Joint Convenors:*

MR. T, E. STEPHENSON, B.A, (DUNELM), Department of Management Studies, University of Leeds.

MR. S. P. CLARKE, C.S.D., ., Secretary and Chief Executive Officer, Bradford Co-operative Society.

It was intended to hold a meeting in September with a speaker from the Industrial Reorganisation Corporation on "Problems of Mergers". In the event this meeting was not held as the I.R.C. were unable to make a study of the Regional Plan in the time available. A meeting will be held early in 1969 when the speaker will be Mr, T. E. Stephenson on "Democracy in Regional Societies".

## **North-West**

### *Joint Convenors:*

MR, J. F. H. ROPER, M.A.,  
Faculty of Economic and Social Studies, University of Manchester.

MR. F, BRUCKSHAW, Editor, *Co-operative News*.

The May and September meetings of the Society were devoted to an examination of the paper by Dr. Alex Wilson on "The National Structure of the Movement. The November meeting, held at Manchester University, was addressed by Mr. Desmond Flanagan, Librarian of the Co-operative Union, on "Co-operative Journalism and Communications'. Mr. Flanagan's paper included examples of Co-operative journalism from many overseas countries.



## **Scotland**

*Joint Convenors:*

DR. T. F. CARBERY, M.Sc.(Econ.), D.P.A.,  
Senior Lecturer, Department of Commerce, University of Strathclyde.

MR, G. R. GAY, J.P.,  
President, St. Cuthbert's Co-operative Association.

The Wine and Cheese "Conversazione" held during September proved a most enjoyable and successful venture. The company, consisting of I.C.A. delegates, University lecturers, tutors from Technical Colleges, S.C.W.S. representatives, and Co-operators from both lay and professional service totalled 120. One result was an increase in membership.

The members held a Sunday Coffee Morning in November at which Mr. Laurie Pavitt, M.P., opened a discussion on "The Co-operative Movement and Taxation."

A general discussion by members on "The Future of Co-operative Democracy" was held in November in the Strathclyde University Staff Club. Arising from this it was agreed to hold a further meeting at which selected members would present their views on some aspect of Co-operative Democracy.

## **South-West**

Contacts with universities are proceeding and it is hoped shortly to appoint two acting joint conveners.

## **West**

*Joint Convenors:*

MR. M. E. MORGAN,  
Group General Manager, Swansea C.R.S.

MR. C. P. JONES,  
Managing Secretary, Tredegar Industrial and Provident Co-operative Society.

The Working Party is still engaged on the question of Capital in the Western region and a document on Investment Trends has been drafted for presentation to the next meeting in January 1969. It is then proposed to prepare a final paper covering the discussions to date for presentation to a full meeting of the branch later in the year.

## **Current Co-operative Studies and Research**

Information on the current contribution by Universities and Colleges to co-operative studies and research has been given in previous *Bulletins*. The following notes now give a comprehensive list for the session.

### **COURSES COMPLETED OR IN PROGRESS DURING SESSION 1968/69**

#### **Midland**

Leicester University in association with Co-operative Union Section: a course in management accounting and marketing for senior management.

Nottingham University Extra-Mural Department in association with Co-operative Union Section: a course on aspects of management and the economy of the East Midlands.

Derby College of Technology in association with Derby and adjacent societies: a six week half-day release course on skills analysis.

Derby College of Technology in association with Derby and adjacent societies: a ten week half day release course on management accounting and budgetary control.

#### **North**

Durham University in association with Co-operative Union Section: under discussion, a course on the evaluation of capital, budgetary control and costing; also under discussion, a seminar on "Modern Retailing and the Marketing of Consumer Goods".

#### **Yorkshire and Humberside**

Hull College of Technology in association with Co-operative Union Section: a management development programme for Hull Society.

Leeds University in association with Co-operative Union Section: a course on "Business Policy and Problems of Mergers" for chief executive officers.

Sheffield University in association with Co-operative Union Section: under discussion, a course on "Investment Knowledge and Appraisal" for senior management.

Richmond Technical College, Sheffield, in association with Co-operative Union Section: a course for departmental managers.

#### **North-West**

Manchester University in association with Co-operative Union Section: a course on "Management in Retail Distribution" for chief officials and senior departmental managers.

Manchester University in association with Co-operative Union Section: a course on "Structural Change in Retailing: The Problems of the Co-operative Movement" for directors of retail societies.

## **Scotland**

University of Glasgow Extra-Mural Department in association with Co-operative Union Section: an eight-week course for board members.

University of Glasgow Extra-Mural Department in association with Co-operative Union Section: under discussion, courses for board members in the North-East, Falkirk and Ayrshire.

St. Andrews University Extra-Mural Department in association with Fife District Council: under discussion, courses for board members.

## **South**

College for the Distributive Trades in association with Co-operative Union Section: a course for senior managers.

## **South-West**

Bath University of Technology in association with Co-operative Union Section: a long-term course for departmental managers.

Plymouth College of Technology in association with Plymouth Society: a course for departmental and branch managers.

## **RESEARCH IN PROGRESS**

### **Yorkshire and Humberside**

Leeds University: Level of Decision-making in the Board Room. Mr. T. E. Stephenson.

Leeds University: Role of the Chief Executive Officer. Mr. T. E. Stephenson.

### **North-West**

Manchester University: Business Ratios in Co-operative Societies. Mr. J. Roper.

Manchester University: The Co-operative Movement in Sweden. Dr. A. Wilson.

Keele University: Democratic Participation in a Co-operative Society. Mr. J. Whitfield.

Manchester College of Commerce: Retail Investments in Co-operative Societies. Mr. D. Hopwood.

Manchester College of Commerce: The Degree of Member Participation in West European Co-operative Movements. Mr. D. Smythe.

## **Scotland**

Heriot-Watt University: Labour Relations in the Consumer Co-operative Movement. Mrs. J. Paterson.

Strathclyde University: Co-operative Accountancy. Mr. L. Oakes.

## Report on Study Projects

At the 1968 Annual General Meeting it was agreed that the Society should concentrate its efforts during 1968-69 on one or two specific lines of development. Two topics were selected for study and discussion in the regions: these were "The Future of Co-operative Democracy", particularly in regional societies, and "The National Structure of the Movement", particularly the relations between the trading and non-trading federations. Dr. Alexander Wilson and Mr. W. P. Watkins were invited to prepare notes to provide a framework for discussion and these were published in *Bulletin No. 5*.

The following summary gives a brief conspectus of engagement with the study projects so far.

The *Midland* branch have examined a number of aspects of Co-operative democracy and have discussed a paper on "Democracy and Competition in Consumer Co-operatives". Members have also discussed the fundamental principles of the Movement and the importance of democratic control within those principles.

In the *Northern* region Mr. J. W. Charlton, C.S.D.,A.I.A.C, Deputy Executive Officer of the Newcastle Co-operative Society introduced a discussion on "The Future of Co-operative Democracy". In addition, a questionnaire under the same title was distributed to every society in the region.

Eight societies, representing one third of the total membership in the region, completed and returned the questionnaire. There is some doubt if the sample is sufficiently representative. Further investigations are proceeding and the results of the research will be published at a later date.

In the *Yorkshire and Humberside* region a group of senior managers, guided by the Society, is making a study of aspects of structure and democracy in a regional society. A report is expected early in 1969.

In the *North-West* a series of discussion meetings have been held in order to examine the paper prepared by Dr. Alexander Wilson. Discussions have ranged over the structure of the Movement at both local and national levels and the paper has aroused considerable interest in the region.

Members in *Scotland* have discussed "The Future of Co-operative Democracy" and further meetings on this topic will be held.

In the *South* the Society has been gathering information from selected societies concerning attitudes to regionalisation and methods of approaching this. It is hoped to undertake certain research projects on the basis of this information. Members have also prepared discussion papers on various aspects of democracy in regional societies.

## Society for Co-operative Studies ANNUAL REPORT FOR 1968/69

1. During the year the five Presidents of the Society have remained in office. Mr. T. E. Stephenson has occupied the chair and Dr. T. F. Carbery has joined Mr. W. E. Lawn as Vice-Chairman. Following the suggestion of the 1968 Annual General Meeting the National Officers invited the Past-Chairman, Dr. Wilson, to attend the meetings in 1968/69: and they would also like to record their pleasure in the participation of Mr. R. Southern, General Secretary of the Co-operative Union, at meetings where Lord Jacques, Chairman of the Union, and one of the Presidents, has not been able to be present.

The Officers have had three meetings in the year and the following is their report for presentation to the Annual General Meeting on 11th/12th April, 1969.

### 2. Membership

At 31st January 1969 the membership of the Society (with the 1968 figure given in brackets) was:

<i>Region</i>	<i>Individuals</i>		<i>Organisations</i>		<i>Total</i>
	<i>"Co-operative"</i>	<i>Other</i>	<i>"Co-operative"</i>	<i>Other</i>	
METROPOLITAN AND SOUTHERN	12 (12)	5 (10)	5 (5)	1 (1)	23 (28)
MIDLAND	10(8)	4(4)	3(6)	1(2)	18(20)
NORTH	5(9)	2(3)	3(4)	--(2)	10(18)
YORKSHIRE AND HUMBERSIDE	4(4)	--(2)	9(9)	2(2)	15(17)
NORTH-WEST	10(11)	7(7)	4(10)	--(1)	21(29)
SCOTTISH	19(3)	6(2)	2(2)	1(2)	28(9)
SOUTH-WEST	1(1)	--(--)	2(2)	--(--)	3(3)
WEST	4(2)	--(1)	1(3)	1(1)	6(7)
Totals	65(50)	24(29)	29(41)	6(11)	124(131)

The 1968/69 figures include the following new members:

<i>Individuals</i>		<i>Organisations</i>	
<i>"Co-operative"</i>	<i>Other</i>	<i>"Co-operative"</i>	<i>Other</i>
9	6	2	--

We appreciate still, of course, that the division into "Co-operative" and "Other" is not using exclusive categories and is not very exact: but it is still a useful indication of the general distribution of the Society's membership.

### 3. The "Bulletin"

There have been three issues of the *Bulletin* in the year and they have followed the general objective set for the publication: to give information and views on the engagement in various

forms between universities and colleges on the one hand and the Co-operative Movement on the other. The Bulletin has been well received and the officers appreciate particularly the services which Miss J. M. Abbott, B.A., gave to it as Co-Editor with the Secretary and the Treasurer. By the same token they were sorry when she gave up this post on her resignation from the Education Department of the Co-operative Union in June 1968, and they have accepted with appreciation the offer of Mr. J. R. Hammond, Dip.P.E.S.S. to take the appointment.

#### **4. Guide Lines for Action**

Following the Annual General Meeting 1968 the National Officers considered what guide lines they should mark out as suggestions for regional action. In brief they dealt with two reference points, study projects and research:

##### *(a) Study Projects*

After reviewing various topics that might be promoted in the Regions, they agreed:

- that two areas of study and discussion should be suggested: the Future of Co-operative Democracy-particularly in regional societies; and the "National Structure of the Movement"; particularly the relations between the trading and the non-trading federations. It was not, of course, envisaged that these topics should be "compulsory" for all Regions or that they should represent the only activity in any Region.
- that Dr. Wilson and Mr. Watkins would prepare notes respectively on these topics which would seek to provide a framework for discussion. It was appreciated that Regional groups might well adopt their own framework and, even if they adopted the suggested pattern initially, they
- might well pass later to other lines of enquiry.
- that Regional groups be invited to send in reports of their discussion and views by the end of January 1969 so that these could be considered as a basis for a compilation to be published in the Bulletin.

The notes by Dr. Wilson and Mr. Watkins were published in *Bulletin No. 5* and members have expressed appreciation of them. There has been some organised and sustained discussion but this "guide-line for action" has not, so far, been as productive as the officers hoped.

##### *(b) Research*

As the 1968 A.G.M. acknowledged, systematic research depends upon the commitment to it of qualified individuals and this in turn depends on resources adequate to support such individuals and their work. Sources of money for such research as set out in the report of the A.G.M. were reviewed by the officers and ways in which the Society might generally assist were discussed:

- by disseminating information of research which was already being undertaken and developing a sense of common interest among the participants. The *Bulletin* and the Regional meetings should be of help in this.

- by providing opportunities for research workers to report to Regional and national meetings. It is hoped to have two such reports at the 1969 A.G.M.
- by helping in gathering information for such research from the members of the Society whose sympathy could be counted on. For example, Mr. M. Gibson, University of Leicester, has been assisted by the Co-operative Union in the framing and distribution of a questionnaire to Chief Officials of Co-operative societies.
- by the members of the Society helping when they could in support of Co-operative research from the sources available.

More specifically, the national officers considered a short paper from the Secretary/Treasurer outlining a scheme envisaged by the Education Department and College for a Co-operative national research fund, and approved the general aim and scope:

- that there be established a national fund for Co-operative research at the disposition of the Co-operative Union's Education Executive who would act in consultation with the Society.
- that the scheme would involve definitions of the areas of research which should have priority, determination of the institutions, including the Co-operative College and universities which could best carry out the work, and settlement of the forms and duration of the research that would be most useful.
- that to build up the fund, contributions should be sought from as wide a range as possible, including Sections and individual Co-operative societies and organisations and not forgetting the possibility of resort to non-Co-operative organisations whose purposes and funds might be related to the projects that were undertaken. The 50th anniversary of the Co-operative College in 1969 could also be exploited in a fundraising campaign.

The Officers agreed that in any appeal for contributions it would be important to give specific examples of the areas of research that might be undertaken and listed some items which could be commended.

The general scheme is now being pursued by the Co-operative Union.

## **5.Regional Developments**

The situation at the end of January 1969 as reported from each region is:

### *Metropolitan and Southern*

The Southern branch of the Society is seeking to arrange meetings on a quarterly basis.

One meeting was devoted to a contribution delivered by a senior representative of the John Lewis Partnership, who drew comparisons between his organisation and co-operative enterprise. Four papers have been prepared by members and will be discussed in detail in January 1969. These contributions are largely concerned with the future of Co-operative democracy and in particular the problems of regionalisation. A document was presented by the Secretary of the Co-operative Party reviewing his organisation in the light of present attitudes towards both the Party and Regionalisation.

### *Midland*

Meetings of the Society have been held in May, September and January. The topics under review have included "Co-operators and Democracy", "Democracy and Competition in Consumer Co-operatives", and "The difference between Co-operative and capitalist undertakings". Discussion on these topics is to be continued at future meetings and further discussion papers are to be prepared.

### *North*

The branch has distributed two questionnaires to Co-operative societies in the Northern region--one on "The Future of Co-operative Democracy" and one on junior recruitment. The replies are being evaluated and will be the subject of a later report. The next meeting of the branch will be concerned with Career Prospects within Northern Co-operative societies.

### *Yorkshire and Humberside*

Early in 1969 Mr. T. E. Stephenson will present the report of the study group on "Democracy in a Regional Society". Associations with other organisations in the region continue and contacts with Universities and Colleges have been usefully developed.

### *North-West*

Three meetings have been held during the year. The study paper prepared by Dr. Alexander Wilson on "The Future of Co-operative Democracy" was the subject matter of the May and September meetings. The November meeting saw Mr. D. Flanagan of the Co-operative Union present a paper on "Co-operative Journalism and Communications", emphasising that effective communications were a necessary feature of any virile democratic process.

### *Scottish*

The year commenced with a wine and cheese conversazione which was a most enjoyable occasion and facilitated a useful exchange between members and other interested parties. Other meetings have included discussions on "The Co-operative Movement and Taxation" and "The Future of Co-operative Democracy". These have stimulated considerable interest and will be followed by further discussion meetings.

### *South-West*

Explorations have proceeded during the year regarding the appointment of the acting joint convenors and contacts with Universities and colleges have been usefully maintained.

### *West*

The Western branch of the Society has been operating during the year under a Working Party of nine members. The main consideration of the Working Party has been the problem of Co-operative capital in the region. The group intends to present its findings to societies during 1969.



## 6. Relations with Other Organisations

Informal but helpful relations have been maintained with the British Section of the International Centre for Research and Information on Public/Co-operative Economy (P.A.C.E.): and through the good offices of Mr. Watkins an exchange of publications and information has been carried forward with the Director of the Institut des Études Co-operatives. In addition there have been useful contacts with Professor R. Henzler who has been particularly concerned with the organisation of the International Congress on Co-operative Science at three yearly intervals.

## 7. Finance

The Cash and Bank Account for the year ending 31st December 1968 is as follows:

RECEIPTS	1967		1968		PAYMENTS	1967		1968	
	£.	s.	£.	s.		£.	s.	£.	s.
Cash in hand b/f	-		£2-	0-0	Printing Society <i>Bulletin</i>	£56-	5-11	£289-	2-10
Cash at bank b/f	-		£512-	17-6	Stationery & postage	£11-	18-0	£125-	0-0
Subscriptions	£630-	12-0	£505-	0-0	Typewriting	£38-	17-4	£6-	10-0
Fees – AGM/ conference	-		£71-	14-0	Telephone	£1-	3-8	£1-	4-1
Gifts	£20-	0-0	-		Advertising	-		£5-	5-0
Sales – Society <i>Bulletin</i>	-		£3-	10-6	AGM	-		£84-	0-6
Bank interest	2s-	3d	£2-	0-0	Refunds – AGM	-		£2-	8-0
					Other meetings	£22-	15-0	£70-	5-0
					Visits	£4-	12-6	-	
					Fees refunded	-		£2-	4-0
					Cheque books	4s-	2d	16s-	8d
					Bank commission	-		10s-	7d
					Cash in hand b/f	£2-	0-0	£10-	0-0
					Cash at bank b/f	£512-	17-6	£499-	15-4
<b>Totals</b>	<b>£650-</b>	<b>14-3</b>	<b>£1097-</b>	<b>2-0</b>		<b>£650-</b>	<b>14-3</b>	<b>£1097-</b>	<b>2-0</b>

This first adoption of the calendar year as the accounting period does not lend itself to useful comparisons with the period reported at the last A.G.M. - i.e., from the formation of the Society to 31st March 1968. The position in 1968-9 is, however, regarded by the officers as quite satisfactory.

## 8. Conclusion

If 1967/68 was a year of inauguration and of the establishment of a national framework, year 1968/69 should have been one of consolidating that framework and above all of developing within it positive action, particularly in the regions. There has been limited progress of that kind but the officers hope for further constructive discussion at the A.G.M., particularly on: (a) purpose and tasks of the Society; (b) service to research; (c) expansion of the *Bulletin*; and (d) the link between regional organisation and national officers.

## "Developing... The Research Still Needed"

R. L. MARSHALL, O.B.E., M.A.

*(Mr. R. L. Marshall, Secretary and Treasurer of the Society for Co-operative Studies, is Chief Education Officer of the Co-operative Union)*

The title is taken from the "Purpose" of the Society as defined in its constitution and, of course, the development of research has been discussed in national and regional meetings and in the *Bulletin*. One prospect of development which the Education Department and College is plotting with the support of the Society is worth reporting - though the "plot" is still to be planned in detail and set in motion.

### 1. DIMENSION AND SCOPE

The intention of the research would be to identify and measure as far as we can some of the changes and challenges that will face the Co-operative Movement in 5 or 10 years and draw up guide lines that would help to shape our response to these conditions. This is not, of course, to overlook or minimise the necessary pre-occupation with immediate problems. Research, however, in this sense cannot come to the aid of managers for these immediate tasks-but it can offer help to those faced with the responsibility of decision in 5 or 10 years time.

The national officers of the Society listed some projects that could well fall within such a definition:

- Business finance and particularly problems of capital and of investment appraisal.
- Taxation and its relation to Co-operative societies.
- Price policies and, in particular, the question of price cuts - the different techniques and their consequences.
- National reorganisation and structure; the aims and strategy.
- Goods assortments and their relation to consumer demands.
- Analysis of the successful Swedish Co-operative organisation such as the Domus stores and, in particular, the contribution of management training to that success.
- Regionalisation within a national Movement.

### 2. RESOURCES FOR THE RESEARCH

Clearly we can get this research undertaken only if we have the resources to support competent practitioners - and this is not a specially favourable time in which to be mounting an appeal for money. However, the national officers of the Society expressed approval and support for the proposal of the Education Department and College to raise a national fund. And we have a very useful beginning. The Scottish Co-operative Wholesale Society in acknowledgment of its centenary has given an assurance of £2,000 on the understanding that there should be a wider national appeal and if this national appeal is not successful the Wholesale Society, reasonably enough, will be free to reconsider this allocation.

We are, therefore, planning the national campaign-and where helpful will link this with the 50th anniversary of the College in 1969. This may be of considerable service in releasing the generosity of ex-students whether from their own resources or from their professional responsibilities in Co-operative service. And we are not overlooking the inauguration and funds of the Distributive Industry Training Board. The intention is to bring together a small representative committee which over the next month or two will plan the campaign as effectively as possible.

### **3. ALLOCATION OF RESOURCES**

This term may suggest too strongly a centralised dictation of the work but it is intended to indicate only some general planning. Various important questions will arise quickly. Should we envisage a small unit of Co-operative research in a university or more limited projects taken up by different universities – or both? Which projects should be given priority within the long list that could readily be drawn up? And so on: there are many questions to be settled. The urgent thing is to get a start made on a scale and area of research likely to show useful results and encourage confidence in the productivity of this kind of investment.

## Democracy and Competition in Consumer Co-operatives

E. P. PRITCHARD, B.A., F.L.A.

(*Mr. E. P. Pritchard is the Staff Tutor in Government in the Department of Extra-Mural Studies of the University of Birmingham*)

The principle of democratic control is an essential part of the Co-operative Movement. However efficient a Society may be, if its members have no control over the way in which it is run, it is not in the full sense a Co-operative Society. As a statement of what is desirable, this would probably be generally accepted, but is it also a statement of what is practicable under present conditions? The Movement is fighting hard to hold its own against powerful and highly organised competitors, with centralised and streamlined systems of management. A democratic structure, with members' meetings and representative bodies, however desirable it may be, can mean that the process of policy making takes longer and is less clear-cut. It is not surprising, under these circumstances, that the need to meet competition is sometimes regarded as an overriding objective to be pursued by the most efficient methods of management, even at the cost of some temporary lessening in democratic control. Those who argue along these lines would say that ability to compete is essential to the continued existence of the Movement and that until this is assured everything, even a principle as important as democratic control, must take second place.

Put like that, the argument may sound convincing, but it contains misunderstandings about democracy and about competition, and the view which will be put forward in this paper is that, so far from democracy being a hindrance to effective competition, it should become the basis of the Movement's competitive strategy.

### THE NATURE OF DEMOCRACY

The first misunderstanding is about the nature of democracy. This is not just a matter of members' meetings, and certainly does not imply that these meetings, however ill-attended or unrepresentative they may be, should make all the decisions. A Society is democratically run when, for whatever reason, the views of members are regularly and continuously taken into account in the formation of policy. It is important that members should be able to vote from time to time on major policy issues, and that they should, if necessary, be able to replace directors who have not succeeded in meeting their wishes, but these are the ultimate sanctions, and by their very nature cannot be made continuous. In deciding how far a Society is democratically run, the important question is not how many members attend meetings or vote, but how far directors and officials, at every stage in the formation and carrying out of policy, start from the point of view of the consumer.

Are Societies democratic in this sense? Most directors and officials would unhesitatingly say yes, and would probably be offended at any suggestion that it might be otherwise, but the question is not whether they try to start from the point of view of the consumer (it is taken for granted that they do this) but whether they *succeed*, which is far more difficult than it sounds, and is a question to be answered by looking at the facts.

## SOCIETIES AND THE CONSUMER

Here are some of the essential facts to be taken into account: First, consumers themselves do not seem to regard the Movement in this way. There are certain well-known difficulties which confront the customer today, whatever type of shop he [sic] uses - difficulty for example in comparing the prices per pound of packaged goods, or in obtaining clothes in non-standard sizes, or in comparing the quality of goods all of which are advertised in glowing superlatives. When such difficulties are mentioned, no one seems to say: "Go to a Co-operative Society - it starts from the needs of the consumer, and will offer you the sort of help and service you are looking for."

Secondly, there is objective evidence that Societies as a whole are not more successful than other traders in giving consumers what they want. All recent surveys seem to agree that goods sold in most co-operative stores are about average in price and quality, and that the service given is on the whole neither particularly good nor particularly bad. Some Societies are markedly successful in satisfying consumers' needs, but none of the surveys has suggested that this is a characteristic of the Movement as a whole.

Thirdly, little seems to be known at present about the wishes of consumers. Customers, in deciding where to shop, may do so on grounds of price, quality, range of goods, service, or proximity, but how many Societies would be in a position to say which combination of these factors would be preferred by the majority of consumers in each of the various parts of their areas? Societies, as a result of the democratic traditions of the Movement, and their records of members' purchases, are in a much better position than private traders to find the answer to this question, but surprisingly little use seems to have been made of this opportunity.

There is, of course, another side to the story. Co-operative managers of long experience have a wide and deep knowledge of consumer demand, and members have easy access to them if they want to complain or to offer suggestions; moreover, directors and officials are themselves consumers, and use their own stores. But much the same is true of most independents, and the question at issue is not whether managers are responsive to consumer demand, but whether one can say: "Yes, this really is a democratic movement, with the wishes and needs of the consumer built into the whole system in a way not found anywhere else."

## THE NATURE OF COMPETITION

To all this the answer may be made that, even if it is accepted that Societies are not completely successful in starting from the viewpoint of the consumer, they cannot move any further in this direction while they are in the midst of a fierce competitive struggle. This, however, brings out the second misunderstanding in the argument stated at the beginning of the paper, the misunderstanding about the nature of competition. To argue that democracy hinders efficient management is to imply that objectives are known and that all that is necessary is to carry them out. But deciding on the objectives is of crucial importance to successful competition. It is of little use to carry out with single-minded thoroughness a policy of reducing prices if a substantial number of customers rank quality or service before cheapness. It is of little use to

introduce economies through centralisation if customers attach more importance to qualities inherent in decentralisation. The first and essential step towards successful competition is to find out exactly what members and potential members want-in other words, to be as democratic as possible.

It is, in any case, of little use to compete with the multiples simply by copying their methods. They are doing very efficiently a particular kind of job, and there is no reason to assume that co-operative societies could do it much better. A more effective form of competition is to offer something different-something that consumers want, and that is distinctive. Dividend is distinctive, but no longer sufficient as a means of competition. Equally distinctive, and far more likely to succeed, would be to carry out, and be very evidently seen to carry out, the basic principle of a consumer's movement that everything starts from the wishes of the consumer.

Manufacturers, rather than retailers, decide today what shall be supplied to consumers. Each of them tends to aim at the largest possible market for his product, and the result is mass production, with its associated qualities of uniformity and standardisation. From the supermarket to the private trader shops, whatever their type, tend to offer a range of products very similar in their basic character, and differentiated largely by packaging or styling or advertising. Under these circumstances the customer naturally tends to buy a standard product at a shop offering it at the lowest price, but this does not mean that he does not welcome a wider range of choice, more information, and a feeling that he counts as something more than an anonymous unit in a consumer research project.

## CONCLUSION

To sum up: the argument underlying this paper is that successful competition is not likely to be based on attempting to do things which are already being done well by other people, but is more likely to be based on offering something distinctive, and that the Movement should base its competitive strategy on its greatest strength, which is the democratic principle of starting from the point of view of the member. The question to ask would then be: how can Societies carry out this principle so consistently and thoroughly that they become identified with it in the public mind?

## International Notes

W. P. WATKINS, J.P., B.A.,

*(Mr. W. P. Watkins, a President of the Society for Co-operative Studies, is a former Director of the International Co-operative Alliance)*

### A PIONEER IN CO-OPERATIVE EDUCATION

The death last August of Harald Elldin, founder and for almost forty years Rector of Vår Gård, the training school of the Swedish Consumers' Co-operative Movement, cannot pass unremarked in the S.C.S. *Bulletin* or any journal devoted to Co-operative education. Elldin was a great pioneer in the field of education and he was so fortunate as to live long enough to see his ideas appreciated, applied and adapted far beyond the frontiers of Sweden. These ideas concerned not so much the content, as the methods and organisation of the training of Co-operative employees and officials, and for this reason it is worth while recalling what they were.

The establishment of the school at Vår Gård in 1924 enabled Elldin to break away from traditional academic methods. He started from two considerations, first that the great majority of his students were shop assistants, a considerable minority were shop managers, and a still smaller but very important minority were managers of societies or their departments; second, that the object of their training was to attain the highest standards of performance. This meant that the studies had a strong practical bias and that the methods employed were designed to strengthen a student's self-reliance on the one hand, and to develop his capacity for collaboration on the other.

Lectures almost entirely disappeared from the time table. "Only persons of a critical and creative nature are capable of extricating themselves from a lecturer's clutches", wrote Elldin in 1950, "We have tried to avoid lectures, in order to make students think for themselves, and to substitute lessons with as many questions as possible by and to the teacher in the course of his presentation of the subject."

If the students were stimulated to think *for* themselves they were not permitted to think by themselves. A course of 25 to 30 students would be divided into 3 or 4 groups, the members of which would jointly investigate selected problems. Reports presented by individuals chosen to make investigations or collect information would be checked by their group as well as their tutors. In this way they were helped to acquire the art of accurate statement as well as to receive criticism and amendments with tolerance and good temper. Knowledge about Co-operation was ineffective, unless the students learnt to co-operate.

In Elldin's view the school could not hope to provide a complete education. Its work rested on basic training acquired by the students, while still candidates for admission to its courses, through correspondence, local study and discussion groups and business experience in their daily work. In fact, at all stages, the students were responsible for the continuation of their studies in the intervals between attendance at Vår Gård courses which were designedly short, lasting from x or 2 to 5 weeks. It was for them to reach the standards required for admission at each successive level.

Beyond raising the general standard of performance, Elldin was continually on the look-out for prospective leaders. Those students who had passed three standard courses, besides showing practical ability and capacity for leadership might be accepted as "assistants" who, for a period of two years helped with teaching and group guidance, besides pursuing advanced studies in management and administration. Elldin thus provided a steady stream of young talent, well-prepared to shoulder responsibility as the older generation of administrators retired from active work.

Owing to the Movement's rapid development in recent years, the stream needed to be augmented by recruitment from universities and technical institutes. This became a problem for Elldin's successors rather than for him. That they have been able to cope with it is due to his readiness always to learn from experience. In his own words, "We have been more or less compelled by our experience to develop our special methods of training and on the express understanding that conditions may necessitate a reorganisation of our educational work."

Before the second world war Elldin was powerfully influencing, through the example of Vår Gård, the educational practice of the Co-operative Movements of Scandinavia. After the war, this influence extended more widely through the biennial conference of principals of Co-operative Schools which he initiated and which have long become- an established institution.

#### A HANDBOOK OF BUSINESS TRAINING

The Confederation (Bund) of Consumers' Co-operatives, which became in June 1967 the supreme authority and co-ordinating body of the Consumers' Co-operative Movement in Western Germany, has produced a remarkable handbook of business training for the guidance of its affiliated societies. With characteristic German thoroughness, the book covers the training needs of every grade of shop employee from apprentice to store manager. For each grade it gives a syllabus representing the minimum which the employee can be expected to know, together with hints and suggestions on organisation and methods.

In regional societies much of the training will necessarily be in local training shops, and the rest given in special centres. The whole of the training is to be organised and supervised by a training department which is integrated with a society's personnel administration. It is assumed that every employee will participate in training appropriate to his or her grade and forms are provided by which the trainee can keep track of his or her progress in fulfilling the requirements of the Scheme. For every trainee a technical training passbook will be issued, containing a complete record of the courses taken by its possessor, including the courses attended at the training schools of the Confederation.

The handbook consists of loose leaves, grouped in sections with 1 appropriate index-tabs and held together by split .rings between a pair of stout covers. Revised syllabuses and schemes of organisation can thus be easily substituted for old ones and the handbook kept constantly up to date. The general adoption by the regional societies of a training system based on the handbook will enable the Confederation's own college at Sasel, near Hamburg, to specialise in advanced studies and research, becoming, as its new title signifies, a seminar for management personnel.



## Editorial Note

### **The *Society for Co-operative Studies Bulletin*, 7, June, 1969**

The Society for Co-operative Studies has held its second Annual General Meeting and Conference: an enjoyable and successful event amid the comfortable surroundings of St. Anselm Hall at the University of Manchester.

This issue of the *Bulletin* reports this meeting and outlines the proposed lines of development for activity to be undertaken by the Society, particularly in the regions, which the National Officers envisaged in their review of the A.G.M. **These include a scheme for research grants, for which details are given on page 18.**

### **Subscriptions for 1969-70**

**Subscriptions to the Society for 1969-70 are now due.** A letter from the Secretary and Treasurer accompanies this *Bulletin*. We hope you will respond speedily and willingly to his request.

We are also making a wide approach to many other organisations to invite them into membership: if that distribution also comes to you, please forgive the overlap.

### **R.L. Marshall**

Editor (1967-1995).

## Reports from the Regions

It is only a short while since the issue of our last *Bulletin* and there is not so much new activity to report. Nevertheless some meetings have taken place and others are planned for the coming months as set out below:

### Metropolitan and South

*Joint Convenors:*

MR. W. J. PHILPOTT, B.Sc.(Econ)., M.B.I.M., Head of the Department of Management and Merchandising, College for the Distributive Trades.

MR. JOHN WALKER,  
Assistant General Manager, Luton Industrial Co-operative Society.

Meetings were held in January and March when the review of discussion papers submitted by members continued. Special attention was given to papers on Co-operative democracy, the District Committee structure in the London society, the Co-operative Party, and the implications of the Regional Plan in Kent.

### Midland

*Joint Convenors:*

MR. C. S. NUTTALL, B.A.,  
Staff Tutor in Economics, Department of Extra-Mural Studies, University of Birmingham.

MR. LLOYD A. HARRISON, C.S.D.,  
Chief Executive Officer, Greater Nottingham Co-operative Society Ltd.

Walsall Society Education Department was host to the April meeting of the Society. The controversial subject of increasing membership was discussed and it was decided to examine the possibility of promoting later in the year a one day school to which would be invited senior officials, Boards of Directors, Education Committee members and others. The theme of the meeting to be Co-operative democracy.

As the numbers in attendance were low an open forum was held under the heading "Democracy in Regional Societies". This was based on the guide lines for discussion posed by the Education Executive Working Party on this subject.

### Yorkshire and Humberside

*Joint Convenors:*

MR. T. E. STEPHENSON, B.A, (DUNELM), Department of Management Studies, University of Leeds.

MR. S. P. CLARKE, C.S.D., Secretary and Chief Executive Officer, Bradford Co-operative Society.

A meeting is to be held in June when Mr. T. E. Stephenson will present a paper on "Democracy and Regional Societies". In the meantime contacts with Universities and Colleges are being usefully developed.

### **North-West**

*Joint Convenors:*

MR. J. F. ROPER, M.A.,  
Faculty of Economic and Social Studies, University of Manchester.

MR. F. BRUCKSHAW,  
Editor, *Co-operative News*.

The January meeting of the Society was addressed by Mr. S. Stott, Chief Executive Officer of the Liverpool Co-operative Society, who took as his theme "Co-operative Capital". A lively discussion followed Mr. Stott's contribution.

At the March meeting Messrs. D. G. Hopwood and D. Birch of Manchester College of Commerce presented some aspects of their research on "Capital Expenditure Decisions in Retail Co-operatives". Although the attendance was smaller than at previous meetings the evening proved both informative and interesting.

### **Scotland**

*Joint Convenors:*

DR. T. F. CARBERY, M.Sc.(Econ.), D.P.A., Senior Lecturer, Department of Commerce, University of Strathclyde.

MR. G. R. GAY, J.P.,  
President, St. Cuthbert's Co-operative Association.

Two meetings have been held since the last report. The first was addressed by Mr. Bernard Rhodes who spoke on "The Future of the Co-operative Movement". The second meeting was devoted to an examination of "Democracy in the Co-operative Movement". Discussion papers were submitted by Messrs. J. Black, R. Bluer and G. Gay.

### **West**

For personal reasons both convenors have felt obliged to resign and in these circumstances no meetings have taken place since the previous *Bulletin*. Steps are being taken to appoint fresh convenors and a meeting of the Society is being planned for June.

## International Note

*The Sixth International Co-operative Scientific Congress* will be held this year from the 22nd/25th September in Giessen, a university town a short train ride from Frankfurt/Main in Western Germany. The host organisation is the Institute for Rural Co-operation of the Justus-Liebig University and the congress arrangements are being made under the supervision of Professor Dr. Carl Meimberg, Director of the Institute.

The general theme of the congress will be "Co-operatives in Economic Growth" for which three basic papers, dealing with the changing functions of Co-operative Movements in industrialised market economies, socialist economies and the newly-developing regions respectively, will be submitted for discussion in working parties and in plenary sittings. The formal meetings will be supplemented by visits to Co-operative undertakings in the region.

It may be worth recalling that the first of these international gatherings of university teachers, having a scientific interest in economic and social aspects of Co-operation, with leading Co-operative officials from various countries, seeking help in the solution of their practical problems, was held at Munster in Westphalia in 1954. The Co-operative Union was then represented by John A. Hough, its Research Officer. The second was held at Erlangen in Bavaria in 1957 and was attended by Arnold Bonner. In the course of time the organisation of the congresses has been perfected and an excellent interpretation service in three languages is provided. A full report of the proceedings is subsequently published in different language versions by the German Co-operative review *Zeitschrift für das gesamte Genossenschaftswesen*.

**W.P.W.**

## Current Co-operative Studies and Research

### COURSES IN PROSPECT FOR SESSION 1969/70

Discussions are proceeding on further courses for the forthcoming session.

#### *Midland*

Birmingham University in association with Co-operative Union Section: under discussion, a twelve meeting course for society directors on economics and democratic control.

Leicester University in association with Co-operative Union Section: under discussion, a course on communication and human relations for senior management.

Nottingham University Extra-Mural Department in association with Cooperative Union Section: a course on aspects of management and the economy of the East Midlands. Further courses are being considered.

#### *Yorkshire and Humberside*

Leeds University in association with Co-operative Union Section: a three year course on "Business Policy and Problems of Mergers" for chief executive officers.

Hull College of Commerce in association with Co-operative Union Section: a one-year course for supervisory staff.

Richmond College of Further Education, Sheffield, in association with Co-operative Union Section: a twelve-week day-release course for departmental managers.

Richmond College of Further Education, Sheffield, in association with Co-operative Union Section: a two-week course for branch managers.

Sheffield University in association with Co-operative Union Section: under discussion, a course on "Investment Knowledge and Appraisal" for senior management.

Hull College of Technology, in association with Co-operative Union Section: under discussion, a management development programme for Hull Society.

#### *Scotland*

University of Glasgow Extra-Mural Department in association with Co-operative Union Section: courses for board members at Falkirk, Glasgow and Kilmarnock.

Under discussion: courses for board members at Angus, Fife, Edinburgh and the Borders.

## RESEARCH IN PROGRESS

### *Yorkshire and Humberside*

Leeds University:

Level of Decision-making in the Board Room. Mr. T. E. Stephenson.

Role of the Chief Executive Officer, Mr. T. E. Stephenson.

### *North-West*

Manchester University:

Business Ratios in Co-operative Societies. Mr. J. Roper.

The Co-operative Movement in Sweden. Dr. A. Wilson.

Keele University:

Democratic Participation in a Co-operative Society. Mr. J. Whitfield.

Manchester College of Commerce:

Capital Expenditure Decisions in Retail Co-operatives. Mr. D. Hopwood.

The Degree of Member Participation in West European Co-operative Movements. Mr. D. Smythe.

### *Scotland*

Heriot-Watt University:

Labour Relations in the Consumer Co-operative Movement. Mrs. J. Paterson.

Strathclyde University: Co-operative Accountancy. Mr. L. Oakes.

Society for Co-operative Studies  
**REPORT OF THE ANNUAL GENERAL MEETING**  
11TH-12TH APRIL, 1969  
AT ST. ANSELM HALL, THE UNIVERSITY OF MANCHESTER

**1.Attendance of Members**

The following were present: where the participant represented an organisation in membership of the Society, this is given after his [sic] name:

MR. J. ATKINSON	MR. R. T. LOWE
MR. A. BEAUMONT (Chesterfield Society)	MR, R. L. MARSHALL (Co-operative Union)
DR. T. F. CARBERY (University of Strathclyde)	MRS. B. F. MEEKING (London Society)
MRS. E. CHRISTMAS (Birmingham Society)	MR, K. A. NOBLE (Co-operative Wholesale Society)
MR. S, P. CLARKE (Bradford & District Society)	MR. A. RHODES (Co-operative Union: North-East Section)
MR. D. FLANAGAN	MR. J. ROPER
MR. S. GARNET	MR. B. ROSE
MR. M. A. J. GIBSON	MR. P. ROSENFELD ( U.S.D.A.W.)
MR. J. R. HAMMOND	MR. D. SMYTH
MR. J. H. HARRISON	MR. T. E. STEPHENSON (University of Leeds)
MR. P. HARTY (Newcastle Society)	MR. E.W. TAYLOR (Harrogate Society)
MISS D. JUKES (U.S.D.A.W.)	MR. J. TROTTER (National Co-operative Managers' Association)
MR, H. KEMP (Co-operative Party)	MR, J. R. WALKER
MR. M. KIRKMAN	MRS. N. E. WILLIS
MR. W. E. LAWN	DR. A. WILSON
MISS M. LARGE (Birmingham Society)	MISS N. R. WYLIE (Luton Society)

Mr. D. G. Hopwood and Mr. D. W. Birch, both of the Manchester College of Commerce, and Mr. J. Whitfield of the University of Keele, also attended at the invitation of the Society.

## **2. Introduction by the chairman**

Mr. Stephenson briefly reviewed the background against which we were holding the second AGM. This was an opportunity to review the basic purposes and tasks of the Society, to look critically at the achievement so far and to draw guidelines for future development. He felt that a firm foundation for the Society's work had now been established and cited from the report of the National Officers four aspects which merited special concentration during the coming year: membership, finance, the Bulletin, and regional activity. In each of these fields there was scope for consolidation and expansion.

## **3. Apologies**

Apologies for absence were presented on behalf of Mr. W. P. Watkins, a President of the Society, Mr. H. G. Clode, Development Officer of the Co-operative Union, Mr. F. Bruckshaw, Editor of *Co-operative Management and Marketing*, Mr. R. A. B. Leaper of the University of Swansea, Mr. P. F. Gane, Personnel Officer of Swindon Co-operative Society, Mr. S. Oliver, Training Officer of Brightside & Carbrook Co-operative Society, Mr. L. A. Harrison, Managing Secretary of Greater Nottingham Co-operative Society, and Mr. and Mrs. W. F. Higgins. Written greetings and good wishes had been received from each of these members.

## **4. Report of the National Officers for 1968-69**

This has been printed in *Bulletin No. 6* of the Society and was now reviewed by the AGM.

### a) MEMBERSHIP

It was agreed that the present position represented a fairly good achievement although it was noted that there had been a slight reduction in overall membership during the year: and that further reinforcements from the "academic" area would give a better balance.

### b) THE BULLETIN

The intention to publish in the *Bulletin* an annual bibliography of books and articles of more than passing significance for Co-operation was noted with interest. The assistance of Mr. D. Flanagan, Librarian of the Co-operative Union, was particularly appreciated in this connection.

### c) STUDY PROJECTS

Dr. A. Wilson and Mr. W. P. Watkins had prepared the discussion material which had been published in *Bulletin No. 5*. The original intention was that, arising from this material, reports would be forthcoming from each region which would form the basis for a substantial compilation and positive recommendations. However, this hope had not yet been realised : whilst there had been some regional discussions, these had been sporadic and only brief reports had been submitted so far.

Reference was made to the Co-operative Union's Working Party on Democracy in Regional Societies and the initiative by the Scottish Co-operative Wholesale Society in setting up a special working party to investigate member relations in Scotland.



d) RESEARCH

Mr. R. L. Marshall outlined the proposal to establish a national research fund under the direction of the Education Executive of the Co-operative Union. This would be linked to the fiftieth anniversary celebrations of the College, the appeal letter to Co-operative societies and other institutions would be distributed shortly and the Executive had invited the Society's Officers to act as advisers in defining and organising the research.

Beyond this, the question was raised as to whether research papers associated with the Society could be made more widely available-for example, by listing them or publishing them in full in the *Bulletin*? There was general agreement that there would be value in disseminating research papers and news of research work much more widely and that the *Bulletin* could make an important contribution to this.

e) RELATIONS WITH OTHER ORGANISATIONS

The position regarding relations with PACE was noted and it was agreed that liaison between the two organisations should be close and cordial.

Mr. Harrison and Mr. Marshall also reported on the implications of the development of the Distributive Industry Training Board.

f) FINANCE

The cash and bank account for the year ending 31st December, 1968 was reviewed and satisfaction expressed with it. It was noted that the Society had now adopted the calendar year as its accounting period.

The Treasurer drew attention to the fact that the Society depended almost entirely for its income on subscriptions: any substantial loss of membership would, therefore, make a drastic impact upon the Society's financial stability. A question was raised on sales of the *Bulletin* and whether the Society's journal could be sold to libraries and Universities. The Treasurer reported that some effort in this direction had already been made and that these efforts would continue.

## **5.Future Development of the Society**

Some of the points listed by the National Officers for the attention of the AGM had already been covered. Attention was now concentrated on the following:

a) REGIONAL ORGANISATION

It was agreed that closer links should be developed between the National Officers and the regions. Where a region was not represented among the National Officers it was suggested and agreed that such a region should be invited to nominate a representative to serve with the National Officers for one year.

The future position of the Secretaryship in the Northern region was reviewed. It was anticipated that the Co-operative Union would shortly be making a dual appointment

to cover the duties of both Sectional Secretary and Sectional Education Officer and that the new officer would be invited to act as Regional Secretary for the Society.

b) **SERVICE TO RESEARCH**

The National Officers sought authority from the AGM to make small grants for specific research projects: this authority was given and a ceiling of £200 in all set for such expenditure in 1969-70.

**6. Appointment of National Officers for 1969-70**

Thanks were expressed to all the Officers who had served in 1968-69 and, for the following year, the following recommendations were carried:

- a) That all the Presidents should be re-elected.
- b) That Dr. T. F. Carbery, University of Strathclyde, should be Chairman.
- c) That Mr. W. E. Lawn and Mr. J. Roper, University of Manchester, should be Vice-Chairmen.
- d) That Mr. T. E. Stephenson should be invited to attend meetings of the National Officers in 1969-70 so that his experience was still available to the Society.
- e) That Mr. R. L. Marshall should be Secretary and Treasurer.

**7. Reports of Research**

After the AGM, two sessions were devoted to reports of research and summaries of these are given below along with notes of the discussions.

1969 CONFERENCE  
FIRST REPORT ON RESEARCH

**"Capital Investments in Large Retail Co-operative Societies"**

D. G. HOPWOOD, BSC.(Econ)., Dip.Econ.Pol.sc.

D. W. BIRCH, B,Sc,(Econ)., A.C.I.S.

Manchester College of Commerce

**Objectives**

Senior executives of the societies in the sample were asked to rank rate of dividend, sales, and profits in order of priority. Their answers seemed to depend upon their current dividend rate. Societies with a high rate of dividend put the maintenance of dividend as a chief objective, while those with a low dividend rate considered sales to be a main priority. The maximisation of sales was the most popular objective followed by dividends while only one chief official considered the maximisation of profit to be his main goal. A significant minority of senior executives were hazy as to their key objective. A number of the officials ranking sales before dividends thought that their Boards would disagree with this order of priority. The sample's investment behaviour did not entirely match up with the declared priorities of the majority of their chief officials. The maximisation of sales implies an exhaustive and continuous search for investment opportunities which will increase the total revenue. This was not found to be the case. Indeed typical society behaviour in this respect has been well described by Professor Pollard of Sheffield University as "passive reaction to outside stimuli". The greatest stimulus comes from without rather than from within the societies.

**Economic Evaluation**

In their measurement of likely turnover estimates most retail co-operatives aimed to maintain rather than increase their market share. The evaluation of the project was almost based on the expected results in a "normal" year (considered to be once the project was established-about one to three years from its inception).

A number of societies admitted that considerable sums had been spent in the 1950s and early 1960s without any economic evaluation, and even today, not all major schemes are evaluated on paper. For example, where department store redevelopments proceeded in stages with the drapery and fashion departments being modernised one year, and footwear the next year and so on, it was rare for any comprehensive evaluation of the entire scheme to be undertaken.

Forty-six societies used the co-operative variant of the accounting rate of return as their main method of investment appraisal. This method ignores the fact that money has a time value. It also assumes that once a project has been established the earnings stream will be constant over time. In three other societies the accounting rate of return was used. In all the societies, the calculations were pre-tax. Payback and DCF techniques were not utilised at all in the societies in the sample.

An illustration of how a co-operative society could apply a discounting technique to its investment evaluation was given. It was suggested that a co-operative raising part of its funds externally should opt for a cut-off rate of between 8 per cent to 10 per cent before tax, or 5 per cent to 6 per cent approximately after tax. The argument that a co-operative should not use its funds in a way which is less profitable than private enterprise was examined. It was felt that if their objective was to maximise member's service then societies should set out to maximise sales, and an investment which promised to recover its direct costs (including its dividend commitment) and the cost of the funds used to finance it should be undertaken. To follow the practice recommended for private firms would mean that a number of investment opportunities which satisfy these conditions would be rejected by co-operative societies.

### **Risk**

A chief executive's relationship with his Board (freedom from detailed control) usually depends upon a record of successful management in the past. This normally means that he has controlled his society during a period of relative dividend stability coupled with a steady sales growth. Naturally both he and his senior management are interested in maintaining this state of affairs and, therefore, have a vested interest in avoiding 'risky' projects. Failure to achieve this record of successful management has led to a renewed interest in day to day management by the Boards of four societies in the sample.

Whilst no objective evidence was found, the author's conversations with chief officials left the impression that societies have engaged in far more projects involving the conversion of existing projects rather than the development of new sites. The turnover estimates are more reliable and the risk consequently lower. Evidence suggests that the societies in the sample have developed comparatively smaller sized supermarkets than those of their chief competitors in the same areas. This fact again bears out the contention that co-operatives are concerned to avoid projects with a significant degree of risk.

### **4 Capital Expenditure Discussions at Board Level**

The typical society Board in the sample was composed largely of "laymen" whose background is such as to suggest that their financial and technical knowledge is likely to be limited. Whether there is any real discussion on capital expenditure proposals at Board level will depend largely on the attitude of the chief executive officer. There was a wide variation in the sample in the amount and quality of the information made available to the Board from the fullest documentation of the financial and technical variables at issue ( usually in a form which would not be easily understood by a layman) to the merest verbal outline of the proposal. The majority of the chief officials interviewed said that they tried to put over the main factors affecting a proposal as clearly as possible and welcomed the opinions of Board members particularly on "local" conditions. But there were a few executives who thought that this educational role was a waste of time.

By and large an established and successful chief executive will have no difficulty in obtaining his Board's approval particularly for major capital expenditures. There was general agreement that the Boards were more likely to query small rather than large items. This was partly due to

the frequency of Board meetings (weekly Board meetings were common), and the continuance of the much criticised sub-committee system in nearly a third of the sample.

## **DISCUSSION**

Following the presentation of the paper a number of points were raised in discussion:

- a) It was noted that the objectives pursued by societies fell, broadly speaking, into three categories: (i) a high dividend rate; (ii) a high rate of sales increase; and (iii) to maximise member satisfaction. Were there any inherent contradictions among these objectives?
- b) It was urged that "reaction to outside stimuli" was a first condition of survival for societies. The weakness of the Movement lay in the fact that its reaction tended to be too slow: and responded to past or immediate pressures rather than those of the calculable future. The Society could make a significant contribution to Co-operative strategy by identifying long-term trends and looking ahead to conditions in five or ten years' time.
- c) Several alternative methods of evaluating projects were reviewed, viz: (i) accounting rate of return; (ii) payback; and (iii) discounted cash flow. The relative merits of these were discussed.
- d) The problems of control by lay Boards of Directors were examined and relationships between Boards and professional management were reviewed. It was generally agreed that the practice of standing sub-committees of Directors was outmoded and that Boards should concentrate on major policy issues rather than the details of day to day management.

In conclusion, it was felt that Messrs. Hopwood and Birch had presented a most stimulating paper and it was noted that a fuller report on their findings would shortly be published in *Co-operative Management and Marketing*. The general questions were briefly noted: how could research of this kind be stimulated and organised and how could its results be communicated most effectively to the Movement?

1969 CONFERENCE  
SECOND REPORT ON RESEARCH

## **"Some Considerations on Democratic Participation in Retail Co-operative Government"**

J. WHITFIELD, B.A.  
University of Keele

The place of sociological investigation in co-operative studies was briefly indicated. The contribution and interest of the Co-operative Movement to sociology was discussed, with reference to three areas of sociological concern: institutional constraints, the 'embourgeoisement' hypothesis, and ideology.

The nature and function of active participation in the governmental processes of retail co-operative societies was outlined as a preliminary to discussion of some research findings. Empirical work in two Staffordshire retail societies was described, including some problems of research, and in particular the difficulties of operationalising theoretically derived concepts. Findings in the following fields were given: the financial relationship of the member to the retail society, the social relationship in the trading exchange, members' knowledge of their retail society and its relationship to participation, the social composition of membership, the characteristics of actively participating members, the origins of, and attitudes towards membership, and the contribution of auxiliary organisations to the governmental processes of retail societies.

The research findings were discussed in terms of their implications for four principal topics. Desirable areas of further research suggested.

1. The limitations to participation. It was briefly suggested that there were maximum limits to participation by members, resulting from both external and internal constraints to retail society organisation.
2. The function of co-operative ideology as a determinant of participation was discussed. The distinction between co-operative philosophy and the relevant belief structures of members could be described as a consequence of institutional constraints.
3. The change in active co-operative participation as a consequence of large scale changes in the attitudes of social classes and status groups. The continuation of participation longer than might be expected, and the cumulative effect of several factors.
4. Some possible consequences for the philosophy and principles of co-operation, if they were accurately to reflect and guide co-operative actions.

An abstract of the details of the principal research findings was circulated separately.

### **DISCUSSION**

Following the presentation of the paper a number of points were raised in discussion :

- a) It was pointed out that far too little information is available about "active Co-operator". What kind of members composed the active minority and what were the reasons which motivated them to participate? What, in fact, was the contemporary appeal of the Co-operative Movement and had the Movement an ideology relevant to the present day?
- b) It was generally agreed that gradual movement from Co-operative inactivity to activity was characteristic only of a very small minority. What level or proportion of member-participation was desirable? Was one per cent of the total society membership too modest a figure to aim at?
- c) The machinery for local democracy and the environmental pressures operating against member-participation were reviewed. It was asserted that Co-operative democracy should be based upon the local store and that there should be a pool of potential Directors within each Society.

Mr. Whitfield was warmly thanked for his valuable contribution. It was agreed that a vast field was still open for future research and that his paper would stimulate considerable thought within the Society and beyond.

## **Lines of Action: 1969-70**

### **Plans by the National Officers**

At their meeting in May the National Officers reviewed the Report of the A. G .M. and Conference and considered what lines of action should be followed or recommended in the next year. Particular items were:

1. Each Region not represented at present among the National Officers has been invited to nominate a representative to attend meetings for the present year and so strengthen links with the centre. These invitations have gone to the Northern, Midland, South-Western and Western Regions.

2. Service to Research

The A.G.M. approved an expenditure into 1969/70 up to £200 in small grants for specific research projects, and the National Officers agreed that intimation be made in this Bulletin of this provision: that the limit for each grant should be £30; that they are, of course, intended to assist projects which have a Co-operative relevance; and that the kind of expenditure for which they were intended was travel expenses, substantial postage costs, special material, etc.

3. Membership

A concerted effort nationally and Regionally is being made to strengthen the membership by extensive approaches both within the Co-operative Movement and in universities and colleges-among both organisations and individuals. The division of responsibility is that the national approach will be general and comprehensive: but each Region will be asked to select for particular attention a number of organisations and individuals likely to give a good response.

Full details are now being worked out and, of course, will be communicated to the Regions.



## University Teaching of Co-operation

Book Review: *University teaching of co-operation in various countries: A survey and analysis*. By George Davidovic. Published by the Co-operative Union of Canada, Ottawa, 1967. 204 pp.

W. P. WATKINS, J.P., B.A.

(Mr. W. P. Watkins, a President of the Society for Co-operative Studies, is a former Director of the International Co-operative Alliance)

The study of university teaching of Co-operation which Mr. George Davidovic completed virtually singlehanded, during his years as Director of Research of the Co-operative Union of Canada, is probably the first of its kind and, so far as this reviewer knows, unique. Even though the author feels obliged to point out in his foreword that the book embraces neither all countries nor all the universities in the countries included, the book is remarkably informative and thought-provoking. It reveals universities organising teaching at many different levels and engaging in various kinds of research, according to their differing national economic and social backgrounds and the specific types of Co-operative Association promoted in the communities these universities serve.

Mr. Davidovic has grouped his countries by continents, beginning with the Americas. In North America he deals with universities in Canada and the U.S.A., in Central America with the University of Puerto Rico and in South America with the National University of La Plata, Argentina. Each of these last two Universities has set up a special Institute for Co-operative Studies. Over 20 universities and institutions of university rank are listed for Canada and nearly twice as many for the U. S.A. In both countries, with a few well-known exceptions, such as the St. Francis Xavier University of Antigonish and the University of Wisconsin, the Co-operative Schools of which are of international importance and treat Co-operation broadly because of its significance for the newly-developing countries, university teaching of Co-operation is closely bound up with the role of Co-operation in rural economies, more especially the marketing of agricultural products.

### CO-OPERATIVE STUDIES

In some, Co-operative studies are still restricted to agricultural marketing, although Mr. Davidovic notes a tendency towards adopting a more comprehensive approach to Co-operation. Here and there the initiative to induce the universities to provide courses in Co-operation came from the Co-operative Organisations themselves, but in a chapter devoted to the general characteristics of the teaching of Co-operation at American (U.S.A.) Universities Mr. Davidovic points out that numerous universities, which are state-administered and aided by grants of public land under Federal legislation dating from 1862, are bound to carry on teaching and research in agriculture and are therefore likely to introduce Co-operation into their curriculum, particularly since the world depression of the 1930s and the encouragement given by President Roosevelt's New Deal. The courses are useful mainly to students who may find employment as officials of Co-operative Organisations or in government departments for

promoting progress in farming and rural welfare. In Canada Co-operative Organisations draw upon the extension (extra-mural) departments of universities for help with their member education. Generally speaking Co-operative theory and practice are taught in independent courses, optional to students. The number of specialised institutes of Co-operative studies is relatively quite small. Research depends on individual initiative rather than organisation.

In Europe Mr. Davidovic mentions 13 countries and it may be said at once that the information about Great Britain already made available to members of S.C.S. through the *Bulletin* is more comprehensive than he was able to give. Most impressive, of course, are the Institutes of Co-operative Studies or Research of certain German universities which have established effective working relations with the Apex Co-operative unions, national in scope, heading the four main branches of the German Co-operative Movement, and those Institutes, such as the Austrian and the Finnish, which have been powerfully influenced by German example. Belgium has two notable examples: at Liege where the holder of the Chair of Economics, Professor Paul Lambert, is responsible for the direction of Co-operative studies, besides being an active Co-operator on the national and international levels; and at Louvain, where the ancient Catholic University attracts many students from the newly-developing countries with a strong practical interest in Co-operative doctrine and practice. In France university teaching of Co-operation has a long history with a tradition of brilliant lecturing and writing associated with the names of Charles Gide, Bernard Lavergne and Georges Lasserre. At the present time, however, the most systematic work is done at the Collège Coopératif in Paris which forms part of the École Pratique des Hautes Études (Practical School of Advanced Studies) of the Sorbonne. The College attracts students from all over the French-speaking world and is the foster-parent of schools of Co-operation in several African countries.

The Asian countries listed are India, Pakistan, South Korea, Lebanon, Israel, Iran, Taiwan and Turkey. The first two, because of their great populations and the relatively early development of their Co-operative Organisations, possess a much wider network of university teaching in Co-operation than the rest. In both of them, it is so far not so much the Co-operative Organisations themselves which draw their staffs from the universities, as the fully-manned Co-operative Departments in the Federal States which offer careers to civil servants with Co-operative knowledge and training. Mr. Davidovic notes considerable differences in standards of attainment in different States and an all-over lack of university teachers who have made specialised studies in Co-operation. This, like all the other Co-operative problems of the Indian sub-continent, is a matter which because of its vastness, almost eludes comprehension.

Mr. Davidovic, if he has not been able to collect all the up-to-date information, has conducted a wide enough survey to embrace all the important considerations and the directions in which university teaching and research should develop in step with the need of all growing Co-operative organisations for personnel with a scientific, rather than a traditional or rule-of-thumb training. However, the preparation of a complete directory on a world-scale of universities and equivalent institutions specialising in Co-operative studies is really a job for the International Co-operative Scientific Forum, if that were only financed and staffed to carry it out. International collaboration for advanced studies and research is no less a necessity of our time than international collaboration for technical assistance, trade and finance.

## Size and Commercial Efficiency

MICHAEL GIBSON, B.A.

Assistant Lecturer, Department of Economics, University of Leicester

The motive for a study of the effects of size, or in the economists' language "economies of scale", on co-operative retailing was provided by "A Co-operative Official" who, writing in the *Co-operative News* of 31st August 1968, pointed out that "in 1966, 70 societies of the size recommended (by the Regional Plan) already had 55.61 per cent of the membership" and "one would have thought that these societies would already have benefited from the advantages which are indicated as likely to come from regionalised functioning." In other words, regional societies are already with us, and it seemed sensible to try and make some comparisons between the performance of these and the smaller societies in order to measure, in a quantifiable form, the economic benefits of increased size. Much of the argument on the merits and demerits of regionalisation has been impressionistic, since there is no clear indication of *how much* better a regional society is likely to perform, and *how much* of this is due to its size alone.

### TECHNIQUES OF STATISTICAL ANALYSIS

There are established techniques of statistical analysis which enable variations in some characteristic of the subjects being studied to be quantitatively related to variations in each of several other characteristics. For example, societies differ in a number of ways, including their rate of return on capital employed, annual sales per full time equivalent employee, food sales as a proportion of total sales, dividend rate, proportion of staff holding certain qualifications, geographical location and, of course, size (measured in various ways). Given a sufficiently large response from societies over a wide range of sizes it may be possible to relate some of these variables to each other. Of course, the fact that two characteristics often occur together does not tell us which is cause and which effect, and we depend for this judgement on our theories of how the system under investigation works. For example, annual sales per full time equivalent retail employee may be affected by:

- a) the proportion of food sales to total sales of the society (since turnover per head is highest in the food trades)
- b) the dividend rate (since a high rate of dividend may be an incentive to sales, provided it is not reflected in uncompetitive prices)
- c) the academic qualifications of management (which should enable a society of any size to be more efficiently run)
- d) geographical location (since one might expect sales per employee to be greater in a prosperous area)
- e) the size of the society (because of the advantages of size mentioned in the Regional Plan, e.g., larger units, more scope for specialised personnel, and greater buying power reflected in keener prices).

In the course of the study some 350 questionnaires have been distributed to retail societies in England and Wales through the good offices of the Co-operative Union, and at the time of writing 77 have been returned. Of these 19 are from societies of 'regional' size (50,000 members and over), and if the Plan is correct in its judgement of the relationship between size and commercial efficiency one would expect to find significant differences in performance between such societies and the rest. To some extent these differences may be explained by factors other than size, and the analysis to be used is capable of making allowances for this and of giving an estimate of the effect of each factor separately.

#### STANDARDS OF EFFICIENCY

One of the most difficult aspects of the study is the choice of general standards of efficiency to be applied to all societies, whatever their circumstances. Valuable work on this topic has been done by D. G. Hopwood and D. W. Birch, Manchester College of Commerce (reported to the 1969 Conference of the Society for Co-operative Studies and in *Co-operative Management and Marketing*), who show that societies differ in their financial objectives and often have no clear objective. It is clear that the rate of dividend on sales, historically an important criterion of efficiency, is inversely related to size of society, and that there are serious shortcomings in using it to judge efficiency. Increasing importance is attached to productivity and to rate of return on capital employed, and objectives of revenue maximisation or of surplus maximisation are finding favour.

While computation on the data gathered has not yet begun, since some additional response is in prospect, preliminary work has shown that the median rate of return earned by the smaller responding societies on their capital employed was 6.9 per cent in 1968, compared with 8.5 per cent by the societies of "regional" dimensions. If both these figures seem low compared with those often quoted when co-operators rebut criticism of low dividend rates it is because some care has been taken to value assets at their true cost or replacement value. In fact these figures are an over-estimate as the asset figures are based on insurance valuation which generally excludes land as indestructible. The more detailed analysis to be undertaken may reveal further differences in efficiency between large and small societies, or it may be that "A Co-operative Official" was correct when he wrote "size seems not to be a major factor".

## Society News and Notes

### The *Society for Co-operative Studies Bulletin*, 8, October 1969

#### A reminder

A letter accompanied the June BULLETIN requesting payment of subscriptions for 1969-70 and we are grateful to all those who have responded. If you have not yet renewed your subscription, you should have, or be getting shortly, a persuasive reminder: please respond!

#### For Co-operative Studies : The Society and the College

The Society and the Co-operative College have always exchanged interest, and congratulations from the first to the second in its Golden Jubilee Year 1969 may be confidently assumed. A brochure issued by the College (price 3/6) traces its history since 1919 (when a President of the Society, Mr. W. P. Watkins, was one of its first ten students) and carries the story forward to the expansion and diversification of the College programme which has been achieved at Stanford Hall. Over that record the tasks to which the College has been addressed have been fairly uniformly maintained: "to help in the education and training of the professional leadership of the Movement; to contribute also to the equipment of its democratic leadership; to assemble a range of experience which fellow Co-operators from other countries will find value in examining and relating to their needs; and to share in research which will illumine not only the past of the Movement but also its future."

These are indeed the final words of the brochure-and the last commitment accommodates an interesting possibility of even closer links between the Society and the College, The Jubilee has (inevitably) been accompanied by an appeal for contributions to a College Endowment Fund. This appeal has gone to Co-operative societies, to Co-operative education committees and also to a wide range of individuals. Included within the purpose of the Endowment Fund is the promotion of research and the acknowledgment that the planning and the institution of that research should be undertaken in consultation with the Society for Co-operative Studies. The general aim of such a project will be to identify and analyse important conditions which will surround the Movement in five or ten years' time and to elicit the guidelines of response which the Movement ought to be making to such change. This, of course, is a necessity for the success of the Movement-and already with many responses to the appeal still to come in the sum of £2,394 in gifts and annual covenants of £763 for seven years has been assured. In particular, substantial further contributions from Co-operative national federations are assured.

#### Grants for Research

The Society's scheme of research grants, intimated in the last *Bulletin*, is getting under way.

A grant has been made of £15 to Mr. D. Smythe for his research into Member Participation in Co-operative Societies in Western Europe, and of £30 to Messrs Hopwood and Birch for their research on Capital Investments in Large Retail Co-operative Societies.

#### International Congress

Mr. W. P. Watkins represented the Society at the 6th International Congress of Co-operative Science at Giessen, and will be making a full report later.

**Research into Member Participation**

The Midland Co-operative Educational Centre Trust has offered £700 to the Co-operative College to promote a project in association with Loughborough University of Technology which has led to the appointment of a post-graduate research worker into member participation in a selected Co-operative society.

## Reports from the Regions

### Metropolitan and South

*Joint Convenors:*

MR. W. J. PHILPOTT, B.Sc.(Econ)., M.B.I.M.,

Head of the Department of Management and Merchandising, College for the Distributive Trades.

MR. JOHN WALKER,

Assistant General Manager, Luton Industrial Co-operative Society.

The branch met in June when further consideration was given to a paper contributed by the Co-operative Party. It was agreed that a further discussion paper would be drawn up concerning some aspects of the Maud Commission Report on local government. Brief discussion was also held on a paper concerning training and education during the next decade.

At its next meeting the branch is proposing to give deeper consideration to the survey on Co-operative democracy sponsored by the Royal Arsenal Co-operative Society.

### Midland

*Joint Convenors:*

MR. C. S. NUTTALL, B.A.,

Staff Tutor in Economics, Department of Extra-Mural Studies, University of Birmingham

MR. LLOYD A. HARRISON, C.S.D.,

Chief Executive Officer, Greater Nottingham Co-operative Society.

The branch met on 21st June when Mr. C. S. Nuttall of the University of Birmingham presented a paper on "The Co-operative Movement in Trade: Members and Consumers".

It was decided to hold a one-day seminar on 22nd October, the speakers to be Mr. L. A. Harrison, Mr. E. P. Pritchard, and Mr. C. S. Nuttall. The themes of the seminar are to be (a) problems of the Co-operative Movement; and (b) ways in which the Society for Co-operative Studies can assist in providing solutions for those problems.

### North

A meeting is to be held during October in order to elect Officers and to discuss the future programme of the branch. It is hoped that resulting from this meeting there will be a renewal of Society activity within the region.

### Yorkshire and Humberside

*Joint Convenors:*

MR, T. E. STEPHENSON, B.A. (DUNELM)

Department of Management Studies, University of Leeds.

MR. S. P. CLARKE, C.S.D., Secretary and Chief Executive Officer, Bradford Co-operative Society.

Dr. T. F. Carbery of the University of Strathclyde addressed the annual meeting of the branch on "The Control of a Co-operative Society". Forty-five members attended and a lively discussion ensued.

A further meeting is planned for the autumn in order to elect Officers for 1969-70, and to plan a programme of activities for the coming year.

### **North-West**

*Joint Convenors:*

MR. J. F. ROPER, M.A.,  
Faculty of Economic and Social Studies, University of Manchester.

MR. F. BRUCKSHA W,  
Editor, *Co-operative News*.

No regional activity has taken place since the last issue of the BULLETIN but a further meeting is planned for the autumn.

### **Scotland**

*Joint Convenors:*

Mr. T. F. CARBERY, M.Sc.(Econ.). D.P.A.,  
Senior Lecturer. Department of Commerce, University of Strathclyde.

MR, G. R. GAY, J.P.,  
President, St. Cuthbert's Co-operative Association.

The branch is planning a propaganda meeting to be held in association with Edinburgh University. This will take the form of a one day conference and it is hoped that a minimum of eighty will be in attendance from the Border, East of Scotland and Fife Districts.

Consideration is also being given to arranging a joint meeting with P.A.C.E. in Glasgow.

### **West**

A further meeting was held on 2nd June 1969 when the appointment of two new Convenors was discussed. It was agreed that approaches be made to two Co-operative Officials in the Section to serve upon the Working Body and that the appointment of Convenors would be made at a more representative gathering. The main item centred upon a further examination of Co-operative Capital with particular reference to Investment Trends. The Secretary presented a document to the meeting and discussion ensued.



## Current Co-operative Studies and Research

### COURSES IN PROSPECT FOR SESSION 1969-70

Discussions continue on further courses for the forthcoming session.

#### *North-West*

University of Manchester in association with Co-operative Union Section:

A course for board members on Co-operative finance and investment appraisal.

A course on "Management in Retail Distribution" for senior officials.

#### *Yorkshire and Humberside*

Leeds University in association with Co-operative Union Section: the first year of a three-year course for chief executive officers has now been completed. The second year will cover "Decision Making Areas", "Regionalisation" and "Merchandising and Marketing".

Hull College of Commerce in association with Co-operative Union Section: a one-year course for supervisory staff has been completed. A follow-on course is in preparation.

Richmond College of Further Education, Sheffield, in association with Co-operative Union Section : under discussion, an advanced course for departmental managers.

#### *Scotland*

University of Glasgow Extra-Mural Department in association with Co-operative Union Section: courses for board members in the Glasgow, North East and Border Districts.

Under discussion: courses for board members in the Falkirk and Ayrshire Districts.

#### *South-West*

Bath University of Technology in association with Co-operative Section: a long-term course for departmental managers.

#### *West*

Swansea University Extra Mural Department in association with the W.E.A. and Co-operative Union Section: a twelve-week day-release course for Senior Management commencing January 1970.

### RESEARCH IN PROGRESS

#### *Yorkshire and Humberside*

Leeds University:

Level of Decision-making in the Board Room. Mr. T. E. Stephenson.

Role of the Chief Executive Officer, Mr. T. E. Stephenson.

*North-West*

Manchester University:

Business Ratios in Co-operative Societies. Mr. J. Roper.

The Co-operative Movement in Sweden. Dr. A. Wilson.

Keele University:

Democratic Participation in a Co-operative Society. Mr. J. Whitfield.

Manchester College of Commerce:

Capital Expenditure Decisions in Retail Co-operatives. Mr. D. Hopwood.

The Degree of Member Participation in West European Co-operative Movements. Mr. D. Smythe.

*Scotland*

Heriot-Watt University: Labour Relations in the Consumer Co-operative Movement. Mrs. J. Paterson.

Strathclyde University: Co-operative Accountancy. Mr. L. Oakes.

## Recent publications on the co-operative Movement

### A SELECT BIBLIOGRAPHY

#### D. FLANAGAN

*(Mr. Flanagan is the Librarian of the Co-operative Union Limited. He has indicated his willingness to give any help and advice he can in obtaining copies of this material to members of the Society who may have difficulty in doing so. His address is the Library, Co-operative Union Limited, Holyoake House, Hanover Street, Manchester, M60 0AS)*

- D.W. Birch & D.G. Hopwood      *Capital Expenditure Decisions in Retail Co-operatives.*  
1969 Private Paper ( College of Commerce, Manchester).  
Mimeographed. 57pp. (Price not stated.)
- Thomas F. Carberry      *Consumers in Politics: a History and General Review of the  
Co-operative Party*  
The most detailed study so far published of the Co-operative Party  
and its role in protecting the consumer. 1969 (The University Press,  
Manchester). 276pp. (Price 40s.)
- G.D.H. Cole      *The Life of Robert Owen*  
Reprint of third edition with introduction by  
Margaret Cole. 1965. (Frank Cass, London.) 300pp. (Price 50s.)
- Co-operative Party      *Co-operatives and World Poverty. A Statement Document to 1969  
Co-operative Party Conference.* 1969. (Co-operative Party,  
London.) 2pp. (Price 3d.)
- Co-operative Party      *Taxation and the Consumer. A Statement Document to the 1969  
Co-operative Party Conference.* 1969. (Co-operative Party,  
London.) 4pp. (Price 4d.)
- Co-operative Party      *Co-operators in Parliament. A report on the Parliamentary Co-  
operative Group 1960-1968.* 1969. (Co-operative Party, London.)  
51pp. (Price not stated.)
- Co-operative Party      *National Superannuation and Social Insurance. A Statement for  
discussion on the Government's proposals for Earnings-Related  
Social Security.* 1969. (Co-operative Party, London.) 4pp. (Price  
4d.)
- Co-operative Union      *The Role and Effectiveness of the Co-operative Party*  
Report of a Working Party appointed by the Co-operative Union  
Central Executive to the 1969 Co-operative Congress. 1969. (Co-  
operative Union, Manchester.) 27pp. (Price not stated.)
- Co-operative Union      *Co-operative Statistics Review 1968.*  
1969. National and Sectional figures of Consumer societies mainly.  
To be followed by complete statistics. (Co-operative Union,  
Manchester.) 24pp. (Price 4s.)
- Jack Dunman      *Co-ops: The Future*  
Discusses Co-operative relations with private  
traders. 1969. (Communist Party, London.) 18pp. (Price 1s. 6d.)

- Leon Faucher *Manchester in 1844.*  
Section on early Co-operative societies in Manchester. 1969. (Frank Cass, London.) 152pp. (Price 55s)
- Desmond Flanagan *Robert Owen and the Owenites in Britain and America.*  
A major study of Owen and his Movement. 1969. (Routledge & Kegan Paul, London.) 392 pp. (Price 70s.)
- Erwin Hasselmann *Die Rochdaler Grundsätze im Wandel Der Zeit.*  
(*The Rochdale Principles in Changing Times*).  
1968. In German. (Deutsche Genossenschaftskasse, Frankfurt a. Main. German Federal Republic.) 165pp. Vol. 4. (Price not stated.)
- Franz C. Helm *The Economics of Co-operative Enterprise.*  
1969. (University of London Press and Co-operative College, Tanzania.) 264pp. (Price 16s.)
- Paul Hibberd *The Rochdale Tradition in Co-operative History: Is It Justified?*  
*Annals of Public and Co-operative Economy. Vol. xxxix No. 4 1968.*  
(Liège, Belgium.) 26pp. (Price not stated.)
- International Co-operative Alliance *Agenda and Reports to the 24th Congress of the I.C.A.*  
1969. Includes special reports on Contemporary Cooperative Democracy by A. P. Klimov, USSR; R. Kerinec, FRANCE, and N. Thedin,  
SWEDEN and statement of I.C.A. Secretariat. Reports of the I.C.A. auxiliaries are also included with the International Co-operative Banking Company and the International Cooperative Petroleum Association. I.C.A., London. 177pp. (Price 20s.)
- Lord Jacques (Editor) *Manual on Co-operative Management.*  
Collects together a series of papers prepared by Lord Jacques and others on topical problems of management, 1969. (Co-operative Union, Manchester.) 184pp. (Price 45s.)
- G.S. Kamat *Re-organisation of the British Consumer Movement: A Guide Line for India.*  
1969. Comparative study of British and Indian Co-operative Movements. (Vakunth Mehta National Institute of Cooperative Management, Poona, India.) 127pp. (Price not stated.)
- J. Lacroix *La Cooperation: Experience du Participation.*  
An examination of the problem of member participation in modern co-operatives. 1969. (National Federation of Co-operatives of Consumption, Paris.) 23pp. In French. (Price not stated.)
- Paul Lambert *The Rochdale Pioneers and Originators. Annals of Public and Co-operative Economy Vol. xxxix No. 4 1968.* (Liege, Belgium.) 3pp. (Price not stated.)  
A commentary on the previous item of Hibberd above.
- William E Lawson *People and Places.*  
A short history of the Scottish c. w .s. 1968. (S.C.W.S. Ltd., Glasgow.) 55pp. (Price not stated.)

- Jean Seguy *Utopie Cooperative et Ecumenisme Peter Cornelisz Plockhoy Van Zurik-Zee 1620-1700.*  
1968. A detailed study of Plockhoy sponsored by the École Pratique des Hautes Études, Sorbonne. In French. Paris-Mouton-La Haye. 244pp. (Price not stated.)
- Harold Silver *Robert Owen on Education.*  
Selections edited with notes. (The University Press, Cambridge.) 237pp.
- R. Southern *Presidential Address to Centenary Congress of the Co-operative Union.*  
1969. Comments on National Society, member communications, etc. (Co-operative Union, Manchester.) 10pp. Price 1s
- Nora Stettner *Co-operation Today.*  
A popular account of the consumer Co-operative Movement mainly in Britain. 1969. (Co-operative Union, Manchester.) 88pp. (Price 7s.)
- Nora Stettner *The Organisation and Management of Cooperative Societies.*  
A manual for co-operative officials prepared by V.D.K. in English. 1969. (Verband Deutscher Konsumgenossenschaften Berlin, German Democratic Republic.) 275pp.
- Ch. Veverka *Cooperation et Competition.*  
Deals with the just price and co-operative trading policy. In French. 1969. (F.N.C.C., Paris.) 14pp. (Price not stated.)
- William Walker *Retail Management Non-Food Trades.*  
Textbook and reference work. 1969. (Co-operative Union, Manchester.) 272 pp. (Price 45s.)
- William Pascoe Watkins *Die Internationale Genossenschaftsbewegung. (The International Co-operative Movement).*  
1969. In German. (Deutsche Genossenschaftskasse, Frankfurt a. Main, German Federal Republic.) 214pp. Vol. 5. (Price not stated.)

## Co-operative Capital

### A REPORT ARISING FROM THE DISCUSSIONS UNDERTAKEN BY THE WESTERN REGION WORKING PARTY

J. G. JAMES, Dip.P.E,S.S.

*(Mr. James is Regional Secretary of the Society in the West)*

The Working Party commenced its deliberations upon the growing problem of Co-operative Capital fully aware that whilst a particularly serious situation was existing in the Western Section the solutions were not only to be found by examining the special social and economic problems of Wales. The discussions did however highlight a number of regional issues having a direct influence upon the decline of Capital holding.

The Working Party commenced its discussions with an examination of a substantial number of Society balance sheets covering a two-year period. This showed that during the period 1963-1968 there had been significant losses in share and loan capital and small savings with a quickening of the process in the latter part of the period.

It was concluded from the evidence submitted by members of the Committee that the reasons for the rapid decline in capital holding in the Western Section could be summarised as follows:

1. Lower dividend rates and thus less to leave undrawn in members' share balance.
2. The fact that investment in a Co-operative society is no longer the main family nest egg.
3. An extension of the openings for capital:
  - (a) Building Societies
  - (b) Range of National Savings including Premium Bonds
  - (c) Unit trustsThese three are general to the movement along with others having a greater relevance to the Western Section.
4. Loss of confidence.
5. Adverse publicity.
6. Temporary measures to restrict withdrawals. This has exaggerated withdrawals in other societies.

In order to ascertain the effectiveness of other competitors in the investment market an examination was undertaken of the major openings for the ordinary investor.

Statistics available for a five year period in respect of the major Government Securities showed that with the possible exception of Development Bonds and Post Office Savings Accounts the State was not being particularly successful in attracting the savings of the small investor despite increases in holding allowances. Premium Bonds were beginning to show some gains since the introduction of more attractive prizes. Nevertheless the net results do show increases

with the exceptions of P.O. National Savings and Defence Bonds. In both these latter cases the low interest rates of 2½ per cent and 3 per cent seem to indicate transfers to other securities and private sources.

Information available for private sources show the Building Societies now attracting nearly 50 per cent of all available personal saving capacity. A number of factors account for this:

1. Increase in the number of people wishing to purchase their own property.
2. Favourable interest rates (tax paid).
3. Ease of withdrawal.

The two other major private sources being Insurance Companies and Unit Trusts; the latter showing considerable gains in recent months. The Committee noted with interest that although the prevailing economic conditions normally have a great influence upon such investments this does not seem to be the case with Unit Trusts at present.

Insurance Companies have shown a steady and substantial rise in recent years and this tended to dispel the view that small long-term investments were declining. The full effect of devaluation upon the small investor's approach to such investments was still to be seen.

The Working Party made a thorough investigation into rates of interest offered by Government securities and private investments. Experience of Co-operative societies in the Section offering higher interest rates for loan capital were exchanged but statistics available showed no significant inflow of capital although the position was being held steady.

The Working Party concluded that higher interest rates appeared particularly successful when combined with ease of withdrawal as in the case of building societies.

Finally the Working Party examined changes in trading methods and the effect upon societies' capital. It was felt that the introduction of cash and carry/Krazy Kuts and Instant Dividend provided for little return to capital funds. Whilst these forms of trading were boosting sales they presented a further barrier to retaining capital as well as having the concept of membership.

Some of these forms of trading could offset the decline in capital by increasing the reserve funds as a result of greater profitability and when the trading method no longer necessitates a dividend payment.

To conclude the Working Party felt that a quick realisation of the Regional Plan is a desirable step since it would conserve capital and may even release liquid funds by the disposal of surplus assets.

There are, however, certain questions worthy of consideration prior to the regionalisation move

- How to attract further capital to societies.
- How to reduce the capital commitment of societies.

- How to best deploy present and future capital holdings.

#### THE ATTRACTION OF 'NEW CAPITAL

1. The sale of surplus properties.
2. Capital from trading operations. Christmas/Holiday Clubs etc.
3. Increased allocations to reserves.
4. Further efforts to attract new capital by providing competitive interest rates with special loan certificates or bonds.

#### REDUCING THE CAPITAL COMMITMENT

1. Release of capital by "sale and lease back".
2. Release of capital by utilising outside finance houses for Hire Purchase etc.
3. Relieving Society of responsibility for finance via Provident and Premier cheques.
4. Sale of surplus properties and disposal of uneconomic units.
5. Closer consideration of stock holding.

#### HOW BEST TO DEPLOY CAPITAL

1. Economising on capital via increased stock turnover.
2. Economising on capital via debt control.
3. Realistic assessment of new projects for early profitability.



## International Notes

W. P. WATKINS, J.P., B.A.

*(Mr. W. P. Watkins, a President of the Society for Co-operative Studies, is a former Director of the International Co-operative Alliance)*

### METHOD IN ADULT EDUCATION

*The Institute Promotion Animation (IPA)*, the institute organised in the form of a Co-operative productive society with headquarters in Paris which specialises in the organisation of educational courses and various kinds of technical training for adults, has lately issued its programme for 1969/70. As in recent years attention is again concentrated on the improvement of teaching and training methods and on enhancing the ability of those responsible for courses to choose and effectively employ the right ones for the purpose in view. Three sessions of five days in January, April and August 1970 respectively will be devoted to teaching practice in the three fields: training in social and business economics, the use of audio-visual aids, and the role in training of the technical assistant. The sessions on the use of audio-visual aids, for example, includes such problems as the choice of the kinds of aid in relation to the purpose of the training, their correct use in teaching and their correlation with other methods employed in a given training programme,

In addition there are two cycles of three weeks each for those who are beginning to organise training courses and for others who already have some experience of training organisation, for example, in a commercial or industrial enterprise. Incidentally, a considerable proportion of IPA's activity consists in assistance to other Co-operative productive societies in organising technical training among their member-workers and auxiliaries who may be candidates for membership.

For some years IPA has been casting a critical eye upon the methods conventionally employed in adult education and one of its courses is devoted to an evaluation of them from the point of view of their effectiveness in releasing imagination and creativity. A second course is critical from another angle: by which methods is the effectiveness to be tested of training intended to develop aptitudes and extend knowledge? The aim here is to establish how reliable data can be collected which will indicate the real return on investment training and enable the future career of trainees to be forecast. Although education may never become an exact science, it is the conviction of IPA that it can be made, by the appropriate research, much more exact than it now is.

### HAMBURG UNIVERSITY

*The Institute of Co-operation, Hamburg University*, recently issued its report for 1968, a year which was overshadowed by the illness and the lamented death in October of Professor Reinold Henzler, its founder and director. Professor Henzler was not only an eminent authority in his own field of business economics but also a believer in Co-operation and a valued counsellor of the National Co-operative Unions of every branch of the urban Co-operative Movement in Germany. He was outstanding among the notable group of business economists whose teaching and researches helped Co-operative leaders to clarify its mind about the role

which the Movement, in its various manifestations, ought to play in the expanding economy of the Federal German Republic and about the requisite radical changes of structure. Professor Henzler's objectivity and sharpness of vision made invaluable contributions on the international level through his membership of the ICA Commission on Co-operative Principles.

During 1968, according to the report, the teaching programme comprised the first part of a lecture course on Co-operation by Professor Henzler and a course on Co-operative Law by Professor Schulze v. Lasaulx, besides a Seminar on Co-operation. The second part of the course on Co-operation, planned for the winter of 1968-69, had to be abandoned. Supplementary courses were delivered by Professor Pernica, Prague, on the Co-operative Movement in Czechoslovakia, its special features and relationship with Co-operative Movements in Western Countries, and by Dr. Bengelsdorf, head of the Business Economics Department of the Confederation of German Consumers' Societies, on the consolidation and integration now going forward in the Western German Consumers' Co-operative Movement.

As usual, the research work carried on by students at the Hamburg Institute covered a wide range of subjects from co-operative education and training in various, mainly European, countries to financial and investment policy, the Co-operative "image", member participation and various problems of rural co-operation. During the year three dissertations and thirty-six other essays have been submitted for examination. The Institute's specialised library now comprises approximately 3,600 books, documents and information docketts.

#### AUSTRIAN CO-OPERATIVE MOVEMENT

*The Training Institute of the Austrian Consumers' Co-operative Movement*, directed by Dr. Anton Rauter at the Hohe Warte, Vienna, bases its activity on correspondence tuition and short-period courses. Three correspondence courses are offered as an introduction to attendance at oral courses. Two, of seven lessons apiece, provide some basic knowledge of Co-operation and of social economics respectively. The Co-operation course is followed up by a one-week residential course. The third correspondence course consists of twelve lessons on business economics. Together with the other course on economics it provides an introduction to the two-months course of management training, which is thoroughly up-to-date in conception and method. Practical work in groups and the case method are the chosen training media for students who are carefully selected jointly by the Central Union "Konsumverband" and the societies, after passing tests of their suitability.

A whole section of the programme is entirely devoted to short intensive courses for workers in self-service shops and supermarkets, designed to keep them abreast of the latest technical methods and merchandising ideas. In addition there are seven different types of course, specialised according to commodities and functions and a further fourteen seminars and working groups reaching into every department of Co-operative administration and organisation. All the proceedings are for full-time employees, but systematic training is also provided for the elected officers of societies, notably those active in members' committees and the women's organisations.





# Archives Reprint Series

[www.ukscs.coop](http://www.ukscs.coop)