

Society for Co-operative Studies

Bulletin 20 March 1974

Contents

Annual General Meeting and Conference	4
• Programme	
• Regionalisation in the Co-operative Movement: 1 Mr David Ainley	
• Regionalisation in the Co-operative Movement: 2 Mr T R Edmondson	
• Agenda for AGM	
Report for 1973/4	14
Communications in the Birmingham Co-operative Society	21
Staff Training Working Party	
• Report	51
• Comments by Dr A Wilson	56
Co-operation in 1980 Jim Craigen	61

This is a PDF scanned version of the full issue of the Society for Co-operative Studies Bulletin No 20 published in March 1974.

It is distributed here under the terms of the Creative Commons Attribution Non-Commercial 4.0 License, which permits non-commercial use, reproduction and distribution of the work without further permission provided the original work is attributed as specified on the Creative Commons website and the Journal of Co-operative Studies re-use guidelines.

Annual General Meeting and Conference

29th/30th March 1974

The Annual General Meeting and Conference will be held at the Co-operative College, Stanford Hall, from tea on Friday, 29th March to lunch on Saturday, 30th March 1974.

The Programme

The Programme will be: -

Friday, 29th March

4.15 p.m. Afternoon Tea.

4.45 p.m. First Conference Session:

6.15 p.m. "The Co-operative Development Agency - An Examination of Prospects"

This will be led by: -

Mr. Geoffrey Rhodes, MA, MP (Labour Co-operative member for Newcastle-upon-Tyne East)

6.45 p.m.

Dinner.

Saturday, 30th March

9.15 a.m. - Second Conference Session:

10.45 a.m. "Regionalisation in the Co-operative Movement: Prospects and Problems"

This will be led by: -

Mr. T. R. Edmondson, JP, CHD. SSc., Secretary and Chief Executive Officer of Ipswich Co-operative Society Ltd. (Notes provided in Bulletin 20.)

Mr. David Ainley, President, London Co-operative Society Ltd. (Notes provided in Bulletin 20).

11.15 a.m.-
12.45 p.m.

Annual General Meeting: including discussion on the Report of the National Officers for 1973/74. (Agenda and report in Bulletin 20.)

Bookings for the occasion are good, but anyone wishing to join in should write quickly to the Secretary: the fee for the Conference, including board and accommodation, is £6.50.

*Taking the place of Mr. L. A. Harrison who had hoped to contribute but later had to withdraw this acceptance.

REGIONALISATION IN THE CO-OPERATIVE MOVEMENT:
PROSPECTS AND PROBLEMS

A Note for Conference 1974

1. Mr. David Ainley. President.
London Co-operative Society

1. As a member of the Regional Plan Sub-Committee, I fully support Regional Plan II as presented. This is based on the following propositions: -
 - (a) That if the Movement is to survive as a significant part of the economy of our country, the rapid redeployment into a limited number of powerful regional societies is essential. To achieve this, we must learn to think and act as one Movement.
 - (b) That the basis for the new regional groupings must be the largest and strongest societies. and that these must be won to accept their special responsibilities in carrying the Plan through. We must also strive for all societies to have the will for major change.
 - (c) That the concepts of the Plan are crucial, but there should be the greatest flexibility in the approach to its realisation. We should not be circumscribed or inhibited by geographical boundaries.
 - (d) That the social purpose of our Movement must not be weakened, and that the strongest democratic structure and control must be developed in the individual regional societies and in the Movement as a whole.

2. The case for the Plan should be strengthened before submission to Congress in the following respects: -

- (a) The great changes which have taken place since Regional Plan I was adopted in 1968 were spelled out fully and their significance brought out. These include: -
- (i) The revolution in distribution has continued at an accelerated rate, with second generation supermarkets, superstores and hypermarkets; concentration of retail trade in a smaller number of major shopping concentrations as the outstanding new feature.
 - (ii) In consequence, the very heavy increase in the capital costs of modernisation and development.
 - (iii) Linked with the above, the sharp increase in the concentration of capital in distribution through mergers and takeovers, and a vast infusion of new capital by a decreasing number of giant national and multi-national corporations. These more and more tend to dominate the whole retail field and increase the threat of monopoly.
 - (iv) Changes which have taken place within the Movement itself: -

Positive. Substantial reduction in the number of societies through amalgamations and transfers (though most of this process is due to grave weaknesses and not to conviction), and as a result the concentration of over 80% of our retail trade in the 57 societies with annual sales of £5 millions upwards, and with the 10 largest societies doing over 40% of all Co-op trade. In contrast, the 96 smallest societies only account for 2.1%.

The changeover of nearly all societies to Dividend Stamps, the substantial increase in consequence of allocations to reserves.

The development of the Co-op Logo; of Operation Facelift; our own Co-op Brand; and National Co-operative Promotions, all of which have improved performance and public image.

Negative. Despite the improved performance of the last two years, our market share has continued to fall, though at a reduced rate. At 7.2% it is a full 40% below the level of 1961.

The sale of the whole of our milling and the major part of our bakery business and of important Co-operative dairies to the combines.

- (v) Finally, the sharp and severely adverse changes in the whole economic climate which have taken place recently, in Britain and on an international scale, and now reaching crisis proportion.

The terms of trade which have been most favourable to distribution as a whole for two years are now likely to deteriorate rapidly, while competition will become increasingly severe.

This gives a new urgency to the need for action which will ensure the best possible use of all available Co-operative resources.

- (b) The substantial advantages which have resulted from the largest groupings, in spite of the fact that these mainly arose from the desperate weakness or many of the societies involved, need to be

quantified. The statistics produced by the Co-operative Union Research Department should be used to their fullest effect.

- (c) The serious staff problems which beset most societies and in particular the dearth of competent and experienced management need to be stressed. We are paying a high price for our past failures to direct adequate resources to the recruitment, training and promotion of staff at all levels.

Only really large societies can hope to set up and maintain adequate personnel and training departments.

- (d) The CWS was set up by the retail societies and belongs to them. Yet the concepts of the Joint Reorganisation Committee have yet to be realised.

This is largely because the fragmentation of our Movement makes it difficult for the needs of retail societies to be expressed adequately.

Some 20-25 regional societies, all operating on a similar scale, and each of which could be directly represented on the directing bodies of the National Federation, could much more easily spell out their needs and see that these were met than can well over 200 societies with vastly differing structures and problems.

The harnessing of all the great material resources of the CWS to meet the aim of maximum penetration of the retail market - in other words the complete retail orientation of the CWS - could be critically important to the success of the whole Movement.

This is a major advantage which could flow from the realisation of the Regional Plan.

REGIONALISATION IN THE CO-OPERATIVE MOVEMENT:
PROSPECTS AND PROBLEMS

A Note for Conference 1974

2. Mr. T. R. Edmondson, Secretary and
Chief Executive Officer, Ipswich Co-
operative Society

Accepting the obligation to their members for achieving the best use of the resources within their stewardship, it is clear that a number of boards of directors should be recommending to those same members a transfer of engagements to some neighbouring society, as one of the means for the possible attainment of that desirable end. So much cannot be in dispute.

But a proposition unchallengeable within a particular set of circumstances is scarcely a sound basis upon which to build a plan of action appropriate to every conceivable situation.

Yet it is difficult to avoid the conclusion that upon so superficial and simplistic a proposition, Co-operative societies are called upon to accept the current universal panacea - "Regionalisation".

The propounders of the doctrine are not troubled by doubt. "This Regional Plan (January 1968) for structural reform of the Co-operative Movement is logical. Historically, the Plan is inevitable." It must be observed that however compelling the logic, history still awaits inevitability.

"In recent years several Regional Societies have been formed, which are now operating most successfully and developing their trade well above the national average', asserts Regional Plan II. How much more convincing were we given the evidence? Which regional societies? What is meant by "most successfully"? Above which "national average"?"

Comparative Performance

The introduction to Regional Plan II shows that "the largest 57 societies collectively represent over 80% of the Movement's sales and membership". Can it really be the remaining 225 societies, sharing less than 20% of the Movement's sales and membership, who are dragging us down to economic perdition?

Using the statistics for the 50 largest societies given on page 12. of the Co-operative Statistics 1972, as a basis for the construction of a performance table, it will be found that the nine criteria there listed produce the following information: -

- (a) The "top ten" (excluding St. Cuthberts and Rochdale) are within the sales bracket £10-20 million.
- (b) The seven largest societies, with sales exceeding £30 million, occupy performance markings 18, 19, 32,33, 36, 40 and 41.

Such evidence is not conclusive; but surely serves to invite a pause before accepting that "bigger is better"? Bigger than what? Have not the authors of the proposition ever heard of "optimum size"?

Again, excluding CRS, during the period 1966/72 only eight of the 43 largest societies in England and Wales had percentage increases in sales equal to or above that registered by UK retail trade overall. And of that eight, seven were in the sales bracket £10 - 20 million; the remaining one having sales (1972) of £6.2 million!

Between 1957 and 1972 the number of societies fell from 936 to 282, during which time our share of the retail trade fell from 12.7% to 7.2%. Since the publication of the Regional Plan adopted at the 1968 Congress, the number of societies has fallen from 625 to 282, and our share of the retail trade from 8.6% to 7.2%. There is a reasonable suggestion that something more fundamental

than mere size is awry.

More Thinking in Depth

Space does not permit raising the pertinent question of diminishing returns as this expresses itself through geography, diversification, co-ordination, span of control, personnel attachment and identification, communication, administration, processing operations, transport, bulk buying, advertising, information services and, not least, democratic involvement and identification with a society. Yet to concentrate wholly upon "size" without reference to all the other important conditioning elements in the equation, is a certain recipe for the production of a completely distorted and misleading formula for economic organisation.

It seems unlikely that those incapable of the effective control of a limited range of resources will prove adequate to meet the demands explicit in a far more complex situation. Indeed, the only virtue to be claimed for a mere aggregation of resources, without reference to all the changed circumstances proceeding from such exercise, is that the sheer bulk of the aggregated resources will ensure a deferment of death to a date later than that which might have been the lot of the smaller, component units.

This is not a plea for small units. It is an appeal for more thinking in depth; for an examination "on-the-ground" of both "successful" and "unsuccessful" units; for an identification of all the problems which beset Co-operative societies and the production of a policy for the Movement based upon a frank and objective recognition and appreciation of those problems - in the hope that we produce some equally frank and objective answers.

SOCIETY FOR CO-OPERATIVE STUDIES

ANNUAL GENERAL MEETING

March 30th, 1974 - 11.15 a.m.

· AGENDA

1. Welcome and Introduction: The Chairman

2. Annual Report of the National Officers

A copy is included in Bulletin Number 20.

3. Future Development of the Society

This is briefly reviewed in the Report of the National Officers,

4. Appointment of National Officers for 1974/75

The constitution provides for the Annual General Meeting to appoint: -

(a) Presidents

(b) Chairman and Two Vice-Chairmen

(c) Secretary and Treasurer

5. Any Other Business

The Society for Co-operative Studies

REPORT FOR 1973/4

I. The Presidents of the Society - with Mr. L. A. Harrison taking the place of Mr. K. A. Noble - have remained in office during the year. Mr. D. G. Hopwood has occupied the Chair and Mr. S. P. Clarke and Mr. C. J. F. Ringrose have served as Vice-Chairmen. In accordance with the practice of the Society the 1972/3 Chairman, Mr. W. J. Philpott, has been invited to attend meetings of National Officers during the year.

The Officers have had three meetings: the attendance they regret to report has not been good. The following is their report for presentation to the Annual General Meeting on 29th/30th March 1974.

2. Membership

- (a) At 31st January, 1974 the membership of the Society (with the 1973 figures given in brackets) was:

	<u>Individuals</u>		<u>Organisations</u>		<u>Total</u>
	<u>Co-op- erative</u>	<u>Other</u>	<u>Co-op- erative</u>	<u>Other</u>	
Metropolitan & Southern	6 (5)	4 (6)	8 (4)	1 (1)	19 (16)
Midland	10 (11)	6 (7)	8 (5)	1 (1)	25 (24)
North	- (2)	1 (2)	1 (1)	1 (1)	3 (6)
North-West	11 (14)	5 (6)	9 (7)	- (-)	25 (27)
Scottish	7 (6)	5 (5)	4 (3)	1 (1)	17 (15)
South-West*	7 (8)	- (-)	2 (1)	- (1)	9 (10)
Yorkshire & Humberside	3 (4)	1 (1)	9 (6)	1 (1)	14 (12)
Overseas	1 (1)	- (-)	- (-)	- (-)	1 (1)
	<u>45 (51)</u>	<u>22 (27)</u>	<u>41 (27)</u>	<u>5 (6)</u>	<u>113 (111)</u>

*This includes the Western Region of the 1972/3 Report.

- (b) The increase in Co-operative organisations in membership is the result of a special approach to the larger societies which brought in fifteen of them.
- (c) The recent record of total membership, at the end of January in each year, has been 132 (1971), 124 (1972), 111(1973) and 113(1974).

3. The "Bulletin"

In past years three Bulletins have been published annually but under the financial stringencies of 1973/4 this has been reduced to two, Number 19 and 20. The latter has been reproduced in a cheaper, but still, we hope, quite manageable and attractive form. However, the Bulletin has remained one of the main services from the Society to its members and the two issues have included, in addition to regular features: "Education and the Community" by Professor K.J.W. Alexander; a summary of the research by the Birmingham group of the Society on "Communications in the Birmingham Co-operative Society"; a commentary by Dr. A. Wilson on the Co-operative Union's Staff Training Working Party Report; a note by Jim Craigen on "Co-operation in 1980"; and the annual bibliography of publications on the Co-operative Movement.

4. Other National Activities: Research

(a) CO-OPERATIVE COLLEGE ENDOWMENT FUND

The National Officers have offered advice to the Education Executive on disposition from this fund - with particular encouragement for a comparative study of Co-operative law in different countries which, among its other services, would provide a useful background for the proposal for a Co-operative Development Agency.

(b) DIRECT PROMOTION BY THE SOCIETY

There have been no further developments in this category.

5. Regional Developments

Reports of some activity were received from three Regions and the following summaries are based on those:

MIDLAND

Activity in the Midlands during 1973 was largely confined to the West Midland Group. Meetings were held in Birmingham throughout the year and although the numbers attending have generally been small, the year saw the completion of an ambitious and varied programme of activities.

A survey of communications within the Birmingham Co-operative Society was undertaken and the report which was produced by the Group is included elsewhere in this Bulletin. The survey was concerned with all material emanating from the Society addressed to members and our work would not have been possible without the assistance readily given by the Society. The Group was particularly grateful for this assistance. J.tl considers that the willingness to provide this detailed information is a commendable reflection upon the open and democratic manner in which the affairs of the Society are conducted.

During April Mr. K. E. Wadsworth, the Financial Controller of Birmingham Society, attended a meeting of the West Midland Group and discussed in detail the Balance Sheet of Birmingham Co-operative Society for 1972. The session was well attended and proved to be particularly interesting to those present.

In association with the Extra-Mural Department of Birmingham University a seminar was held in early December which was conducted by Dr. G. N. Ostergaard. The subject covered by Dr. Ostergaard was the Process of Democratic Control in British Retail Co-operatives. A well attended meeting heard a provocative address from the speaker and this was followed by a lively discussion.

The Group hopes to continue to develop its activities during 1974 and a programme of topics has been drawn up for the first half of the year.

NORTH WEST

Unhappily, a "nil return" has to be recorded for the activities of the North Western Branch in the past year. In 1972 attendance at Branch meetings dwindled away, so a letter outlining the situation was sent early in 1973 to all members and they were asked to poll on whether a different time and venue would be more suitable to them for meetings. Afternoon meetings at Holyoake House, the Co-operative Union headquarters, were suggested.

However, the result of the poll still gave no clear indication to the Branch organisers as to what the great majority of members really wanted. Indeed, about one-third of the members never bothered to reply. Of those who voted, a majority of six were in fact in favour of the new time and venue, but several of these voters added qualifications and criticism about the change which could reduce the frequency of their attendance at meetings (sic!). Five of the voters were very happy about 'the change of venue because they work at Holyoake House anyway, so in reality the new suggestion was approved by a majority of only one. Because of this indecisive result, no Branch activity took place in subsequent months, but this did not arouse the slightest critical response from any of the members.

The acting Regional Secretary, who anticipated upon appointment that he would soon be succeeded by a member who could devote more time to the future of the Branch, has now held the post for more than two years. He has been greatly assisted by Mr. A. R. Perkins, the North Western Sectional Secretary of the Co-operative Union. But because of other commitments, both these officials would welcome their replacement by an enthusiastic member who will be prepared to tackle the Regional Secretary's job. Soundings they have made so far have met with no response.

SCOTLAND

There was little Branch activity, except that a number of members attended the monthly meetings of the Public and Co-operative Enterprises group. This is under the Chairmanship of Professor Alexander of Strathclyde University.

One meeting was held at which the speaker was Mr. J. M. Craigen, JP, and now Co-operative/Labour MP for the Maryhill Constituency of Glasgow. His subject was "The Co-operative Movement in the 80's" and was very well received although the attendance was rather meagre owing to climatic conditions.

Two members of the Branch, Dr. Butt and Mr. W. Stewart, both of Strathclyde University, addressed a course arranged for the Stirling and Clackmannan Co-operative District Councils. Dr. Butt spoke on "The Relevance of Robert Owen to the Present Co-operative Movement", and Mr. Stewart on "The Money Market and How It Operates".

6. Finance

The Cash and Bank Account for the year ended 31st December 1973 is being audited: the comparison with the account for the previous year is as follows:

<u>RECEIPTS</u>	<u>1972</u> £	<u>1973</u> £
Cash in Hand Brought Forward	42.05	0.86
Cash at Bank Brought Forward	909.72	573.68
Subscriptions	492.00	584.50
Fees - AGM and Conference	156.00	105.00
Sales - Society Bulletin	2.75	4.71
Postage Refunded	0.25	-
Bank Interest	4.10	0.94
	<u>£1,606.87</u>	<u>£1,269.69</u>

<u>PAYMENTS</u>	<u>1972</u> £	<u>1973</u> £
Printing Society Bulletin	325.50	606.00
Stationery and Postage	69.39	61.02
Typewriting	59.07	44.85
Translations	5.00	-
Telephone	1.44	0.72
Annual General Meeting	274.78	156.00
International Congress	25.00	-
Other Meetings	161.80	78.32
Research Grants	40.00	85.00
Consumer Scholarships	50.00	-
Fees Refunded - AGM and Conference	7.00	-
Subscriptions Refunded	12.00	0.50
Course Fees	-	2.00
Bank Commission	1.35	0.70
Cash in Hand Carried Forward	0.86	0.47
Cash at Bank Carried Forward	573.68	234.11
	<u>£1,606.87</u>	<u>£1,269.69</u>

It is clear that the "modest resources" which were noted in our last Report have become even more modest. In particular, the present year has had to carry payment for Bulletins 17 and 18 which preceded the last AGM; and Bulletin Number 18 had been particularly substantial and, therefore, particularly costly.

7, Role for the Future?

In past years it has been acknowledged that Regional activity was limited and that the main justification for the Society was found on the level of its national service. Even that, however, has been diminished in 1973/4 and the Annual General Meeting should consider whether and how organisation and activities can be improved on both levels.

Can Co-operative societies, as well as individual members, initiate more engagement with universities and colleges for the purposes of the SCS? Would a descriptive

leaflet about the Society be useful equipment for such efforts? Does the example of the Birmingham group, aiming to involve members from neighbouring societies and institutions in study projects of local scope, suggest a useful line of development?

And so on. The AGM can serve the Society well if it pursues such questions constructively.

COMMUNICATIONS
IN THE
BIRMINGHAM CO-OPERATIVE SOCIETY

(Note: Various diagrams and appendices were compiled during this study. Limitations of space have prevented their inclusion in this issue of the Bulletin.)

1. SELECTING THE STUDY

The report which follows is the product of work undertaken collectively by the members of the Birmingham Group of the Society for Co-operative Studies.

This group was formed in September 1972 as a result of a pilot meeting at Fircroft College of representatives of the national officers of the society, the Midlands Section of the co-operative Union and Birmingham co-operative Society together with the Principal of Fircroft College, Mr. A.J. Corfield, who became Chairman of the Group, and Mr. D Mordaunt, who became the convenor.

It is pleasing to report that academic staff from Birmingham and Aston Universities and Birmingham Polytechnic have occasionally attended. The main support for the group, however, has come from the co-operative side and valuable assistance has been rendered by Mr. Stanley Martin of the Co-operative Union and both employees and members of Birmingham co-operative society.

The first working meeting of the group considered various projects which might be undertaken. It finally decided that a useful study might be made into the communications (mainly printed) directed by Birmingham Co-operative Society (and certain associated bodies) towards its members and prospective members over a twelve-month period. It was felt that this was a subject susceptible of a basic and fairly straightforward approach which might yet provide an interesting and fruitful insight into an activity vital to the democratic and educational work of the Movement - namely, its dissemination of information.

2. COMMUNICATIONS AND CO-OPERATIVE DEMOCRACY

Communications are one aspect of co-operative democracy, a hallowed topic in the Movement. Its democratic system of government is often put forward, very properly, as a distinguishing virtue of co-operative enterprise. The provision for membership participation and control, it is claimed, marks off the Co-operative Movement from its commercial rivals. The principle is universally endorsed in co-operative circles. Universal approval of the principle does not, unfortunately, guarantee universal practice. Co-operative democracy, as measured in terms of membership involvement in its government, seems to have shrunk almost as dramatically as the dividend. There is widespread awareness of this in the Movement.

The mixture of pride and concern emerges clearly from the Independent Commission's Report in 1958. The Commissioners noted with approval that the Co-operative Movement still retained its responsibility to its members as

consumers and producers. The members ultimately controlled the Movement on the basis of one member, one vote. The Commissioners rejoiced in the opportunity to affirm that this fundamental principle of consumer democracy remained for practical purposes unchallenged within the Movement.

They could not, however, avoid recognising the hard statistical fact that there had been a decline in membership participation. They in part explained this, and in part explained it away, by claiming that it was a consequence of the growth in the sheer physical size of co-operation and in its units of management. The big modern co-operative society with a turnover running into tens of millions of pounds had necessarily to provide itself with professional management. The intimate day-to-day supervision of all aspects of its affairs by a committee of laymen was consequently no longer possible. The logic of size ruled it out as a means of practical management. Membership control inevitably became less direct, more impersonal, more wide-ranging and more technical. Committees had to concentrate more and more on broad policy decisions. The average rank-and-file co-operative member found himself unable to cope with it. Moreover, the bigger the society the smaller in relative terms seemed to be the number of laymen required in its governing committees.

Size and Participation

Such a trend has obviously occurred in the Birmingham Society, especially after it absorbed the Alcester, Halesowen and Ten Acres Societies in the recent

past. Indeed rather than increasing with the growth in size of the Society, participation in its governing members' meetings seems to have fallen. In 1954, Ostergaard* recorded that with a membership of 323,500 only 150 (0.05%) attended business meetings. (1) The equivalent figures for 1972 were 585,900 members and 100 (0.02%).

The Commissioners accepted that some such trend was inevitable. It was in large part an ineluctable consequence of the Movement's growth from a small minority organisation to its present nationwide extent. But they refused to accept the trend passively. The Movement, they said, needed a higher proportion of active members. The need was to adapt the nature of democratic control to the altered circumstances of the size and complexity of the Movement. They believed, without offering any evidence to support their belief, that the claims of democratic control and efficiency of management could perfectly well be reconciled. The means, they suggest, were that as areas of co-operative societies became regional in extent, the maximum local autonomy and identity should be encouraged.

The Commissioners made no attempt to provide any more practical advice about how this devoutly to be wished consummation could be achieved. As they pointed out, it did not fall within their terms of reference. Very few other 'people', it seems, have attempted to suggest what the solution to this problem could be. There has certainly been comparatively little serious analysis of the

*Power in Co-operatives, Ostergaard and Halsey (Basil Blackwell)

purposes and processes of co-operative democracy. In its absence, it seems difficult to offer any reliable advice on which reform could be based.

The most thorough and virtually the only major investigations have been the studies into co-operative democracy undertaken by Banks and Ostergaard in 1955 (1), and Ostergaard and Halsey in 1965 (2). Ostergaard and his collaborators attempted to analyse the effectiveness of membership control in terms of statistics of attendance at meetings and levels of voting, educational involvement and familiarity with the Movement's publications. They paid comparatively little attention to the content of communications within the governing processes. They analysed the role of membership pressure groups and tried to assess their effect on elections, but they made no attempt to show the relationship between the official and unofficial systems of communication within the Movement. Indeed, this aspect of the democratic process was barely mentioned.

Role of Official Communications

This study attempts to fill part of this gap left by Ostergaard and his collaborators. It examines more thoroughly the official communications flow which underlies membership involvement in the government of the Birmingham Co-operative Society. The emphasis is on "official". This study is not concerned with the communications of members acting independently in the electoral process. We recognise

-
- (1) Co-operative College Paper 1955, Banks & Ostergaard
 - (2) Power in co-operatives, G. Ostergaard & Halsey (Basil Blackwell)

that these are important and should form the basis of a separate study. Our survey is restricted to the flow of information and advice between the Movement itself and the members for the maintenance and promotion of its democratic purposes.

Two further qualifications ought to be mentioned. Our survey is largely confined to communications in the form of the printed word and visual materials like posters and films. Communications by word of mouth are less fully documented. The printed word is, of course, substantially reinforced by the spoken word in a thousand and one places - in meetings, conferences, informal discussions on the doorstep and across the counter. Many of these spoken communications have been excluded because of the difficulty of recording them. Secondly, the analysis of costs has also been restricted to those incurred in providing printed and processed materials, leaflets, posters and films. The substantial costs of salaries of officials, of postage and administration and of expenses for the delegates in attending conferences etc. have also been excluded.

The communications system is an important element in the infrastructure of consumer democracy. A flow of relevant information is an important aid in the operation of any decision-making process. For one based on popular participation a flow in both directions is essential.

Good communications are not, of course, the only need. Popular participation depends upon many other factors. The quality of the lay leadership; the calibre and the attitude of the professional

management; the attitude of the workers towards participation and the freedom they have to participate in the government of their society; the commercial progress of the Movement and the general social and political climate may all be relevant. Nevertheless, communications are the wheels on which democracy runs. Any serious investigation into the promotion of democracy must include a study of how communications work.

3. PRINTED COMMUNICATIONS MATERIAL IN THE BIRMINGHAM SOCIETY

This study is largely concerned with the range of official visual communications which go out to the membership. The bulk of this material is impressive. Excluding the co-operative News, which is issued weekly, the printed material - one copy of each document - sent out to members during 1972 by the main society and its associated organisations adds up to 73 separate documents. Not all of these, of course, would necessarily be received by each individual member, not even by each active member.

The number would depend on his or her involvement in the auxiliary organisations and the co-operative Party. The total list of documents, the quantities produced, and their costs are shown in a schedule at the end.

In analysing these documents we have divided them, necessarily somewhat arbitrarily, into those that relate directly to the government of the Movement, and those that refer more generally to the services available to the members as distinct

from mere customers. Advertising material about co-operative products and services is only regarded as relevant to the study if it contains some special message to members as members. For example, the brochure "Happy Shopping" provided to all new members is included in this study because it contains, in addition to its four pages of information about the goods and services available from the society, three pages about the responsibilities and rights of the members.

(a) communications on the government of the Movement

The broad group of communications material relating to the government of the co-operative Movement covers three main sections. First it includes explanatory statements setting out the ways in which members may participate in the decision-making processes. Next it contains the necessary communications for making the machinery of democracy work. Thirdly, it includes the documents actually imparting the governing decisions to the members.

(i) Explanatory material

The main document under this section is the society's rule book. This sets out the procedures which members must follow in participating in the government of the society. It also contains the framework of the laws within which decisions have to be made. The rule book is a 40-page document setting out the 85 rules and 2 amendments. It is not an annual publication.

Twenty-five were issued in 1972 to members on demand. Other documents informing the members of their rights and obligations in less official language are contained in the package provided for new members. These are described more fully in the paragraphs below dealing with services to the members. The one referring most directly to the way members can participate in the government of the society is the brochure "Happy Shopping".

(ii) Communications as part of the democratic process

This section includes the posters which announce the various stages in co-operative elections as laid down in the rules. Later in the schedule is set out a list of documents actually issued for the elections of the President and four directors in 1972. The first of these calls for nominations: the second contains names, addresses and occupations of each of the nominees as well as information about the election procedure and notice of the meeting at which the elections will take place (i.e. one of the quarterly meetings of members during the year). Other posters are issued for the three remaining quarterly meetings of members during the year. These announce the time and business of the meetings. There are six separate documents containing ballot papers. The first two of these are for the election of the lay governors of the Birmingham Society, the directors, and members of the Education

committee. Separate ballot papers are issued for the elections of the delegates going to the governing conferences of national and international co-operative organisations. These are the co-operative Union's Congress; its Education Convention; the members meetings of the co-operative Wholesale Society and the Congress of the International Co-operative Alliance. The elections for the co-operative Union's congress and Education Convention take place annually; those for the C.W.S. twice yearly and those for the I.C.A.'s Congress every four years. The ballot paper contains, in addition to the name, address, length of membership and occupations of the candidates, brief details of their public service. The results of the elections are notified in the minutes of the members' meetings which are published in the succeeding directors' reports. The numbers voting for the various candidates in the elections are announced orally at the members meetings but they are not given in the minutes.

(iii) Communications containing the decisions of the governing bodies

This group of documents also includes a selection of the printed reports issued by the Movement. In addition to Birmingham Society, the auxiliaries, the associated bodies like C.W.S., I.C.A., Co-op Press, all issue their own reports. In normal circumstances, the rank and file members would have access only to the Birmingham

Society's report and to that of any auxiliary organisation of which they were members.

The Birmingham Society issues four main reports. An annual report is made available at the March members' meetings. This contains information about how the Board of Directors has carried out its stewardship. It also provides information about the finances and trading activities of the society in the form required by the Registrar of Friendly Societies. In addition it includes a report from the Education Committee setting out its record of activity for the preceding period. There are similar reports for each of the three other quarterly meetings of members. These provide information limited to the previous quarter's activities, of both the Board of Directors and the Education Committee. Some 4,000 of each of these reports are printed and distributed. They also contain the minutes of the business of the meetings which include policy proposals tabled by the members or governing committees.

The method of distribution is different for each of these three groups of communications. The Rule Book is provided on demand from head office: notices of elections are posted up in 470 shops and offices: the ballot papers are issued whenever elections arise, at quarterly meetings and at 40 polling stations: and the quarterly and annual reports are issued to members on request from head office. They are also given to everyone attending the quarterly meetings and are available on request at many of the Society's trading premises.

(b) Communications containing general information

The second broad group of material relates to the services which are available to co-operative members. Every new member receives a package of information. This contains a letter welcoming the member, setting out his rights and obligations; a leaflet setting out how the member's capital holdings in the society are entered up; a further leaflet explaining interest rates available on share capital: and two other leaflets drawing attention to the consumer services available. The first of these is called "Happy Shopping", as has already been described and concerns membership rights both as customers and as members of the society. In addition, the package for new members contains a plastic wallet, enclosing the member's share account for the current year, and a membership card. A book to contain dividend stamps is also included.

Some 2,000 of these packages were sent out in 1972. Much larger numbers of the individual leaflets were circulated.

The educational activities of the society are responsible for a large proportion of the published material. The Education Department provides information about its own varied assortment of activities and, in addition, acts as a distribution centre for the Co-operative Auxiliaries. The communications directly relating to the Education Department's own activities last year included three notices about educational courses for consumers. These courses were designed to demonstrate

some of the services available to customers through the co-operative Society and to educate their members as consumers.

Another document advertised a conference on Value Added Tax for which tickets were separately printed. The purpose of this conference was to inform members about the effect of this tax change on the trading prospects of the society. The Education Department organised other courses for which publicity material was necessary. A leaflet on the course entitled "Birmingham through the Ages" advertised a series of lectures on local history which ran for several months. Other leaflets advertised Keep Fit classes, some of which ran for a period of weeks.

The Education Department also promotes or supports cultural activities. Last year it issued four leaflets. Three advertised amateur theatre productions, undertaken by members of the society, the fourth the Co-operative's local musical society. The Department is also directly responsible for promoting what are called junior youth organisations, for children between the ages of 9 to 14. There are no less than forty junior groups within the Birmingham Society. For these, a leaflet is printed setting out the programme of activities available to the junior youth, as well as information about specific events. 1,000 of these leaflets were issued last year. The Department also provides information for new members who may be interested in its own activities on similar, though somewhat more modest lines, to what the society itself issues to its own new members. They receive a letter and a pre-paid

postcard upon which they can submit requests to the Department. The Department also acts as a distribution centre for copies of the Co-operative News.

About the Auxiliaries

Many of the activities of the co-operative auxiliaries are publicised by the Education Department. The auxiliaries are the Women's Guild, the National Guild of Co-operators, the Woodcraft Folk, and the Co-operative Youth Movement (for young people of 14 years and over). The auxiliaries are constitutionally quite independent of the Society. Indeed the Guilds began as external unofficial pressure groups. But the Birmingham Society as a matter of policy has encouraged its Education Department to act as agent for some of the social and educational activities of the auxiliaries and to allow them to make use of its communications network to the members for their own notices and publications.

The Education Department circulates the programmes of work of all the auxiliaries and publishes a directory giving information about their organisation and their range of activities. It also provides film shows for the auxiliaries and other interested organisations, some on directly co-operative subjects, and others of general educational interest. The Education Department does not, however, take responsibility for all the communications of the auxiliaries. Those involved in the democratic processes of their government are handled directly by their own organisations.

A flow of communications on somewhat similar lines to that of the Birmingham Society operates between each of the auxiliaries and its members.

The Education Department is also responsible for informing members of the international activities of the Movement, for which the International Co-operative Alliance has been established. The Department circulates its publications, one of which is a leaflet setting out in general terms what the Alliance does. There are other more specific publications, directing attention to individual activities of the Alliance. For example, the leaflet "Hands Across the World" describes a project for aid to Tanzania raising £10,000 in which the Birmingham Society participated. The Education Department also circularised advertising material and a souvenir programme for the annual International Co-operative Day.

The Co-operative Party has its own system of communications to its members. Some of its publications are broad explanatory documents which relate to the organisation, purpose and some of the main activities of the Party. Five such leaflets were issued last year: "Let's Have A Party"; "Why the co-operative Party?"; Co-operative Party Notes on the "Background to Politics"; "With the co-operative Party into the Future"; and "Revolution down your Way". It issues a national broadsheet entitled "Platform", giving information about the current activities and policy of the Party. It produces a special co-operative Party diary which incorporates a calendar of

events of political importance during the year and relevant background notes for party members. It also issues a printed Annual Report and a leaflet setting out its expenditure on publicity. It has again its own flow of communications for its own government between itself and its members.

The Expenditure

The analysis of the expenditure on communications in Birmingham shown at the foot of the schedule needs to be seen against the background of the Birmingham Society as a whole. The Society had in 1972 466 shops, in an area of approximately 500 square miles, in the counties of Warwickshire, Worcestershire, and Staffordshire in and around Birmingham. It operated 1,004 delivery rounds, employed 7374 full and part-time workers and had an annual turnover of nearly £43 million. Its share and loan capital and reserves were some £11 millions and its annual surplus before tax was £1,175,000. The total expenditure of £3,750 on communications to the members works out at less than 32p for every £100 of pre-tax profit. Communications for running the government of the Society cost only 9p; information for new members, 8p; communications for membership education nearly 13p; and political expenditure only 2p on the same basis.

Looked at another way, each member of the Society in 1972 spent an average £73 (if we can assume that members and customers are about equal) and helped in the creation of £2 profit

before tax. On each member just over $\frac{1}{2}$ p was spent in 1972 on all types of Membership communications. $\frac{1}{8}$ p was spent on communications for running the government of the Society; another $\frac{1}{8}$ p on information for new members and $\frac{1}{4}$ p on communications for education.

4. THE PATTERN OF COMMUNICATIONS

The pattern of communications includes both a downward and an upward flow, and the interleaving of written and spoken media. Inevitably printed communications are more readily available for re- search than spoken ones. Information by the printed word is largely the monopoly of the establishment: the Society and the higher echelons of the national co-operative organisations alone have the resources to pay for printed material. The rank and file have in the main, though not entirely, to rely on the spoken word. The prevailing pattern of communications tends, therefore, to be a downward flow of the printed word and an upward flow of speech, supplemented by the crosses on the ballot papers in elections in which the rank and file are involved.

The pattern of communications is inevitably closely determined by the structure of government. The Birmingham co-operative Society is run on the principle of direct democracy. Rank and file members attending the quarterly meetings form the sovereign body of the Society. Every member has the right to attend and participate. At the meetings the members have the right to endorse or refer back the reports from the Board of Directors and to

advise on the general lines of policy for the future conduct of the society's business. They can also, within the limits laid down by the Registrar of Friendly Societies, alter the rules on which the government of the Society is based.

The members also have the right, subject to certain qualifications set out in the Rules, to nominate others or to accept nomination and stand for office themselves and to vote in the election of the President, the directors, and the members of the Education Committee of the Birmingham Co-operative Society.

The rank-and-file members of the Birmingham Co-operative Society have, therefore, very considerable powers over its government. In addition, they have the responsibility of electing the members' representatives to the governing congresses and conferences of several of the national bodies which make up the Co-operative Movement nationally. At the quarterly members' meetings they elect the members' delegates from the Birmingham area who will attend the governing conferences of the International Co-operative Alliance, the Co-operative Wholesale Society, the Co-operative Union congress, and the Co-operative Union's Education convention. Finally, if they are members of an auxiliary organisation or of the co-operative Party, they have the responsibility for electing the officers on the committees of its local organisation and of participating in its meetings.

Members' Meetings

Very much the largest part of the members' responsibility for sustaining the government of the Co-operative Movement is exercised within the quarterly meetings of members. These are in consequence a major communications interchange.

Through these meetings are passed down to the members any or all of the printed communications from the Co-operative Movement as they are required. The downward flow of the spoken word is also channelled through these meetings. The lay and full-time officers of the society are always present to speak, answer questions and join in any debate about their reports. Conversely, the main upward flow of communications from the members to the officials runs through these meetings. The ballot forms are collected, nominations for office are received, and the spoken contributions of the members to policy are all made here. The members have the opportunity of discussing the official reports from the Board of Directors, the Education Committee and the delegates to national conference. They have the right either to accept these reports or refer them back. They may also introduce new business of their own. They may formulate or discuss and vote on motions raised directly by the members which help determine the Society's policy.

The extent and quality of the communications within the quarterly meetings are therefore critical in determining the effectiveness of membership participation in the Birmingham Society. Important though they are, the members' meetings are not the only channel of communications on government and

policy. Several others are used. The shops and offices of the Birmingham Society provide members with the opportunity of seeing articles and posters and collecting leaflets. At polling stations ballot papers are collected. The Society also makes substantial use of the post. All new members receive by mail the package of information about their rights and responsibilities within the Society. The Education Department also mails information and circulates copies of the co-operative News to interested members. Rank and file members have some opportunity for utilising the published material issued by the Co-operative establishment. The Co-operative News, Platform, Cymbol, and the other national publications have correspondence columns and from time to time publish letters and articles from individual members. For example in 1972, an article was published in Platform by the President of the Birmingham Co-operative Society in his capacity as a lay member. As these journals have a national coverage their interest for, and contributions from, Birmingham and District members tends to be limited. Members may also write directly to the President, other members of the Board of Directors, the Chairman of the Education Committee, and any of the full-time officers of the Society or of the national organisation.

The flow of more general membership information is by its nature primarily one-way, downwards to the members and most of it is channelled through the Birmingham Co-operative Society and its Education Department. Not that it all by any means originates from these sources. A large part of the information sent out by the national

organisations travels to the members via the Education Department which acts as a distribution agency. The I.C.A., the Co-operative Press, and the Co-operative Union Limited publications come to the rank-and-file members in this way. It seems reasonable enough that much of the members' contact with the wider co-operative Movement should be through this department. One of its roles is to give members the opportunity to widen the horizons of their understanding of the Movement and to engage in some of the voluntary Co-operative activities which range beyond the perimeter of their own society. In Birmingham, interestingly enough, much of the downward communications to the members of the auxiliaries also comes through the Education Department.

Birmingham Society is indeed exceptional in giving this facility to these bodies. The Co-operative Party alone of all the national organisations operating within Birmingham maintains a completely separate flow of information to its rank-and-file members. It relies entirely on its own organisations for conveying its publications and notices to its members.

Outlets and Inlets

The physical outlets and inlets of the communications between the Society and its members can be divided into three main types. The first of these is formed by the shops and offices of the Birmingham co-operative society. Here posters are displayed, and leaflets are made available for collection. They also provide the polling stations which form an important channel of communication upward from the members. Secondly, there are the members'

meetings which form a major entrepot for communication upwards and downwards. Finally there is the post. This also has a two-way function. There is direct mailing down to the members, and the members use the post in return to send letters to the lay and part-time officials and to the national journal.

These three channels in practice serve different, though largely overlapping, ranges of people. The 470 shop and offices provide information to all the customers in the Society. These make literally millions of visits to shops in the Birmingham Society every year. They provide the location for the 40 polling stations established at election times.

The general meetings of members, held quarterly in Birmingham, although technically open to all the 585,966 members of the Society in 1971-72, are attended in practice by about 100 at each meeting. The direct mailing list includes many members who may not attend the quarterly meetings, 5,730 information packages were sent out to new members during the period October 1971 to September 1972. In addition, the Education Department has its own mailing list. This was limited to those active members who also participated in the educational activities of the society. Between October 1971 and September 1972 approximately 1000 members received information from time to time and 206 the weekly copy of the Co-operative News.

5. CONCLUSION

To the best of our belief this is the only study of its kind ever undertaken into this aspect of a British Society. We are, however, very much aware of its limitations. There are some complete gaps and some other very thinly covered areas in the survey. Some of the communications - particularly those in the journals published by the Co-operative Movement - have not been thoroughly explored, nor have the reports given at quarterly members' meetings by Birmingham delegates to the conferences of the national co-operative bodies. Communications between the members and the guilds and the Co-operative Party have only been treated in the sketchiest of ways.

One set of statistics in this study seems to reveal a major trend. Membership participation seems to have shrunk both relatively and absolutely over the last two decades in the Birmingham Society. At least this seems the case if the current statistics of attendance at the quarterly meetings are compared with those provided by Ostergaard in 1954. But the purpose of this study is not directed to this aspect of membership democracy. It is concerned exclusively with the communications pattern on which membership participation is sustained.

In any case, judgement upon the effectiveness of communications depends upon what is expected of the system of government in the Co-operative Movement. As a group we did not feel competent to assess this within the time and resources available for the study.

This is why we have been reluctant to make judgements. We have made no assessments as to whether the communications we analysed were good or bad, sufficient or insufficient. We hope, however, that this survey may arouse the interest of similar groups working in other centres and suggest other more ambitious and wide-ranging investigations.

**SCHEDULE OF DOCUMENTS AND OTHER VISUAL MATERIAL ISSUED THROUGH
THE BIRMINGHAM CO-OPERATIVE SOCIETY FROM OCTOBER 1971 TO SEPTEMBER 1972**

Note: Material dealing with trading matters is excluded unless it has some relevance to the rights and responsibilities of members as members

	NUMBER	COST £	METHOD OF PRODUCTION	REMARKS
I. DEMOCRATIC PROCESSES MATERIAL within the Birmingham Co-operative Society				
Ballot Papers				
I.C.A. Congress representation			Printed	
CWS. Half Yearly Meeting in May & Oct.			Printed	
Co-op Congress			Printed	
Co-op Education Committee			Printed	
Co-op Directors	5000	150.00	Printed	
Directors' Report - 4 Quarterly Reports	4000	600.00	Printed	
Education Committee - Representatives' Report	300	0.96	Duplicated	
Posters				
Election of Directors				
Half Yearly Meeting of Members				
Quarterly Meeting of Members				
Annual Meeting of Members	700	300.00	Printed	
Rule Books	25	2.50	Printed	
TOTAL		1053.46		
II. INFORMATION FOR NEW MEMBERS provided by the Birmingham Co-operative Society				
Handouts				
A Guide to your New Share Account	100000	377.00	Printed	
Happy Shopping	16000	404.00	Printed	
New Interest rates on Share Capital	50000	142.00	Printed	
Letter from Society Secretary	2000	7.00	Printed	
TOTAL		930.00		

	NUMBER	COST £	METHOD OF PRODUCTION	REMARKS
III. Information circulated by or through the Education Department				
a) Co-op Auxiliaries				
BCS Auxiliary Branch Programmes (half yearly)				
Directory of BCS Organisations and activities – 20 pages	1000	102.40	Duplicated	
Auxiliary – Various material	1000	64.00	Duplicated	
Women's Guild – handout	4000	12.80	Duplicated	
The Woman of Today Steps Out – poster			Printed	Free issue from CWG
Chained to your Chores – poster			Printed	Free issue from CWG
National Guild of Co-operators – recruitment poster			Printed	Free issue from CWG
National Guild of Co-operators – recruitment handout			Printed	Free issue from NGC
CYM Symbol – quarterly journal			Printed	Free issue from NGC
CYM National conference programme			Printed	Free issue from CYM
CYM – National conference resolutions			Printed	Free issue from CYM
CYM – Handout			Printed	Free issue from CYM
National Guild of Co-operators Annual report			Printed	Free issue from CYM
			Printed	Free issue from NGC

	NUMBER	COST	METHOD OF PRODUCTION	REMARKS
C.Y.M. - HANDOUT	-	-	Printed	Free issue from C.Y.M.
" Duke of Edinburgh Award Scheme - Enrolment Form	-	-	"	" " " "
" Printed letter	-	-	"	" " " "
" Constitution	-	-	"	" " " "
" Certificate of Membership	-	-	"	" " " "
" Conference & Week-end School Letter	-	-	"	" " " "
" Letter to Leaders	-	-	"	" " " "
Woodcraft Folk - Why not Invest in Future - handout	-	-	"	" " " Woodcraft Folk
" " - Lead an active life - handout.	-	-	"	" " " " "
" " - Tomorrow's Citizens "	-	-	"	" " " " "
" " - For an Active Life "	-	-	"	" " " " "
" " - Invest in Future "	-	-	"	" " " " "
" " - Annual Report "	-	-	"	" " " " "
" " - Deed Covenant "	-	-	"	" " " " "
" " - Be in Good Company - poster	-	-	"	" " " " "
" " - Outdoor Activities "	-	-	"	" " " " "
Woodcraft Poster				
- Indoor Activities	-	-	"	" " " " "
- International	-	-	"	" " " " "
- Fellowship is Life	-	-	"	" " " " "
- Recruitment	-	-	"	" " " " "

	NUMBER	COST	METHOD OF PRODUCTION	REMARKS
National Guild of Co-operative - Greetings Card	100	0.32	Duplicated	
" " " " Local Recruitment handout	-	-	Printed	" " N.G.C.
" " " " Introducing the League - handout	-	-	"	" " "
" " " " Mind Your Own Business	-	-	"	" " "
Film Shows		354.00		
b) Study Courses & Conferences				
Conference "Value Added Tax" handout & tickets	4,000	16.60	Duplicated	
Birmingham Through the Ages - handout	4,000	12.80	"	
Consumer Course - An Evening of Fabric - handout	4,000	12.80	"	
Keep Fit Classes - handout	1,000	3.20		
Consumer Course - An Evening with the Greengrocery Dept.- handout	4,000	12.80	"	
" " - An evening with the Butchery Dept.- handout	4,000	12.80	"	
c) Cultural Events				
Theatre Promotion - "Oliver" Publicity	-	190.00	Printing	
Friday Night Theatre - handout	6,000	19.20	Duplicated	
"The Sound of Music" - Publicity	500	1.60	Printed	

	NUMBER	COST	METHOD OF PRODUCTION	REMARKS
Belmont Musical Society - New Members Welcome - handout	500	1.60	Duplicated	
<u>d) International Co-operative Alliance</u>				
International Co-operative Day Celebrations, handout	2,500	8.00	"	
I.C.A. Declaration	1,000	3.20	"	
" Review Bi-monthly	6	9.00	Printed	Published by I.C.A.
" Its Aims & Work - booklet	30	3.00	"	" " "
International Co-operative Celebrations Souvenir Programme	15,000	4.80	Duplicated	
Hands Across the World-Tanzania handout	500	-		Free issue from Co-operative Union Education Department
<u>e) Miscellaneous</u>				
Junior Youth Events - handout	1,000	3.20	"	
Co-operative News - each week @ 4p	206	428.00	Printed	Co-operative Press publication
New Members - letter	-	24.22	"	
" " - Reception - prepaid postcard	-	36.00	"	
		<u>£1494.74</u>		
<u>IV Information Circulated by the Birmingham & District Co-operative Party</u>				
Annual Report Birmingham & District Co-operative Party	2,750	63.00	Printed	

	NUMBER	COST	METHOD OF PRODUCTION	REMARKS
Statement of Expenditure on publicity - leaflet	1,000	3.37	Printed	
Revolution Down Your Way	100	1.00	"	National Co-operative Party
Let's have a Party - handout	2,000	11.50	"	
Why the Co-operative Party? handout	1,000	3.00	"	National Co-operative Party
With the Co-operative Party into the Future - handout	10,000	26.00	"	" " "
Birmingham & District Co-operative Party Diary	750	140.00	"	
Co-operative Party Notes - Background to Politics	432	7.20	"	National Co-operative Party
Platform - Co-operative Party	1,080	18.00	"	" " "
		<u>£273.07</u>		
	<u>TOTAL:</u>			
	<u>TOTALS</u>		%	
Democratic Processes Material	£1053.46	28.0		
New Members Material	930.00	24.9		
Education Committees Material	1494.74	39.9		
Co-operative Party Material	273.07	7.2		
	<u>£3751.27</u>	<u>100.0</u>		

NOTE: I.C.A. - International Co-operative Alliance
C.W.G. - Co-operative Women's Guild
C.Y.M. - Co-operative Youth Movement
N.G.C. - National Guild of Co-operators

STAFF TRAINING WORKING PARTY

This was set up by the co operative Union with representatives from the Central Executive, the Education Executive, the Co-operative Wholesale Society, and the Scottish Co-operative Society. Its terms of reference were, in brief: -

"... to examine the provisions and service for all forms of co-operative staff training and education at present provided by the Co-operative Union and the Wholesale Societies, and to submit a report thereon with recommendations as to which organisation or organisations should be responsible in the future for these services and how adequate resources are to be made available to provide them."

The report was completed in the spring of 1973, has been accepted by the various parties and is now being put into effect. We give below the recommendations of the Working Party and then a commentary by Dr. A. Wilson.

1. THE RECOMMENDATIONS

A Training Executive

It is recommended that a Training Executive be formed, which will have continuing responsibility for preparing and monitoring a co-ordinated programme of central services to the Movement.

(a) Constitution

The members of the Executive will be officers concerned professionally with training in the co-operative Movement and two such officers will be appointed to the Executive by and from -

The Co-operative Union
The Co-operative Wholesale Society Limited
The Scottish co-operative Society Limited

together with two Retail Chief Officers appointed by the Central Executive, and two Retail Personnel/Training Officers appointed by the Central Executive on nomination by the Training Executive.

In addition, the Chairman will be the Chief Education Officer and thus provide a link with the College and Education Department for organisational purposes.

(b) Responsibility

The Executive will be responsible to the Central Executive of the Co-operative Union. The Central Executive is the main Committee of the Movement and is formed of representatives of the C.W.S., S.C.S., and Retail Societies. It is, therefore, considered to be the appropriate supervisory body to control the Training Executive, which will be serviced by the Co-operative Union.

(c) Function

Generally, the Training Executive will ensure that in addition to their own internal training requirements, the Wholesale

Societies will provide facilities to meet the training needs in respect of retail personnel in individual societies and groups of societies up to and including branch managers and section heads. All other training and education requirements above this level will be met by the Co-operative Union. The other more general responsibilities at present carried by the Union, e.g., publications, representation to other bodies etc., will remain the responsibility of the Union, but it will draw upon the expertise and advice within the Training Executive as fully as possible.

The Executive will keep under review the training and education necessary to meet the immediate and future needs of retail societies, and the relevance and adequacy of the facilities provided by each organisation to meet those needs, recommending as necessary any changes required to be made to provide adequate services to fulfil the various provisions required.

The Executive will be charged to ensure that the provisions contributed by each organisation will be co-ordinated and that duplication will be avoided. Further, that the various services will provide continuity in education and training for the benefit of all types of co-operative employees and societies drawing on each other's facilities and resources, as necessary.

(d) Staff

The co-operative Union and Wholesale Societies will employ and remunerate their own staffs, and the Training Executive will endeavour, where possible, to promote relative uniformity in salaries and conditions of service for the staffs severally employed by making appropriate recommendations to the organisations concerned.

(e) Finance

Where practicable economic charges will be made to societies for services provided. It is anticipated that the Wholesale Societies will make economic charges for the services which they provide. For those services provided by the Co-operative Union it is expected that economic charges will be made for short term courses, seminars, etc., but for longer-term courses, it is to be expected that the co-operative Union will subsidise these to some extent from its own funds as the students frequently do not return to or stay with their initial societies after completion of their long-term training.

(f) Education Executive

At present the Education Executive is directly responsible to the Central Executive for co-operative Union educational provisions of all types. The Education Executive will no longer be involved in staff training, but will concentrate on member and social education and provisions for students from overseas, and

will under the control of the Central Executive continue its present responsibility for Stanford Hall, which will also be used for such residential provisions of the Training Executive as may be appropriate. The standard provided at Stanford Hall will need to match the functions expected from it.

(g) Sectional Administration

The Sectional Secretaries of the Co-operative Union will be available to the Training Executive for such sectional duties as may be required.

STAFF TRAINING WORKING PARTY REPORT

2. Comments on the Report

by

Dr. A. Wilson

(Dr. Wilson is Director of Studies in Management and Industrial Relations at the University of Manchester and was the first Chairman of the Society.)

The timing for this report and the subsequent establishment of the Training Executive is highly opportune. The new Training Act is about to come into force in August, with important implications for training programmes, training levies, and supervision, and the major training boards affecting the movement, the DITB and the FDTITB have been rethinking their functions and modes of operation. Perhaps even more important has been the dramatic change in the structure of the Co-operative Movement in recent years which has resulted in the merging of the Co-operative Wholesale Society and the Scottish Co-operative Society, and with virtually the whole of the retail trade of the movement in the hands of 60 to 70 societies. The members of the working party are to be congratulated on producing a report which should bring some much-needed clarification in an area which has troubled relationships between retail societies, the Co-operative Union, and the wholesales for the last decade. In particular they appear to have reached a helpful compromise on the overlapping territory of education and training, and the framework which is proposed should enable the educators and trainers to fulfil their respective responsibilities with clearer objectives than has

hitherto been possible. It should also enable the growing training capability of the co-operative Wholesale Society to be harnessed more effectively to the training needs of retail societies.

There can be little point in further lamentation that the traditional importance accorded to education in the Co-operative Movement has been eroded by developments both within and without the movement. Member education is no longer what it was - nor is it likely to revert to the broad further educational provision which once admirably surrounded the more serious core of socio-political philosophy. Relatively generous schemes of staff education are difficult to afford in periods of rapid change, fierce competition and low profits. And, in an age of amalgamations, rationalization, and redundancy, there are troubling problems in relation to the careers of individual employees, who can no longer expect to serve out the whole of their working lives within the movement. The Central Executive might be thought to have been side-stepping these problems when laying down the terms of reference for the working party. To enunciate that "a fully comprehensive and adequate service should be provided for the Co-operative Movement for all types of staff training and education" is admirable but somewhat over-ambitious. Fortunately for the working party, it was given the less daunting task of examining "the provisions and service for all for all forms of co-operative staff training and education at present provided by the Co-operative Union and the Wholesale Societies", and of submitting a report with recommendations as to which organisation or organisations should be responsible in the future for these services and how adequate resources are to be made available to provide them."

This apparently straightforward exercise is, of course, complicated by several factors, the most difficult of which is forecasting the training needs of a changing organisation in a rapidly changing industry. Training needs are partly dependent on the structure of the movement in five- and ten-years' time, and mainly on the long-term state of the distributive industries. How much expenditure, moreover, is justified in universal training in an industry where labour turnover is high? Then there is the vexed question to which there can be no final answer: how much concentration on staff training can be encouraged without it seriously depriving the movement of resources and energy for staff education and member education? Obviously, without effective staff training, the trading efficiency of the movement suffers, with consequent repercussions on resources available for education, but the proper balance raises philosophical qualms for many active co-operators. To the sympathetic observer, the lack of clear objectives and the in-fighting which has surrounded these matters has prevented the movement from achieving the optimum in either. Not least in importance are the problems of structural politics associated with the growing importance of the co-operative Wholesale Society, and the decline of the Co-operative Union services. How much should the wholesale tail be encouraged to wag the dog?

Reasonable and Practicable

Certainly, there was no lack of fascinating problems for the working party to get bogged down in if any of their members had felt so inclined. The report, however, indicates that the major issues were tackled in a constructive fashion, which has enabled the working party to come up with reasonable and practicable recommendations for action.

The compromise to take away from the Education Executive its staff training responsibilities while leaving it responsible for Stanford Hall, member education, and overseas educational provision is sensible, provided it is not required to play poor relation to its new brother, the Training Executive, which will also be responsible to the Central Executive, but which will draw much of its funds from the Co-operative Wholesale Society and from direct service charges on retail societies. The composition of the Training Executive is both workably small and well balanced with appropriate professionals. The decision to cut off the T.E./Wholesale's responsibility for staff training services to retail societies at Branch Manager level will need to be reviewed as training programmes are developed. Much of the expertise of the Co-operative Wholesale Society staff training service has been in the development of more senior managers. Middle management training is the key area for operational efficiency, and Stanford Hall will need all the help it can get from the Co-operative Wholesale Society training service, if it is to play its role as the management college of the Movement.

The financial guideline that economic charges should be made to societies for services provided is also sensible. Perhaps one might hope that these services will not be subjected to excessively strict cost-benefit analysis, as it is impossible to quantify the full benefits in the short term. Meanwhile systematic in-society training along these lines should be facilitated by the impending changes in the ITB systems. It is right and proper that the Co-operative Union should continue to subsidise longer-term courses and member education courses and conferences at Stanford Hall, though presumably longer-term students from developing countries should be largely financed by ODA/British council arrangements. It is also reassuring to find a commitment of

the Training Executive to "promote relative uniformity in salaries and conditions of service for the staffs severally employed" by the Co-operative Union and the Wholesale Societies. Anything less than this inevitably leaves Stanford Hall staff and sectional secretaries in an invidious position, and the principle of comparability should not be too difficult to apply if the financial will is sound. Another commitment which all who are sincerely interested in Co-operative education and training must welcome is in relation to the resources at Stanford Hall for senior management courses. "The standard provided at Stanford Hall will need to match the functions expected from it.". Presumably, this somewhat ambiguously worded recommendation betokens a recognition that Stanford Hall is capable of making an even more useful contribution to management development in the future, provided it does not continue to be tied to the sort of shoestring budget which has handicapped it in the recent past.

CO-OPERATION IN 1980

By

Jim Craigen

(In November last year, Jim Craigen, the Industrial Liaison Officer of the Scottish Business Education Council and Prospective Labour & Co-operative candidate for Glasgow Maryhill, was invited by the Scottish Society for Co-operative Studies to speak on Co-operation in 1980. This is an abbreviated account of his address.)

The title certainly denotes a reassuring confidence in the future of the co-operative movement. It is of course impossible, in these times of crises, to say what will happen tomorrow, far less in 1980. The one common denominator in surveying the past, present, and future of the co-operative movement is that the goals remain valid and relevant to the times. What is not so obvious these days is whether co-operators themselves are willing to come to terms with the future and to use it to the movement's advantage.

As a community organisation, early co-operatives committed the individual a good deal more than today's membership. Admission was not so easily or so cheaply obtained. The co-ops were in many respects ahead of their time in being 'a business with a social purpose'. But they also lived too much on their own. Nowadays it is the exponents of capitalism, which according to Mr. Peter Walker is no longer a dirty word, who talk about the 'social responsibilities of business'.

The inevitable diversification of co-operative enterprise into production, service, and wholesaling activities in many ways strengthened the movement's insularism. It also brought the co-ops into conflict with the unions at times, although unlike private employers in the last century there were efforts to achieve conciliation. In post World War II years, the co-ops have ignored the very success of many of their own objectives. By raising retailing and service standards which were emulated and surpassed by their larger rivals, they had in fact raised consumer expectations. Young people benefiting from improved educational opportunities and from the overall improvement in the standard of living naturally expected more than their parents. Urban renewal in almost every town and city in Britain was more disruptive of co-operative loyalties and enterprise while at the same time affording an opportunity for vigorous penetration by the multiples.

Co-operation as a form of enterprise and organisation presents a national image. Paradoxically just when we are nearer a fully integrated retail and wholesale co-operative organisation in Britain there are signs that society as a whole is seeking new ways of decentralising wherever possible. The co-ops having been lacking in growth may now be well placed to respond to the greater diversity which will be looked for by 1980. Marks and Spencer with all its standardised stores and identical frontages may be on the same grease pole as Woolworths and, in 1980, a rather tired reminder of its success in the sixties and early seventies.

A Task for Management

The imagination required in the co-ops will not come from layism on retail boards. It can only come from co-op management which must break through the egg shell of the past. The great test of management will be how successfully it exploits change. Co-operative consultancy services should be available to stimulate new ventures in co-operation, whether in services, housing or in retailing.

Possibly our attitude to politics holds some lessons. The Co-operative Party is usually seen as a defence mechanism, a form of insurance, instead of the political force it ought to be. Co-operatives in the past generated new communities all over the country, but the movement as a whole failed to change the overall environment in which the co-ops are only one sector alongside private and public. While the unions have influenced the Labour Party, the co-ops have not. Yet what we are witnessing at the moment is a challenge from the public sector workers against the Conservatives' policy of public sector deprivation. When miners, railwaymen, ambulancemen and firemen are in dispute, every strike is 'a political strike'. How could it be otherwise?

It is symptomatic of the academic respectability of the Co-ops that we actually have a 'Society for Co-operative Studies.' What is really wanted is a 'Society for Future Co-operators' - co-operators who are prepared to see co-operation in new settings: who recognise the present danger signals in our industrial relations system and are more interested in maximising industrial relations satisfaction than in minimising industrial relations discontent.

By 1980, there will certainly be a growth in state controls if not in state ownership. Adapting the institutions to the needs of those who serve and work in them will be the foremost task of personnel managers. The prospects for those working in co-operative organisations ought to be made and be seen to be more attractive and satisfying than just working for a large-scale organisation which happens to be in the public and not the private sector.