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Editorial

In this issue we publish the first of a series of articles on the Japanese co-operative movement. The Japanese movement is the envy of the rest of the world because of its sheer size, its capacity for innovation and for marrying the two 'irreconcilables' of co-operative practice - successful business and an active membership - yet it is struggling to adapt both to an economic downturn and a rapidly changing social structure. Its basic building block of co-operative democracy - the 'han', or joint buying club - is being affected by deep changes in society such as the increasing numbers of women going into paid work. Yet the movement's response is interesting; it is finding ways of adapting the han to new needs and expectations and is leading the search for new ways of meeting the needs of a fast-growing elderly population. We will be devoting most of the next issue of the journal to some more articles from Japan.

In the refereed section we publish an interesting and, perhaps, controversial interpretation of the work of Margaret Llewelyn Davies who was a major figure in the British Women's Co-operative Guild. This continues our theme of 'women and co-operatives' (soon we hope to publish two articles examining the role and experience of women in Japanese co-operatives). The article by David Brown and his colleagues in Southampton is a major departure from custom - they are not writing about co-operatives but about co-operative relationships between conventional firms. Why should we be interested in this topic? There is a view strongly held and vigorously preached by some co-operative leaders that, in order to survive, co-ops and mutuals have to compete aggressively in the market place, co-operating with each other only when this makes good economic sense. It is ironic that, while we are learning to do this, some conventional, investor-owned firms are learning to co-operate with each other in high trust relationships that have been labelled 'co-opetition'. The article is, we hope, the first in a series that examines a phenomenon that obviously has great ethical and practical implications for co-operatives and mutuals.

The article on the ethical policies of the UK Co-operative Bank is itself an example of co-operation, between Paul

Monaghan who gave a talk at the annual conference of the UK Society for Co-operative Studies and Sara MacKian who wrote it up as an article. In this case we do not have to learn from non-co-operative organisations how to live up to our own principles - the UK Co-operative Bank is leading the field in putting business ethics into practice. Finally, in this issue we begin a new section headed 'Responses to Published Articles'. We expect this to become a regular feature. The refereeing process encourages authors to respond to helpful criticism before getting into print; each of our refereed articles is subject to two reports from anonymous referees. However, sometimes authors have to agree to differ or to seek further evidence before making up their minds on a subject. This new section in the Journal will allow continuing discussion of important issues raised by our authors, among leading experts in the field.

Seeking a More Humane Way of Working: The Workers' Co-operative Movement in Japan

Japanese Workers' Co-operative Union

Japan is a highly developed capitalist country, with a huge productive capacity second only to that of the United States. The Japanese capitalist system was established very rapidly over the last 100 years, but development brought with it many victims. Many Japanese workers work in bad and inhumane conditions, they are exploited and overworked, in some cases this can lead to Karoshi (death from overwork), an aspect is not widely known outside Japan. In recent years, the Japanese government has been trying to restructure and deregulate the existing political, economic and trade system. A new era of mega-competition is arriving, and the Japanese market economy system is drastically changing; it is becoming like the law of the jungle. Under these circumstances, the Japanese Workers' Co-operative Union wants to create a new humane form of enterprise and a new way of working. We believe the answer to be workers' co-operatives where workers invest, create jobs, and manage themselves in a democratic way.

Our philosophy

We have learned much from the experiences of workers' co-op movements in Europe such as Lega (in Italy) and Mondragon (in Spain). We began the workers' co-ops in Japan in the early 1970s. In 1992 we became affiliated with the International Co-operative Alliance (ICA). Our philosophy can be summarised as follows:

- Participation of all members in management (one member - one vote).
- The rehumanisation of labour.
- The renaissance of life, labour, and community.
- The creation of a new society of well-being.

We believe it is important that workers should not be

subordinated to the demands of capital but instead work should be meaningful and working conditions should be fair. Every worker should have equal rights and duties and workers should be in control of their own workplaces. In brief we want to make working conditions more humane and more worthwhile. In this way, we want to gain the trust of society by improving the quality of work. At the same time, we believe that solidarity with, and contribution to, the renaissance of communities is very important. Communities have been neglected in the capitalist system and older persons have been marginalised and isolated from society. We believe solidarity with the old is a very important task and that is why we have begun to organise Elderly Persons' Co-operatives in each prefecture of Japan with the purpose of creating a new society of caring and well-being.

In 1992, the Japanese Workers' Co-operative Union decided, by a vote of members, on the following seven principles. We aim:

1. To construct a co-operative movement in which the workers are the key actors, reinforcing a real democracy with joint responsibilities.
2. To achieve a high quality of work and to contribute to the good of community, to overcome the servile and passive mentality of the employed.
3. To improve the quality of work and the standard of living by increasing jobs, based on business plans and by strengthening management ability without making a deficit.
4. To attach greater importance to education and learning, by pursuing human development with 'self-support, co-operation and love' through labour.
5. To develop the workers' co-operative movement and other co-operative movements to seek social change and to reinforce the co-ops with a nationwide outlook.
6. To make enterprises, communities and a society in which workers and citizens are the main actors, by working together with labour unions, and by combining with a wide variety of grass-roots movements.
7. To promote a movement and businesses which will overcome the crisis facing the human race, by strengthening international solidarity.

We decided on these principles by studying and examining our experiences by ourselves. Nevertheless, it can be said that these principles are recognised internationally, because they are very similar to the values and principles of the ICA as decided at the centenary congress of 1995 (our president Yuzo Nagato is a member of the executive committee of CICOPA, one of the specialised bodies of the ICA).

Progress of the movement in Japan

The Japanese Workers' Co-operative Union has over 8,000 members (figures from 1997). These include:

2,500 members of Center Jigyodan, the biggest national co-operative organisation of our Union.

about 5,000 members of 50 local Jigyodan, locally based co-operative organisations

the remainder belonging to producers' organisations, farmers' organisations and elderly persons' co-operatives.

Our organisation has an annual turnover of 15 billion yen of which Center Jigyodan makes up 6 billion yen, local Jigyodan 8 billion yen, and the others 1 billion yen, annually. If one compares these figures to those of workers' co-ops in Europe, they are not so big, because our history is not long, and it is difficult to enlarge businesses in Japan. However, if one compares these figures to those of workers' co-ops in Japan in 1988 then turnover and membership have almost doubled.

The most important decision-making body for our Union is the general assembly which is held every year. The delegates to the general assembly are elected by the base-level co-operatives. The board of directors (who are chosen at the general assembly) make decisions during the year. The president, the vice presidents and the director general are elected by the members of the board of directors and come from amongst them. By our statute, each co-operative pays its dues in proportion to its turnover. In 1997, the total budget of our Union is around 200 million yen. In Japan although agricultural co-ops and consumers co-ops are

recognised in law, there is no such recognition for general co-ops or workers' co-ops. Since workers' co-ops are not recognised as legal bodies, we are in an unfavourable position, especially under the tax system of Japan. In this respect, Japan is far behind Europe. We are seeking to legalise workers' co-ops, by drafting a proposal of legislation, in collaboration with many other organisations such as 'Workers' Collectives'. This is a very important goal for us.

In 1991, we established the Japanese Institute of Co-operative Research to promote systematic research into co-operative organisations, especially workers' co-ops. This institute is the only one of its kind in Japan. The institute is funded by investment and dues of its members, and unites many professors, scholars and co-operative members. Its activities include the holding of symposiums, meeting of study groups on subjects such as employment and co-operation, collection of information about workers' co-operatives all over the world, and the publication of magazines and brochures. Through this institute we have formed a network with people from many different organisations and communities. Our movement attaches a great deal of importance to networking: our ideas and principles cannot be realised only by ourselves, but only with the force of solidarity. In 1993, in collaboration with other organisations the Union made a film, 'Dying at a Hospital' (directed by Jun Ickikawa), the subject of which is the care of terminal cancer patients in hospital. Concerned with the dignity of life through patients dying of cancer, the film was shown voluntarily by our Union in many cities throughout Japan and was seen by about 250,000 people, a record turnout for this kind of movie projection in Japan in recent years. After the Kobe earthquake of January 1995, about 1,000 members of our Union went to the area to help the victims. We collected more than 10 million yen as a donation to help them. When France and China did nuclear tests in 1995, our Union sent a letter of protest to the leaders of both countries. We have a long tradition of opposing atomic weapons as well as fighting unemployment and misery.

In April 1995, the first co-operatively managed high school, Tugeno High School, was established in a rural area of Aichi prefecture. This high school connects study and labour and is rooted in the community. More than 1 million people supported

the establishment of this high school. The Japanese Workers' Co-operative Union invested 10 million yen and made a nationwide appeal for it. This high school is also a member of our Union. The Union also publishes a newspaper and a magazine: *Rokyo Shinbun* (workers' co-op newspaper) published 3 times a month, and *Shigoto no Hakken* (work discovery), a magazine published every two months. These publications are important not only to transmit our practices outside of the Union, but also to regularly inform and up-date members of workers' co-ops with our ideas.

A brief history of our union

The Japanese Workers' Co-operative Union is about 25 years old. It developed from the Trade Union Movement. Our forerunner was the Day Workers Trade Union which supported the workers who worked on a day-to-day casual basis for local governments. When these governments stopped giving day work to these people, the Day Workers' Trade Union began to try to create jobs themselves in many cities throughout Japan. In the early 1970s, they began to organise local Jigyodan (business groups) in many prefectures seeking to organise a new way of working: neither public sector nor private sector but a third sector. In 1979, local Jigyodan groups established a national council to decide on and promote their principles and purposes and to work, not for profit, but for the community. In 1982, Chokkatu Jigyodan (business group managed by the national council), the forerunner of Center Jigyodan, was established for three purposes: to make a model Jigyodan as an example to follow, to establish the financial base, and to form a centre of learning for our members. In 1986 we changed the name of the National Council to the National Union and in 1993 we changed the name of Jigyodan to 'Workers' Co-operative'. We hope to have turnover of 30 billion yen (double that of today) by the end of the century. We want to continue organising elderly persons' co-operatives in each prefecture based around workers' co-op. We are developing an influential network of many groups including architects, technicians, construction workers, farmers who are looking for new ideas about work and life.

Our main area of work is the service sector. This reflects the

fact that we started from the Day Workers Trade Union and with a poor accumulation of capital. Our most important areas are the maintenance of hospitals and buildings, distribution and sorting of everyday goods in collaboration with consumers co-operatives, park maintenance and gardening. We do the maintenance work in more than 80 hospitals. We do more than 20 sorts of works in these hospitals, such as cleaning floors, managing shops, the disposal of medical garbage, catering and managing restaurants, telephone switchboards, and so on. Our work in distribution and sorting of commodities began 15 years ago as co-operation between co-operatives and now we are working at 14 distribution centres. Park maintenance and gardening are mainly entrusted in us by local governments, and we are trying to make cities greener.

In Japan, people over 65 years old make up 15 per cent of population and this figure is increasing year by year rapidly. For us care work for the elderly is becoming one of our most important areas of activities. About 600 care workers belong to our Union. The care workers take care of older persons as home helpers or distributors of foods. We are educating them, by opening the classes licensed by the Ministry of Health and Welfare, and we hope to make more care workers contribute to the community. Our philosophy is to encourage elderly persons to lead a normal life, so they do not become bed-ridden, and to try to help elderly persons become more active and healthy. We have created many home helpers' workers co-op and we plan to make care centers as meeting places of elderly persons. In the near future, the welfare of the aged will be one of main businesses for our workers' Co-op Union.

As mentioned earlier, our members went to Kobe after the terrible earthquake and helped the dismantling and subsequent repairs of houses with the support and encouragement of co-operatives throughout the world. The Japanese Workers' Co-operative Union then established the Workers' Co-op of Construction in Kobe, and 200 members participated in the General Assembly of this establishment. The aim was to break the monopoly of big construction companies. The Workers Co-op of Construction began to construct new buildings as well as house repairs. In 1996, we opened the metropolitan office of Workers Co-op of Construction in Tokyo. We hope to develop

these works by linking them with elderly persons' co-operatives and with many kinds of specialists.

Another developing field for our Union is foods and agriculture. Our principle with regard to foods and agriculture is to produce and provide the products that are 'healthy and safe' and to encourage Japanese agriculture. Japanese agriculture is in crisis because of the politics of the Japanese government such as the promotion of the importation of foreign foods. Now Japan imports about 60 per cent of all foods consumed in this country, like ancient Rome just before the collapse of its Empire. Recently many farmers' organisations such as Muchachaen (orange cultivators) and Vigour farm (dairy farmers) have joined into our Union. We want new, better ways of agricultural working and the invigoration of Japanese agriculture, against the massive importation of, and the dependence on, foreign foods. As mentioned earlier, we manage hospital restaurants and do the catering for many elderly persons. Center Jigyodan started new food production businesses, including bread bakery and Tofu (soybean curd) factory. They use ingredients produced in Japan and adhere to the notion of 'healthy and safe'. These business fields will develop further in the near future.

We began to organise elderly persons' co-operatives in each prefecture of Japan to fulfil the objective 'work, welfare and enjoyment' (Ikigai in Japanese). The elderly persons' co-operatives are autonomous organisations established and managed by older persons. In Japan, the level of social security, pension and public care for the elderly is low and they are isolated from society. Elderly persons' co-operatives are alternatives to such situations. Elderly persons' co-operatives help the elderly to create jobs themselves. They invest and manage home care, food distribution, house repairs, funerals, and the collective purchase of everyday necessities. For these co-operatives, study and enjoyment are also a very important field. Each elderly persons' co-op runs classes in culture, health, language, and computers and organises travel. Thus, these co-operatives try to make a network of elderly persons helping each other. We began to organise these types of co-operatives in 1995 and by April 1997 we have established them in 13 prefectures. More than 15 thousand people joined in these co-operatives with many more supporters. Their activities are widely reported on TV and in the

newspapers. We are determined to establish elderly persons co-operatives in all of Japan's 47 prefectures and to make a national union of elderly persons' co-ops within 2 or 3 years. We are very interested in the activities of the American Association of Retired Persons (AARP), which has over 30 million members and is active in various fields. We invited the President-Elect of AARP to our study meeting in 1996 and we have twice sent a study delegation to the United States. 1999 is the International Year of Older Persons, decided by the General Assembly of the United Nations. We hope to contribute to the success of this year together with many organisations from all over the world.

Note:

Elderly persons' co-operatives recently opened a homepage on the internet. The address is: <http://www.mmjp.or.jp/ecoop>

Margaret Llewelyn Davies: A Study in Female Leadership

Barbara J Blaszak

In 1901, Catherine Mayo was serving her last year of a six-year stint as branch organiser for the Women's Co-operative Guild. On a hot summer night, she paid a visit to the Guild branch at Kettering. She found the meeting room well-filled with Guild members eager to hear her speak. But the atmosphere was stuffy and oppressive. Looking about for a window to open, she noticed:

The hall rejoices in beautiful large windows, but alas! they are placed so high up that they are very difficult to open. We tugged at the ropes but could make no impression. One of the guild members said she never remembered seeing them open but once, and that was when Miss Ll. Davies tackled them.¹

Who was this woman who had managed what no other could in that meeting room at Kettering?

Margaret Llewelyn Davies was general secretary of the Women's Co-operative Guild for thirty-two years, from 1889 until 1921. Official histories of the Guild attribute to her the organisation's growth in numbers and influence within and without the Co-operative Movement around the turn of the last century. Jean Gaffin and David Thorns in *Caring and Sharing* refer to her election as general secretary as a 'turning point' for the Guild and characterise her impact upon the organisation as 'profound.'² Catherine Webb, one of Llewelyn Davies's lieutenants in the business of Guild leadership, considered the general secretary's retirement in 1921 as the appropriate time to commence her history of the Guild, *The Woman with the Basket*, since it seemed to her the end of an era.³ Indeed, one unpublished history of the Guild, which Llewelyn Davies kept among her private papers, alleged that she should be accorded greater recognition in the pantheon of Guild leaders than the organisation's two founders, Alice Acland and Mary Lawrenson.⁴ However, none of these sources investigates her leadership critically and they deliberately ignore the dissident voices of

those Guildswomen who opposed the agenda Llewelyn Davies and her cohorts on the organisation's executive, the Central Committee, imposed upon them. It is hoped here to offer a critical appraisal of her leadership complete with an assessment of the manner in which her private life affected her public career. Taking as a maxim the motto of second wave feminism that 'the personal is political,' a motto with which Llewelyn Davies herself would have agreed, it will be revealed that the general secretary's sexual orientation and class prejudices warped her ability to identify with the married working-class women who constituted the rank and file membership of the Guild, and especially those who regularly shopped at co-operative stores but chose not to join the organisation over which she presided because they were put off by its prioritisation of public service over private life.

The Women's Co-operative Guild was founded in 1883 for the married working-class women who were the customers of co-operative stores, and thus was affiliated with the Co-operative Movement. It hoped to improve the lot of such women by getting them out of the house for meetings at least one night a week, as well as to teach them how to be activists on behalf of Co-operation. As it grew in size, it developed in purpose, undertaking agitations for women's rights within co-operative organisations as well as in the non-co-operative public sphere. Catherine Mayo had, as organiser, the job of starting branches of the Guild at co-operative societies which had none and making sure the already established ones held regular meetings. In particular, she ensured that the branches discussed at their meetings the programme of work mandated by the Central Committee over which Llewelyn Davies presided. When Llewelyn Davies became general secretary of the Guild in 1889, she lobbied against branches holding either mothers' meetings or social nights filled with sewing and relaxed discussions of personal and neighbourhood affairs, otherwise known as gossip.⁵ This single middle-class woman was confident that that sort of recreation could not benefit married working-class women. So, each year, under her direction, the Central Committee chose a topic for the branches to study. These topics included the organisation of trade unions for women, protective labour legislation for female workers, women's suffrage, minimum wages for female co-operative employees, national health care

for expectant mothers and the extension of Co-operation to the poor.

The histories of the Guild draw on the testimonials of women who idolised Llewelyn Davies for their assessments of her leadership. All these women describe how narrow and limited their lives had been until they joined a branch and began the process of self-education under its direction.⁶ They attribute their increasing awarenesses of themselves and the wider world to Llewelyn Davies and the direction she gave the Guild.⁷ These fans enabled the Central Committee to do a brisk business in sales of the general secretary's picture during her tenure in office. That the Committee made these sales under Llewelyn Davies's direction is evidence she participated in the making and the marketing of her image.⁸ Indeed, she probably relished the fact a member of the Kettering branch of the Guild remembered her as the woman who opened windows few others could. That sort of symbolism appealed to her. For instance, in 1908, when the Central Committee commissioned Muirhead Bone to design a membership card, a variation on the window motif was selected for the card's pictorial, and Llewelyn Davies kept among her private papers the official description of the card's meaning.⁹

The design showed a woman wearing an apron and holding a market basket under one arm. She is standing on a hill in front of a cave-like stone building with an open door and looking into the sun rising over a factory town. Shielding her eyes with the other arm, she is watching birds as they soar in the sky above the town. And, as was recorded in Llewelyn Davies's papers,

In the golden morning air, she experiences strange stirrings within her, which she finds difficult to put into words She shades her eyes as the light grows stronger, and the sadness in her heart gives place to a sense of power and longing.¹⁰

'Power and longing' because the future is in her hands. Only her market basket can create the utopia of the Co-operative Commonwealth. Once she felt lonely and cramped in the home, but now she has 'the feeling of fellowship' because the Guild has put her into contact with other women like herself.¹¹

Llewelyn Davies was a talented administrator, but reactive

rather than proactive as a leader and dependent upon others for ideas. For instance, she turned the Guild's attention to the causes of divorce law reform and maternity benefits under national health care only after Asquith's Liberal Government initiated discussion of these issues. Her notions about what shape these reforms should take were derived from the models offered by Scandinavian legislation. She committed the Guild to supporting women's trade unions and protective labour legislation because of her friendship with Mary Macarthur and Clementina Black, who were involved in the Women's Trade Union League. Guild members often found several of the issues Llewelyn Davies chose for Guild work dry and intellectually taxing, and why the Guild should devote time to women's trade unionism and labour legislation puzzled some of them. The married working-class women who made up the rank and file of the organisation came from the relatively well-off ranks of their class and considered wage labour outside the home to be a temporary condition for females. Marriage had, after all, liberated them from it. So, Llewelyn Davies and her minions had to explain that since there were more women than men in the population, not everyone would find a mate, and even when some women found partners, they could not count on them having regular wages. Guildswomen therefore had an obligation to work for the welfare of these less fortunate of their sisters.¹²

Llewelyn Davies also borrowed ideas from the men she counted among her acquaintances. Toynbee and Rowntree are the most obvious examples, as evidenced by the Guild's experiment with the Sunderland Co-operative Society to extend the benefits of Co-operation to that segment of the working class too poor to afford to shop at co-operative stores. After several years of pressuring the male leadership of the movement to act, the Guild's efforts, which Sidney Webb had prompted Llewelyn Davies to initiate and direct, paid off. In 1902, the Sunderland Co-operative Society set up a branch store in an impoverished area of the town populated by the underemployed. The store sold goods in small quantities at prices which were uninflated by the expectation of high dividends, because no one thought the outlet would produce the profits of the stores patronised by the better-off workers. Attached to the store was a Toynbee Hall-style settlement house staffed by middle-class ladies associated

with the Guild. Davies lived there for a time and undertook a survey of the neighbourhood on the model of Rowntree's survey of York.

In further illustration of her penchant for imitation, Llewelyn Davies is often credited with rationalising the Guild's organisational structure so the branches and the Central Committee could communicate more effectively.¹³ She divided the country into geographic sections, and the sections into districts, into which the branches were grouped. That design was not invented by her. It was already in use by the Co-operative Union, the national organisation of co-operative societies. Moreover, Annie Jones, who served as president of the Guild from 1886 until 1892, had argued for adopting the Union's organisational structure even before Llewelyn Davies became general secretary.¹⁴

As a leader, Llewelyn Davies was criticised by some Guildswomen for involving the Guild in too many disparate and diverse activities at once.¹⁵ This tendency caused her to fail to follow through on causes she had adopted for Guild attention. For example, in 1907 when a Middlesbrough County Court judge ruled that married women could not consider as their own the money they had saved from housekeeping expenses because that money had been earned by their husbands, Llewelyn Davies had the Guild drop its plans to discuss opportunities for higher education for women and turn its attention to the defence of 'Wives' Savings.¹⁶ The Guild's rank and file eagerly espoused this cause because, as working-class wives, they had always presumed the dividends their purchases accumulated at the co-operative stores were their own, even when the family membership was taken out in their husbands' names. In fact, male store managers had always presumed that, too.¹⁷ The Guild managed to get the issue of 'Wives' Savings' put on the agenda of the 1908 Co-operative Congress. It was decided there to refer the matter to the attention of the Union's Parliamentary Committee, which had as its responsibility the drafting of bills sympathetic to the interests of the movement and the finding of sponsors for them in Parliament.¹⁸ But the Parliamentary Committee never took up the matter and Llewelyn Davies never petitioned them to remind them to do so, even though she frequently wrote to them asking them to support women's

suffrage.¹⁹ Presumably, like many women's suffragists, she believed that winning the vote would enable women to demand feminist legislation on their own. Hence she gave that cause more priority than agitating, through men, for any particular law to assist women. If that was her rationale, it was a logical one. However, it was one upon which she had no authority to act unilaterally. The rank and file of the Guild, as well as of the Co-operative Movement through its Congress, had spoken; they wanted legislation to protect wives' savings. It was her obligation to remind the Parliamentary Committee of that. This is but one example of the general secretary's penchant for ignoring the wishes of the majority despite her self-proclaimed devotion to the democratic process. Not surprisingly, this penchant was rooted in her class background, which prompted her to feel that she knew better than her lower-class charges what was in their best interests.

The particulars of Llewelyn Davies's life may be found in the first volume of Joyce Bellamy and John Saville's *Dictionary of Labour Biography*.²⁰ More interesting is what she had to say about herself and her life's work as the unmarried middle-class interpreter of the needs and wants of married working-class women. What little is left of her private papers are housed at the London School of Economics. They were deposited there after Llewelyn Davies's death, in 1944, by Lilian Harris, the woman with whom Llewelyn Davies had lived and worked for most of her adult life.

In the late twentieth century, it has become fashionable to speculate about the sexual orientations of such life partners as Llewelyn Davies and Harris. While nothing in the Llewelyn Davies papers suggests that she and Harris were lovers, the sanitised nature of those materials raises suspicions. For instance, there is nothing of a personal nature in them, and very little pertaining to Llewelyn Davies's activities as general secretary of the Guild - with the exception of the Sunderland experiment.²¹ There are no letters from, or drafts of her epistles to, the many notables with whom she corresponded, including Virginia Woolf, L.T. Hobhouse, and Aldous Huxley. Most of the material in the collection covers interests which Llewelyn Davies pursued after she resigned from the Guild's leadership in 1921, although it is true many of these had grown out of her association with that

organisation - such as the national care of maternity and the international peace movement. Yet there are hints elsewhere that at one time Llewelyn Davies's private papers were richer than they are now. In 1931, Llewelyn Davies compiled a number of letters she had received from Guildswomen into a volume entitled *'Life As We Have Known It*. She asked Virginia Woolf to write an introduction to the book. There Woolf recalls the day she visited Llewelyn Davies in 1913, and the general secretary 'unlocked a drawer and took out a packet of papers. You did not at once untie the string that fastened them. Sometimes, you said, you got a letter which you could not bring yourself to burn

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In what remains today of those papers there are some items wherein Llewelyn Davies describes her hopes for the imminent dawning of a co-operative/ socialist utopia; there are also copies of tributes paid to her and Harris by the Guild and the larger Co-operative Movement. But the most intriguing materials are several photographs. With these a Freudian could have a field day!

Llewelyn Davies and Harris took these pictures on their trips abroad on behalf of either the international co-operative or the pacifist movements. One of the photographs, 'Monument der Slachtoffers van 18 April 1902 - Stadskerkhof van Leuven,' is a shot of a sculpture of a woman with very muscular arms, supporting a fainted man.²³ Another is of a sculpture entitled 'Marianne,' a monument funeraire by van Beveren. This Pieta-like piece represents a larger-than-life woman, attired as an Amazon and wearing the expression of a mater familias - stern yet capable of love. She is looking down at a small naked man in her lap. The male figure almost appears to be grafted to her belly. He has an exhausted expression and is looking up to her as if in need of her protection and care.²⁴ In addition to these photographs, there is a pen and ink drawing entitled 'Fecondite.' This depicts a beautiful, bountiful young earth mother, suckling two infants at once and surrounded by several older children. One of them is an adolescent girl, carrying a basket brimming with ripe fruit.²⁵

What conclusions may be drawn from these as to the gender attitudes or sexual orientations of their collectors? Clearly, they show Llewelyn Davies and Harris considered the female of the

human species to be the superior and more important of the two sexes, since upon them men and children depended for strength and sustenance, not to mention the continuation of the race. Does this mean Llewelyn Davies and Harris were lesbians? Neither married nor appear to have had any wish to do so. Harris's aversion to marriage is understandable. She was one of fourteen children had by a wealthy banker by two wives, both of whom died as a consequence of their 'Fecondite.' But Llewelyn Davies's parents were happily married and presided over a loving family of seven children, of whom all but Llewelyn Davies were boys. Both her parents and their families had progressive ideas when it came to social issues having to do with either labour or gender. And fortunately, it remains possible to know what Llewelyn Davies thought about her upbringing.

Among her private papers is an autobiography she wrote in 1931 when a Norwegian magazine, *Norges Kvinder*, requested some information so it could publish an article about her. There she says she was brought up in an atmosphere of 'advanced social and religious thought, and no restraint was put on our religious and political views.'²⁶ Of her mother's side of the family, Llewelyn Davies writes that they were Unitarians and some of her uncles were Positivists and supporters of trade union legislation. Unitarians had always been in the forefront with those who espoused 'advanced' ideas because of the religious persecution and discrimination they endured for denying Christ's divinity.²⁷ Llewelyn Davies was particularly close to her mother. When she died in 1895, the general secretary wrote that she had been 'mother and sister to me.'²⁸ She described how her mother had supported her in her work for the Guild. Mrs Davies had paid the salary of the first Guild organiser hired by her daughter and had helped with the organisation's paper work.²⁹

In her autobiography Llewelyn Davies mentions that her father was a friend of F.D. Maurice, T.H. Huxley, Browning, and Carlyle. In fact, Maurice was her godfather. Her father was an Anglican minister who had come under the influence of the Christian Socialists. She then goes on to say, 'My aunt, Emily Davies, was a pioneer of middle-class women's education, and the originator of Girton College.'³⁰ Llewelyn Davies attended Girton College after beginning her higher education at Queen's College, London. Apparently, her family applied their 'advanced'

ideas to their own, as Margaret was treated no differently from her brothers when it came to educational opportunities. However, there was the exception of her given name. Each of her six brothers was christened with the family name, Llewelyn, as his middle name. But she was named Margaret Caroline. She adopted Llewelyn on her own some time prior to the commencement of her public career as an activist for the working class. Perhaps this name change means she wished she had been born a boy, but that is doubtful because of her women-centred life's work and her tendency to bond closely with other women.

Before Lilian Harris entered her life, her closest friend was Rosalind Shore Smith. She met Shore Smith in Marylebone, where both of their families lived. Llewelyn Davies's father was rector of Christ Church there. Llewelyn Davies and Shore Smith were extraordinarily close, both simultaneously deciding in the mid- 1880s to devote their lives to the amelioration of the condition of the working class. In Marylebone, they became active in a club designed to provide working-class adults with more wholesome recreation than that offered by pubs and music halls. They played at being what Llewelyn Davies called 'amateur sanitary inspector[s]'.³¹ Finally, in 1886, they encountered the Marylebone Co-operative Society and were taken to a meeting of its newly formed branch of the Women's Co-operative Guild by a mutual friend.³² It has been claimed that Llewelyn Davies's Christian Socialist father probably instigated his daughter's interest in Co-operation, since back in the 1860s the leaders of that Anglican ministry had become supporters of the Co-operative Movement.³³ However, it is just as likely Llewelyn Davies herself concluded that if she intended to devote her life to advocacy on behalf of the working class, she would have to participate in that class's culture. In her autobiography she says she came to realise that trade unionism and Co-operation were 'woven into the fabric of workers' lives'.³⁴ She adds that joining the Marylebone branch of the Guild, 'opened up to me a new world, practically unknown to the well-to-do classes'.³⁵ Like the Victorian missionaries to darkest Africa, she found she had to get to know the natives intimately, and to make their interests her interests, before she could bring them the light. This analogy is a useful one because middle-class reformers like Llewelyn Davies were as guilty of imperialising

their charges as were Christian missionaries the inhabitants of the colonies. While those missionaries acted out of a sense of racist notions of the white man's burden, the reformers were motivated by classist perceptions of the condition of England question. In the last analysis, neither were capable of functioning as interpreters of the needs and wishes of those to whom they ministered.

After joining the Marylebone branch of the Guild, Shore Smith and Llewelyn Davies began to go more separate ways. First distance, then marriage came between them. In 1889, just before Llewelyn Davies assumed her position as general secretary of the Guild, her father was transferred to the parish of Kirkby Lonsdale, in Westmorland. A few years later, Shore Smith fell in love and married. Her husband, Vaughan Nash, was a middle-class propagandist for the Co-operative Movement, and after their marriage both continued to work for the cause. Shore Smith remained associated with the Guild and edited for eight years the column that organisation used in the weekly newspaper of the Co-operative Movement, the 'Woman's Corner' of the *Co-operative News*. During that period, she and Llewelyn Davies worked closely to use the column to represent the Guild's interests. But the nature of the relationship had changed.

Llewelyn Davies met Lilian Harris in Westmorland. Harris lived with her family in the mansion her wealthy father had built in the Lake District. She quickly came to replace Shore Smith in Llewelyn Davies's life. The physical resemblance between Harris and Shore Smith is striking. Photographs show both had dark, wavy hair and wore it similarly. Both had thick-lidded eyes, thin lips, and large noses. It is probable Llewelyn Davies and Harris became fast friends because Harris reminded the Guild leader of Shore Smith.

Harris virtually moved into the room in the vicarage turned over to Guild business and began to function as the general secretary's girl Friday, even before she was officially appointed the Guild's cashier in 1893. When the Reverend Davies- retired in 1908 at the advanced age of 82 and the household moved back to London, Harris went with them. Virginia Woolf provides a picture of life in that house in Hampstead from her visit in 1913

On entering the 'very dignified old house,' Woolf was greeted by Harriet Kidd, an unwed mother and former factory

hand to whom Llewelyn Davies had given a secretarial job.³⁶ Woolf immediately sensed a class barrier between herself and Kidd, characterising the receptionist as a 'watch-dog to ward off the meddlesome middle-class wasters of time who come prying into other people's business.'³⁷ Woolf seems to be suggesting that because this working-class woman was protecting Llewelyn Davies, the general secretary of the Guild had been accepted as one of the working class to whom she ministered. Again, the missionary analogy proves useful. Whites who had lived for some time in the colonies among the people of colour there were sometimes more tolerated by the indigenous population than new arrivals.

Kidd took Woolf upstairs, where she was met by Lilian Harris, who immediately put the novelist at ease. Harris impressed Woolf as a woman who effortlessly organised events like the Guild's annual congresses.³⁸ She could answer 'questions about figures and put her hand on the right file of letters infallibly ...'.³⁹ She 'sat listening, without saying very much ...,' and also made the tea.⁴⁰ In sum, she was the angel in the house. When Llewelyn Davies was ill or busy, caring for her increasingly infirm father, Harris had stewardship of the Guild, having been named assistant secretary in 1901. The general secretary trusted her friend to speak and act for her. The two were married in mind and heart.

Finally, Woolf says, Llewelyn Davies, the matriarch of the household, made her entrance, looking 'arrowy and decisive' - in a word, masculine.⁴¹ Again, this raises the question of Llewelyn Davies's sexual orientation. Although there is no concrete evidence that her relationship with Harris was a physical one, Virginia Woolf's own predilections would make her likely to recognise a homosexual couple when she saw one. However, it is just as likely the two were celibate humanitarians, devoting their lives to the service of others after the fashion of Roman Catholic nuns. Nonetheless, whether a- or homosexual these two unmarried middle-class women considered themselves spokespersons for married working-class women. During the Guild's agitation for divorce law reform, the limitations their sexual orientations created for their abilities to identify with the wishes of Guildswomen surfaced.

The publication in 1912 of the Royal Commission's

recommendations for the reform of the divorce laws and the Guild's subsequent agitation to broaden them to include divorce by mutual consent split the Guild. Lancashire women under the leadership of a Mrs Bury, who had served four three-year terms on the Central Committee and was three times president of the Guild, objected to their organisation's support for liberalising the divorce laws. They took their wedding vows seriously. They had promised for better or worse, to death do they part, and they believed that all who entered into such promises should live by them. As women from the relatively well-off ranks of the working class they knew how trying could be marriage to a man who demanded constant deference because of his ability to provide for the family. Perhaps they were, or at least knew of, women who were battered. They realised that even loving and tender husbands could be a problem because loving meant pregnancy with its attendant physical debilitations and additional caring obligations. Nonetheless, they committed themselves to living with their husbands for better or worse, no matter how worse it was. Llewelyn Davies was incapable of understanding the position of these dissident Guildswomen.⁴² She had never personally experienced heterosexual love or lived intimately with a man. Working-class men from her middle-class perspective would have appeared to her particularly objectionable. Gruff and unwashed, she could not imagine how any woman could endure them, even if they were loving and tender, perhaps especially if they were loving and tender. No wonder she made it her life's work to make working-class wives as independent of their husbands as possible.

Of her accomplishments as general secretary of the Women's Co-operative Guild, Llewelyn Davies was most proud of what she had been able to do to break down what she described as the 'isolation' experienced in the home by working-class wives, and of the improvements her efforts had brought to the health of mothers and their infants.⁴³ The Positivist bent she had inherited from her mother's side of the family drove her to measure the former with statistics in the annual reports of the Guild, which she wrote every year for thirty-two years. For Llewelyn Davies, proof that a working-class wife had been liberated from her 'isolation' was measured by the number of activities she undertook outside of the home. Thus, the general

secretary meticulously cited in her annual reports, statistics relating to the number of women elected to educational or management committees of the co-operative stores, to the various committees of the Co-operative Union, or to the board of directors of the Co-operative Wholesale Society. She listed how many Guildswomen became factory inspectors, poor law guardians or justices of the peace.

In her early years as leader of the Guild, Llewelyn Davies had imagined that one day soon such a separate organisation for women co-operators as the Guild would no longer be necessary because gender discrimination within the Co-operative Movement, at least, would fall before the evidence of women's competency to function in roles that men had hitherto monopolised. Male and female co-operators would then work side by side to advance their cause.⁴⁴ But each year the evidence of the numbers indicated to her that gender discrimination was not to be so easily conquered. For every three women elected to educational committees, only one successfully ran for a seat on a management committee.⁴⁵ Men were willing to vote for women candidates for educational committees because the instruction of future generations in the principles of Co-operation suited what was considered to be woman's natural role. The reading of balance sheets continued to be thought men's work, so election to management committees eluded even those female candidates whom the Guild had trained in accounting.⁴⁶

Winning seats on such powerful committees of the Co-operative Union as the Central Board, or election to the CWS's board of directors was even more difficult. During Llewelyn Davies's tenure as general secretary, no more than one or two women ever served at any one time on the Central Board of the Co-operative Union, and no more than one on the board of directors of the Wholesale.⁴⁷

Reflecting in her autobiography on this empirical evidence for the persistence of sexism, Llewelyn Davies admitted that she had been too sanguine in her youth about the prospects for the end of gender discrimination. She no longer thought the Guild could one day soon disband. She said: 'From my experience I have found that, so long as there is class and sex inequality, it is necessary that working women should have their own separate and affiliated organisations.'⁴⁸ Only within the confines of such

bodies would working-class women find the nurturing they needed to prepare them to lead active public lives as co-operators and citizens. Her many years of reading and editing the correspondence of Guildswomen had shown Llewelyn Davies how deficient in basic skills were such women:

... the special circumstances of women's lives, and the effects of these circumstances, together with the fact that men are in possession, and not without prejudice as regards women's place and work, make it essential, if men and women are to come together on terms of real equality and comradeship, and if women's point of view is to be properly expressed, that women should for some time yet have special organisations of their own.⁴⁹

She knew working-class women risked ridicule and dismissal from both men and social superiors if they dared enter public arenas untutored and unprepared.

However, occasionally Llewelyn Davies revealed that she, herself, was not entirely innocent of class prejudice. She permitted her fellow Guild leaders in the public forum of the *Co-operative News* to blame the narrow-mindedness of working-class women as much as the sexism of men for the failure of Guildswomen to win election to more than educational committees.⁵⁰ She even said the same herself in the history of the Guild she wrote in 1904.⁵¹ Nor had she respect for working-class wives who preferred domesticity to public activism, despite the numerical evidence indicating many more female co-operators wanted quiet private lives than active public ones. Of the millions of women who shopped at co-operative stores, only a few thousand ever bothered to join the Guild.⁵² And of those who became members, some left when their branch leaders forced them to discuss topics like women's suffrage or pacifism, which seemed too radical to them.⁵³ So the general secretary used the letters written to her by working-class wives who balanced home duties with other commitments to admonish those who alleged their households kept them too busy for community involvement. In *Life As We Have Known It*, a Mrs Layton recalls how wrong she was to have assumed that she was too busy to join the Guild when she was first invited,⁵⁴ and a 'Lancashire Guildswoman' provides a model

for scheduling the week's housework around meetings.⁵⁵ This second woman was particularly proud of having 'never bought a week's baking' during her married life and of her reputation as the woman who always hurried home from out-of-town commitments in order to have a hot dinner ready for her family.⁵⁶ However, she did admit she heard the siren song of domesticity call to her many times in her travels on behalf of her work: 'I have trudged through snow and rain with my bag, and I have carried my bag in my hand until my fingers have tingled with the frost, feeling that I should have been better at home.'⁵⁷ But her 'real love for the work' and the reception she received when she arrived at her destination helped her resist temptation.⁵⁸ Evidence of the atypicality of these women is provided by the fact Llewelyn Davies had used the same letters in her 1904 Guild history to encourage the domestically-oriented to adopt public activism.⁵⁹

Llewelyn Davies also showed class bias when she characterised working-class women according to stereotypes with which middle-class readers of Victorian fiction would be familiar. They were either heroines or quaint personages who spoke odd dialects. For instance, the women she chose to represent as the typical Guildswomen in *Life As We Have Known It* all overcame monumental hardships before coming to live happily ever after. One survived the filth and epidemics of Bethnal Green; another endured many abusive situations as a domestic servant until finally coming to be employed by a caring couple who taught her to read; another experienced the lash of the overseer as a child agricultural worker in the Fens; and there was Harriet Kidd, who was raped and impregnated by the factory owner for whom she worked.⁶⁰ Had the extraordinary survivors in *Life As We Have Known It* been typical of those who shopped at co-operative stores, or even of Guildswomen, there would have occurred the dawn of the Co-operative Commonwealth Llewelyn Davies so eagerly predicted from them wielding their market baskets like 'revolutionary weapon[s]'.⁶¹

In addition to heroines, Llewelyn Davies's publications are populated by working-class women and men who speak in half-literate, regional dialects like Dickens characters. In her 1904 history of the Guild, she recounts what one working-class wife said to her husband when he tried to stop her from going to a

Guild meeting: 'Nay, tha's had thy day in leaving me wi' childer, it's my turn nah, and ah's going.'⁶² She also reports the conversation she overheard between two men after a lecture sponsored by a Guild branch:

I say, how don these women manage to get up sich good lecters? They're better nor moest o' thoose we getten fro' th' Educational Committee, an' th' women hanna so mich money for to goo at noather, but they beaten us chaps sometimes.⁶³

She also displayed her class prejudices by prefacing the testimonials of the benefits of Guild membership she provided in her 1904 history by remarking of working-class women: 'Very few have the character and interest to study and think alone, unaided ...'.⁶⁴ So the general secretary made it her business to direct their course of study.

It is not surprising that Llewelyn Davies considered what the Guild had achieved for mothers and their infants the other great accomplishment of her career. That organisation's fight for the inclusion of maternity benefits in the 1911 Health Insurance Act, and then the payment of those benefits directly to the mother rather than the male head of household, and later for a programme of maternity care (including home helps) run by the local government boards, made for the one area of agitation in which the Guild had much success.⁶⁵ Despite the failure of the government to follow all the Guild's recommendations to the letter and the post-war budget cutbacks, the Guild's other reforming efforts had had even more mixed results.

Its campaign for a minimum wage for the female employees of co-operative stores and manufactories won the support of the CWS, but the Wholesale left implementation to the discretion of store and factory managers with the predictable result that many did not enforce the scale. Its support for divorce law reform landed the Guild in a four-year struggle with the Co-operative Union during which the Union cut off its funding of Guild activities. The settlement house established by the Sunderland Co-operative Society was closed after a year, and the neighbourhood store was left to struggle on its own. The international co-operative movement ran afoul of economic depression, and the rise of fascism and Hitler soon made pacifism

look pretty foolish. There is no record of what Llewelyn Davies thought about the Second World War. Nor was she in London for the Blitz; she and Harris having already left Hampstead for Dorking, where at most they would have heard the war machines rumble by on their way to larger prey than their little town.⁶⁶ With respect to the enfranchisement of women, Llewelyn Davies was very proud of what the Guild had been able to do to prove that working-class women wanted and deserved the vote.⁶⁷ And even in 1927, after women had had the vote for almost a decade, she still believed that the world was about to be transformed by women's enfranchisement,⁶⁸ unlike Virginia Woolf who had already come to the conclusion that a guaranteed income of £500 a year was more useful than the right to vote.⁶⁹ Nonetheless, Llewelyn Davies was not about to claim for the Guild the credit for the passing of the 1918 Representation of the People Act, like she did the maternity benefits legislation, even though the organisation had thrown its weight behind adult suffrage and supported the People's Suffrage Federation.

As for the lack of enthusiasm among Guildswomen for agitating for women's trade unionism and protective labour legislation, this eventually forced Llewelyn Davies to the position that the Guild was itself a trade union, 'a married women's trade union.'⁷⁰ Therefore it had as its special business the conditions of labour in the home, including the task of reproduction. Moreover, since practically all Guild members were mothers, they could claim to speak authoritatively about maternity even if she could not. Thus, campaigning on behalf of mothers and their infants became the cause for which the Guild and its childless leader received the most recognition from the government and dignitaries.⁷¹

Despite her personal disinterest in heterosexuality, the general secretary appears to have loved children, and they seem to have reciprocated the affection. Among the remnants of the materials from the Sunderland experiment in Llewelyn Davies's private papers are photographs of her with the neighbourhood's children and letters to her from girls who wanted to keep in touch with her after she had left the settlement house.⁷² One, a Frances Jane Davie, was an especially frequent correspondent with the general secretary. She gave Llewelyn Davies her exercise book from a poetry reading at the settlement house,⁷³ and also

sent explanations as to why she could no longer attend the children's league meetings - she had to help her mother at home.⁷⁴ She called the general secretary her 'Ideal Friend',⁷⁵ and tried to imagine what Llewelyn Davies's home in Westmorland was like, concluding it had to be 'like the garden of Eden.'⁷⁶ Indeed, Margaret Llewelyn Davies must have seemed to the children she encountered at the settlement house like a mythological goddess come to live for a time among them. The general secretary was a tall and graceful woman, with a melodious speaking voice. Her aquiline nose gave her face a classic beauty, especially in profile. More to the point, she was aware of her attributes and appears to have used them to seduce the children into becoming co-operators, persuading them to join the store's penny bank and the settlement house's children's league. As one of her fellow missionaries at the house pointed out, 'The boys and girls are first-rate propagandists,⁷⁷ effective agents for breaking down the resistance to the store among the more reticent adults. This suggests Llewelyn Davies was, in reality, not interested in the children for their own sakes, although the end to which she used them as means was certainly altruistic.

The Guild leader had as her primary objective the mothers of the children, always believing that when you helped the mother, you helped the child. As early as 1889, she had opposed in a Central Committee meeting the notion, '... that the chief work of the Guild was dealing with children rather than women.'⁷⁸ Her predecessor as general secretary, Mary Lawrenson, a school teacher by profession, had tried to make the Guild an organisation dedicated to working for the welfare of children. After Llewelyn Davies took over, however, Lawrenson found that she would have to forsake the Guild for involvement with the children's groups sponsored by the Co-operative Movement if she wanted to continue to pursue her interest in the young;⁷⁹ the new general secretary became that successful at redirecting the Guild's emphasis along lines she preferred. A combination of her middle-class advantages and fortuitous constitutional changes within the Guild enabled this reactive leader who borrowed ideas from others to capture the organisation as thoroughly as she did.

Llewelyn Davies's social background made possible her election as general secretary at the age of twenty-eight, after

only three years of involvement with the Co-operative Movement. Members of the Central Committee were elected annually. The branches were first circularised for their nominations; nominees then contacted to be sure they were willing to run; finally, voting papers were sent to the branches and returned by them to the general secretary for tabulation. Llewelyn Davies first ran for a position on the Guild's Central Committee in 1887, after only a year's membership at the Marylebone Co-operative Society. When she tried again the next year, she won, paving the way for her successful bid for the general secretaryship in 1889, when Mary Lawrenson resigned. She was on the ballot for that position with one other candidate, her friend Shore Smith, who posted a notice in the 'Woman's Corner' of the *Co-operative News* asking that no one vote for her as she considered Llewelyn Davies to be the ideal person for the job.⁸⁰ Shore Smith must have assessed her friend's fitness for the office correctly because Llewelyn Davies would have no serious challenges to her position for the thirty-two years she held it. But had Llewelyn Davies been a working-class woman neither this rapid rise to a position of authority in the Guild nor fixity of tenure in it would have been possible.

A working-class wife would first need a supportive husband to be able to join a Guild branch and enter upon work for it. Indeed, most working-class women who rose to positions of national or regional importance in the Guild had husbands who were either employed by the Co-operative Movement or were themselves zealous co-operators. For instance, Mary Lawrenson and the president of the Guild with whom she had served, Annie Jones, had such husbands.⁸¹ So did the married women in *Life As We Have Known It*.⁶²

Next, a working-class wife would need a small family if she hoped to rise within the Guild, because too many pregnancies and child care obligations would get in the way of her Guild commitments. Again, to use the examples of the only two working-class women on the seven-member Central Committee in 1888, when Llewelyn Davies first gained election to it, Mary Lawrenson had only one son and Annie Jones four children in an era when most working-class families were much larger.

Then, a working-class woman would have to spend years of activism on the branch level of the Guild before running for a

national leadership position, since she would need to acquire the basic language and speaking skills, not to mention the self-confidence, that formal education had given Llewelyn Davies. She would also have to have the good fortune to have suffered none of those accidents of fate, such as the death or disability of a husband, which often reduced working-class wives to taking in laundry to support the family. Her husband would have to have a secure, well-paying job too, because there were many incidental expenses that went with Guild work, and she would have to have spending money for them. Beyond the 6d per annum membership dues owed to her branch,⁸³ there were additional fees depending on how involved she wanted to become in Guild work. After the Guild was divided into districts and sections in 1890, a working-class woman would have had to become active in those if she hoped to rise in the Guild. The districts held periodic conferences, and if she were chosen as her branch's delegate to one, the branch was obligated to pay only half her expenses. If she moved up to sectional work and became a delegate to a sectional conference, the central fund (accumulated from annual contributions from branches at the rate of 2d per member) paid for half of her expenses. If she became well enough known to become a sectional secretary, an important prerequisite for election to the Central Committee, the central fund would pay her an honorarium annually, but the Guild was determined to keep this sum small so that it could not be considered a salary, since its policy during the years of Llewelyn Davies's tenure as general secretary was to maintain the principle of voluntarism in its leadership positions.⁸⁴

There is evidence that Llewelyn Davies often used her personal wealth and connections on behalf of the Guild. On 7 April 1888, the Central Committee received a special donation from the Marylebone Guild branch;⁸⁵ a gift from Mrs Davies financed the first Guild organiser, money from a friend, Ada Mocatta, the second, and Llewelyn Davies offered her own money for the salary of the third if the Guild agreed to pay her travelling expenses.⁸⁶ When the Co-operative Union tried to stop the Guild from agitating for divorce law reform by cutting off its annual grant of £400, Llewelyn Davies offered to cover any resulting deficits in the Guild's budget from her own pocket, asking only that the Guild pay her back when it could afford to do so.⁸⁷ No

working-class woman could have afforded such generosity.

When Llewelyn Davies became general secretary of the Guild, it was not yet clear that that particular position on the Central Committee would become the dominant one. Between 1886 and 1892 the president of the Guild wielded great authority. It is true the presidency had been no more than an honorary position in the mid-1880s, when the ailing Alice Acland occupied it and the Guild even considered eliminating the office, but her replacement by Annie Jones in 1886 changed matters.⁸⁸ Jones was well-connected in the Co-operative Movement by virtue of her marriage to Ben Jones, the director of the London branch of the CWS and co-author with Alice Acland's husband of the then definitive textbook on Co-operation, *Working Men Co-operators*. She believed passionately in the movement and spoke on platforms on its behalf. She felt women were the ideal propagandists for Co-operation because they were the ones who did the grocery shopping. Moreover, she deferred to the male leadership of the movement in a manner both men and traditionalist women found reassuring. At the 1890 Co-operative Congress she told her audience that she would not advise women 'to take up co-operative work and neglect household duties ... [because] they had a duty to their husbands and children, and though they should try to help one another, still they had to remember in the first place home duties.'⁸⁹ Had Annie Jones been able to remain as president of the Guild as long as Llewelyn Davies served as general secretary, the direction that organisation could have taken might have been much different from the one Llewelyn Davies set for it. Possibly, it would even have attracted a greater proportion of female co-operators as members because a married woman who prioritised the home, like Annie Jones, was more typical of the average woman shopping at a co-operative store than was Llewelyn Davies. But, in 1892, Jones was forced to leave her office because of the new rules governing service on the Central Committee, which the Guild had adopted in 1888, limiting terms of service on it to three years for everyone except the general secretary. After a twelve-month hiatus, Jones again became eligible for election to the committee according to the new rules. So, she ran in 1893, and was successful, but she died suddenly the next year at the youthful age of 42. Llewelyn Davies had happened upon her position at the right time in the

Guild's constitutional history, and the premature death of a leader with an opposing vision enhanced her opportunity to shape the direction of the Guild.

Many have claimed the Women's Co-operative Guild was a democratic organisation run by its rank and file and not governed from the top down by the Central Committee or its general secretary. Llewelyn Davies insists on this point in her history of the Guild, so does Catherine Webb in hers, and Gaffin and Thoms in their 1983 telling of the Guild's story.⁹⁰ Most recently, an unpublished doctoral dissertation has made this claim, as is evident by its title *'The working class women's most active and democratic movement': the Women's Co-operative Guild, 1883-1950*.⁹¹ A disputation of this thesis best begins with the following quotation from one of the tributes made to Llewelyn Davies upon her retirement from office:

whether we like to think it or not, an enormously large degree of the vitality and effectiveness of any association of people, however broadly democratic its government may be, rests upon the personality of its executive official.⁹²

The comments about her retirement made by Guildswomen illustrate further the extent to which Llewelyn Davies had become the Guild. After thirty-two years of being led by her, it was impossible for many Guildswomen to imagine the organisation without her.⁹³ One woman, A. E. Corrie from the Coventry branch, went so far as to write to the women's column of the *Co-operative News* that there must be some misunderstanding, Llewelyn Davies could not really be resigning.⁹⁴ As for those who could bring themselves to believe their leader was leaving them, most pointed out that, 'It is wonderful, as you say, that the working women should have built up such an organisation, but it would have been impossible without strong personalities [a reference to Llewelyn Davies in combination with Harris] at the head.'⁹⁵

Llewelyn Davies and Guild propagandists tried to use rhetoric to create reality. They wanted the Guild to be democratically run and hoped that if they said it was often enough, it would become so. The evidence most often used to defend the proposition that the Guild was a democracy is the

role played by its annual Congress in the organisation's governance. Each branch sent delegates to the Congress, one delegate for every twenty-five members, but anywhere from 50 per cent to 30 per cent of the branches never bothered to send delegates.⁹⁶ At Congress, the delegates would vote on propositions put before them by the Central Committee, support for which the Committee had developed over the course of the year. The Central Committee meeting minutes show few suggestions arising from the branches, and moving through the districts and sections, to the Central Committee.⁹⁷ Indeed, the traffic in ideas went the other way. The Central Committee would, for instance, select a topic for study at the autumn sectional conferences; the topic would then go on to the district level for discussion, and finally to the branches. The resolutions to support the Central Committee's direction which invariably arose from these deliberations would then be voted on at the next summer's Congress. On occasions when branches attempted to circumvent this process, the Central Committee ruled them out of order. For instance, in 1918, the Leicester branch of the Guild attempted to introduce a resolution of its own before a sectional conference. (There is no record of what that resolution was.) The sectional council sought the advice of the Central Committee concerning this deviation from protocol. The Central Committee instructed the sectional council to tell the Leicester branch 'that in view of the fact that Sectional Conferences are held for the purpose of discussing special subjects agreed on, no resolutions are in order except those moved by the Councils themselves ...'.⁹⁸

To illustrate further the top-down nature of Guild government with a specific example, in 1904, the Guild celebrated its twenty-first anniversary and established a Coming-of-Age Fund. The Central Committee deliberated the purpose to which the fund should be put. These discussions coincided with the decision of the Sunderland Co-operative Society to abandon its support for the settlement house that Llewelyn Davies had made her pet project. She pushed for using the money to support further efforts to extend Co-operation to the poor, but suggested the branches be circularised for their opinions first.⁹⁹ However, the branches came up with a variety of suggestions for using the money; the result being that the Central Committee decided to

take to the annual Congress for a vote the suggestion that the Coming-of-Age Fund be used to finance schemes for bringing Co-operation to the poor.¹⁰⁰ Where, of course, it was unanimously approved that the money be so used, enabling the Central Committee to appoint a Miss Rushworth to be an organiser at the store the Bristol Co-operative Society had established in a poor neighbourhood.¹⁰¹

From her retirement, the former general secretary continued to chart the course for the Guild. She had groomed her two immediate successors, Honora Enfield, who had been her personal secretary, and Eleanor Barton, who had stood by her when a number of Guild branches challenged the Central Committee's 1917 and 1918 Guild Congress resolutions demanding a negotiated peace during World War I.¹⁰² In 1931, she recommended the organisation's attentions be focused on the three reforms she considered most urgent for the future. First, she declared the state must be made to give a family allowance to increase the purchasing power of the people as a first step to a more equal distribution of wealth. She also called for a new outlook on marriage, sex, and parental relations - one that would correspond with the growing independence of women and youth. Finally, and most of all, she called for the abolition of war and fear of war.¹⁰³ She did not provide more specific details as to what she meant by a new outlook on marriage, sex, and parental relations, nor did she describe how she thought the state could be persuaded to give a family allowance or abolish war. However, she was certain that the Guild she once led should be in the forefront working to secure these achievements, and that its efforts would make a difference, even if Guildswomen represented only a fraction of the women who shopped at co-operative stores. Llewelyn Davies was a great admirer of the communist experiment in which the Bolsheviks of the new Soviet Union were engaged, and indeed, her Guildswomen were in a position similar to Lenin's Marxist intelligentsia - few in number when compared to the rest of the population. Yet she was as confident as he had been, that with a few apostles, revolutions could be made. Unfortunately, as the Soviet experiment proved, relying on the leadership of a few neither makes for democracy nor addresses the needs of the majority. That Llewelyn Davies was attracted to such a style for effecting change again illustrates

her class biases - her feeling that the many were too overburdened by the chores associated with everyday life to know what was in their best interests until educated by their leader.

Thus, a critical examination of Margaret Llewelyn Davies's background and the circumstances of her private life reveals the extent to which her public career was shaped by them. Her leadership style, the causes she prioritised, the limits of her ability to identify with others were prescribed and proscribed by her experiences of class and by her sexual orientation.

Conscious of her own importance to an organisation of women without the time, training, and sometimes even the desire for public lives, she kept among her private papers a history of the Guild which accorded her more significance than its founders. She sold pictures of herself to the rank-and-file Guildswomen who admired her; she considered herself a breath of fresh air in their lives. In a manner similar to a colonial missionary, she delighted in converting working-class housewives into political activists, showing them that the personal is indeed political but thereby also imposing her values about what makes for a fulfilling life on them. Deaf to dissidents in the Guild because either her middle-class background or her sexual orientation made her incapable of valuing what they considered important; she made sure the Central Committee always got its way. She had come to a position of authority within the Guild, not because of her inspired leadership abilities, but because she was a capable administrator who could implement ideas borrowed from others. Her class advantages assisted her in this. Working-class Guildswomen had neither the leisure time nor the financial resources that she had. Finally, fortuitous constitutional changes and the untimely death of Annie Jones helped secure for her fixity of tenure on the Central Committee and removed competing visions for the Guild's future. Margaret Llewelyn Davies was an unmarried middle-class woman with a mission: she wanted to do her part to solve the condition of England question in both its class and gender manifestations. For her that meant using the Guild to make working-class housewives correspond to what she considered was in their best interests.

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NOTES

- 1 'Woman's Corner,' *Co-operative News*, July 6, 1901.
- 2 Jean Gaffin and David Thoms, *Caring and Sharing* (Manchester: Co-operative Union Ltd, 1983), p41.
- 3 Catherine Webb, *The Woman with the Basket* (Manchester: Co-operative Wholesale Society's Printing Works, 1927), p16.
- 4 London School of Economics, coll. misc. 268 m363, vol I, item 48, folio 152.
- 5 The Twenty-first Annual Co-operative Congress, 1889 (Manchester: Co-operative Union Ltd, 1889), p106; Women's Co-operative Guild, *Outline of Work with Model Branch Rules* (Manchester: Co-operative Printing Society Ltd, 1891), p7.
- 6 Catherine Webb, *The Woman with the Basket*, passim; Jean Gaffin and David Thoms, *Caring and Sharing*, passim.
- 7 Ibid.
- 8 Hull University Library, DCW 1/5, Minute books of the Central Committee, August 22 and 23, 1921.
- 9 London School of Economics, coll. misc. 268 m363, vol. I, item 34, folios 77-78.
- 10 Ibid.
- 11 Ibid.
- 12 For instance, Llewelyn Davies and Catherine Webb, her colleague, both argued these points in the 'Woman's Corner,' *Co-operative News*, September 22, 1894, and September 30, 1893, respectively. Earlier, in 1892, Llewelyn Davies had assigned the topic to branch study; see: 'Woman's Corner,' *Co-operative News*, October 8, 1892.
- 13 Gaffin and Thoms, *Caring and Sharing*, pp54-81.
- 14 'Woman's Corner,' *Co-operative News*, June 18, 1887.
- 15 Mary Lawrenson, Llewelyn Davies's predecessor as general secretary, believed Llewelyn Davies had moved the Guild too far away from co-operative concerns; see: 'Woman's Corner,' *Co-operative News*, December 17, 1904. Also, in the years before World War I, a frequent

contributor of letters to the editor of the 'Woman's Corner' of the *Co-operative News*, a Mr H Abbott, was quite critical of Llewelyn Davies's leadership. On April 22, 1911, she voiced the opinion that many of the concerns the Guild had become involved with were 'faddist' and asserted that the so-called 'minority' who thought as she did was not as small as 'some think.'

16 This was quickly made the theme for the autumn sectional conferences; see: 'Woman's Corner,' *Co-operative News*, November, and December 1907.

17 'Woman's Corner,' *Co-operative News*, November 9, 1907.

18 *Co-operative News*, June 6, 1908, gives a verbatim report of the discussion and decision.

19 Co-operative Union Library, Manchester, Minutes of the Parliamentary Committee from 1908, 1909, 1910, 1911, passim.

20 Joyce M. Bellamy and John Saville, *Dictionary of Labour Biography*, vol. 1 (London: Macmillan Press Ltd, 1972), pp96-99.

21 The library at the University of Hull holds materials having to do with Llewelyn Davies's tenure as general secretary of the Guild, including the minute books she kept of the Central Committee meetings. However, this collection neither contains personal information about her nor focuses entirely on her as a public figure, since it is a collection of Guild materials which spans more than the years of her service to that organisation.

22 Margaret Llewelyn Davies (ed), *Life As We Have Known It* (New York: W.W. Norton and Company, 1975), pxxviii.

23 London School of Economics, coll. misc. 268 m363, vol. VII, item 14, folio 7.

24 London School of Economics, coll. misc. 268 m363, vol. VII, item 15, folio 8.

25 London School of Economics, coll. misc. 268 m363, vol. VII, item 16, folio 9.

26 London School of Economics, coll. misc. 268 m363, vol. I, item 39, folio 97.

27 Ursula Henriques, *Religious Toleration in England, 1787-1833* (Toronto: University of Toronto Press, 1961) provides a fine discussion of the contributions of Unitarians to the foundations of political radicalism.

- 28 'Woman's Corner,' *Co-operative News*, March 2, 1895.
- 29 Ibid.
- 30 London School of Economics, coll. misc. 268 m363, vol. I,
item 39, folio 97.
- 31 London School of Economics, coll. misc. 268 m363, vol. I,
item 39, folio 98.
- 32 Hull University Library, DCW 3/1, *Handbook of the Annual
Meeting*, 1894, p34.
- 33 Bellamy and Saville, *Dictionary of Labour Biography*, p97.
- 34 London School of Economics, coll. misc. 268 m363, vol. I,
item 39, folio 98.
- 35 Ibid.
- 36 Margaret Llewelyn Davies (ed), *Life As We Have Known It*,
pxxiv.
- 37 Ibid.
- 38 Margaret Llewelyn Davies (ed), *Life As We Have Known It*,
pxxv.
- 39 Ibid.
- 40 Ibid.
- 41 Ibid.
- 42 See the correspondence between Mrs Bury and Llewelyn
Davies in the 'Women's Corner,' of the *Co-operative News*
between April 19 and May 3, 1913. Also, see the *Co-
operative News's* coverage of the divorce law reform
discussion at the 1914 Guild Congress, *Co-operative News*,
June 27, 1914.
- 43 See the introduction Llewelyn Davies wrote to Catherine
Webb's *The Woman with the Basket*, pp 9-14, for her
estimation of the Guild's accomplishments under her
direction.
- 44 'Woman's Corner,' *Co-operative News*, July 7, 1894.
- 45 In Llewelyn Davies's last year as the Guild's general
secretary, for example, 756 women were elected to
educational committees and 241 to management
committees; see: Women's Co-operative Guild, *Thirty-
eighth Annual Report*, 1920-21, pl6.
- 46 The Guild began a systematic effort to train women for
positions hitherto monopolised by men in 1891 when it
published Catherine Webb's instructional pamphlet on
how to read a balance sheet.

- 47 Seven women served terms on the Central Board of the Co-operative Union during the thirty-two years Llewelyn Davies served as the Guild's general secretary. One of them, Mary Cottrell, also became the first woman CWS director.
- 48 London School of Economics, coll. misc. 268 m363, vol. I, item 39, folio 100.
- 49 Margaret Llewelyn Davies, *Women as Organised Consumers* (Manchester: Co-operative Union Ltd, nd), p3.
- 50 'Woman's Corner,' *Co-operative News*, July 22, 1899, and July 14, 1900.
- 51 Margaret Llewelyn Davies, *The Women's Co-operative Guild, 1883-1904* (Kirkby Lonsdale, Westmorland: Women's Co-operative Guild, 1904), p21.
- 52 In 1921, there were 1,352,000 co-operative stores with a total membership of 4,549,000; see: Peter Gurney, *Co-operative Culture and the Politics of Consumption in England, 1890-1930* (Manchester: Manchester University Press, 1996), p242. But there were only 905 Guild branches with a total membership of 50,686; see: Women's Co-operative Guild, *Thirty-eighth Annual Report, 1920-21*, pl4.
- 53 On February 15, 1908, the 'Woman's Corner' of the *Co-operative News* printed a letter from a branch secretary who wished to remain anonymous. She reported that her members threatened to resign their memberships when she introduced women's suffrage for discussion. In *Life As We Have Known It*, a Mrs Scott described how her branch's following of the Guild Central Committee's commitment to a negotiated peace during World War I caused membership to fall 'from over 100 to about 20,' p99.
- 54 Margaret Llewelyn Davies (ed), *Life As We Have Known It*, p39.
- 55 Margaret Llewelyn Davies (ed) *Life As We Have Known It*, pp134-135.
- 56 Ibid.
- 57 Ibid.
- 58 Ibid.
- 59 Margaret Llewelyn Davies, *The Women's Co-operative Guild*, pp149-153.

60 Margaret Llewelyn Davies (ed), *Life As We Have Known It*,
passim.

61 Catherine Webb, *The Woman with the Basket*, pl2.

62 Margaret Llewelyn Davies, *The Women's Co-operative Guild*,
pp159-160.

63 Ibid.

64 Margaret Llewelyn Davies, *The Women's Co-operative Guild*,
p155.

65 The Guild's programme is described in the last chapters
of the Guild publication *Maternity: Letters from Working-*
Women, 1915.

66 The Guild's London headquarters, however, was bombed;
see: Hull University Library, DCW 8/8, Mrs Ganley's
unpublished history of the Guild, eh 5, p6.

67 Catherine Webb, *The Woman with the Basket*, pl 2.

68 Ibid.

69 Virginia Woolf, *A Room of One's Own* (London:
Granada Publishing Limited, 1977), passim.

70 Interestingly enough, it was Llewelyn Davies's old friend,
now a wife and mother herself, Rosalind Nash (nee Shore
Smith), who pointed this out to the general secretary and
Lilian Harris; see: London School of Economics, coll. misc.
268 rn363, vol. I, item 41, folio 117.

71 Gaffin and Thoms, *Caring and Sharing*, pp 68-73.

72 London School of Economics coll. misc. 268 rn363, vol.
III, item 7, folio 2 and vol. IV, item 21, folios 58-59, item
22, folios 60-61, item 15, folios 44-45, item 16, folios 42-43,
item 17, folios 49-50, item 18, folios 51-52, item 12, folios
37-38, item 11, folios 34-35, item 23, folios 62-67, item 29,
folios 29-32, item 13, folios 39-41, item 7, folios 13-22.

73 London School of Economics, coll. misc. 268 m363, vol.
IV, item 7, folios 13-22.

74 London School of Economics, coll. misc. 268 m363, vol.
IV, item 13, folios 39-41.

75 Ibid.

76 London School of Economics, coll. misc. 268 m363, vol.
IV, item 29, folios 29-32.

77 London School of Economics, coll. misc. 268 m363, vol.
IV, item 48, folio 74.

78 Hull University Library, DCW 1/1, *Minute Books of the
Central Committee*, September 30, 1889.

79 Mary Lawrenson lost an election to the Central Committee
in 1893 and thereafter preferred to devote her energies to
working for children, although she remained active in her
Guild branch at Woolwich and became the first woman
elected to the Central Board of the Co-operative Union.
80 'Woman's Corner,' *Co-operative News*, May 18, 1889.
81 Mary Lawrenson's husband was the director of the
co-operative society in Woolwich, and Annie Jones's
husband was the director of the CWS's London branch.
82 Margaret Llewelyn Davies (ed), *Life As We Have Known It*,
passim.
83 By the 1920s, the annual dues had risen to as much as 4s
in some branches; see: Catherine Webb, *The Woman with
the Basket*, p144.
84 Hull University Library, DCW 1/4, Minute books of the
Central Committee, the January 31, 1908, meeting
suggests honorarium scales dependent on section size,
ranging from £2 for a section with 20 branches to £12 10s.
for a section with 120 branches, and stresses that the sums
be kept too small to be considered wages. For further
assertions of the Guild's commitment to voluntarism, see:
Catherine Webb, *The Woman with the Basket*, p47;
Women's Co-operative Guild, *Thirty-seventh Annual Report*,
1919-20, p28; Women's Co-operative Guild, *Thirty-eighth
Annual Report*, 1920-21, p19.
85 Hull University Library, DCW 1/1, Minute books of the
Central Committee, April 7, 1888.
86 Hull University Library, DCW 1/2, Minute books of the
Central Committee, January 23, 1893; DCW 1/3, Minute
books of the Central Committee, April 13, 1898; DCW 1/
4, Minute books of the Central Committee, January 8, 1907.
87 Hull University Library, DCW 1/6, Minute books of the
Central Committee, October 19 and 20, 1914.
88 'Woman's Corner,' *Co-operative News*, April 10, 1886, May
1, 1886, June 5, 1886.
89 *The Twenty-second Annual Co-operative Congress, 1890*
(Manchester: Co-operative Union Ltd, 1890), p 112.
90 Margaret Llewelyn Davies, *The Women's Co-operative
Guild*, passim; Catherine Webb, *The Woman with the
Basket*, passim; Gaffin and Thoms, *Caring and Sharing*,
passim.

- 91 Gill Scott, *"The working-class women's most active and democratic movement": the Women's Co-operative Guild, 1883-1950*, DPhil thesis, University of Sussex, 1988, passim.
- 92 London School of Economics, coll. misc. 268 m363, vol. VIII, item 3, folio 4.
- 93 London School of Economics, coll. misc. 268 m363, vol. VIII, items 14 to 79.
- 94 'Our Women's Page,' *Co-operative News*, October 15, 1920.
- 95 London School of Economics, coll. misc. 268 m363, vol. VIII, item 30, folios 44-45.
- 96 These percentages are compiled from the Guild's annual reports for the period from 1899 to 1921.
- 97 Hull University Library, DCW 1/1-7, Minute books of the Central Committee, 1888-1920, passim.
- 98 Hull University Library, DCW 1/7, Minute books of the Central Committee, April 25 and 26, 1918.
- 99 Hull University Library, DCW 1/4, Minute books of the Central Committee, October 14 and 16, 1904.
- 100 Ibid.
- 101 Hull University Library, DCW 1/4, Minutes books of the Central Committee, July 16, 1905.
- 102 'Women's Corner,' *Co-operative News*, June 23, 1917, and June 22, 1918.
- 103 London School of Economics, coll. misc. 268 m363, vol. I, item 39, folio 102.

Obstacles to Co-operative Working: Lessons From Construction

D. C. Brown, M. J. Riley and K. A. Killander

Introduction

Co-operative working should be the paradigm for achieving competitive advantage in a global economy. Adoption of co-operative values and principles, described by Birchall¹, offers the key to unlock a new organisational culture. Without motivation, mutual support, common goals and values, organisational dysfunctionality and disintegration will occur. This effect will be exaggerated in virtual organisations leading to inter-organisational adversity. Maintaining organisational and inter-organisational coherence through co-operation can only occur by trust based interpersonal integration. The management and diffusion of conflict, teambuilding and organisational culture are the foundations for co-operative working. Co-operation provides a business strategy for focusing on customer care together with continuous improvement in quality and reduced overhead costs as a result of common purpose.

The sixth principle of co-operation (Birchall¹) is defined as co-operation between co-operatives. Co-operation in a virtual co-operative is a very fragile operation. Disintegration of the virtual enterprise can occur quickly as a result of lack of inter-organisational trust and differing expectations and goals.

Construction projects are executed by assembling teams drawn from a number of different organisations. It is, therefore, in this area of inter-organisational co-operation that the lessons learnt in the construction industry can have the greatest impact.

The construction Industry

Construction projects are executed by the formation of temporal virtual organisations. These virtual organisations are characterised by being composed of organisations with widely varying objectives and expectations. A feature of

these organisations is that they are made up of designers, constructors, architects, and other professionals in a formalised structure, for the express purpose of delivering a project for a client. However, the participant who has little or no control over the cost, quality or final outcome of the project is the client. The wishes of the client are completely obscured by the adversity created within the virtual organisation through absence of co-operation. Successful projects are characterised by focus on client requirements and co-operation replacing adversity, and inclusion of the client in the virtual organisation.

Construction accounts for approximately 10 per cent of the gross national product of the UK (DoE²) and holds a similar position in most of the world's industrialised nations. The size of the industry has, for many years, allowed these inherent inefficiencies to become an accepted part of the construction process. The parties to construction are often adversarial, inefficient, and resistant to innovation. There is a world-wide effort to create significant improvements in the construction industry. To this end targets and deadlines have been established to drive this process forward. The improvement targets being set are ambitious but considered to be achievable. Table I shows the USA and UK targets. Many countries have established similar targets.

Construction Sector Performance Metric	USA Government		UK Government/ EPSRC
	Target	Rank	
Total Project Delivery Time Lifetime Costs (Operation, Maintenance Energy) Productivity and Comfort Levels of Occupants Occupant Health and Safety Costs Waste and Pollution Costs Durability and Flexibility in Use Over Lifetime Construction Worker Health and Safety Costs Costs Construction Quality	Reduce by 50%	First	Reduce by 25%
	Reduce by 50%	Second	
	Increase by 50%	Fifth =	Improve by 25%
	Reduce by 50%	Sixth	
	Reduce by 50%	Fifth=	
Increase by 50%	Third	Reduce by 30% Zero Defects	
Reduce by 50%	Fourth		

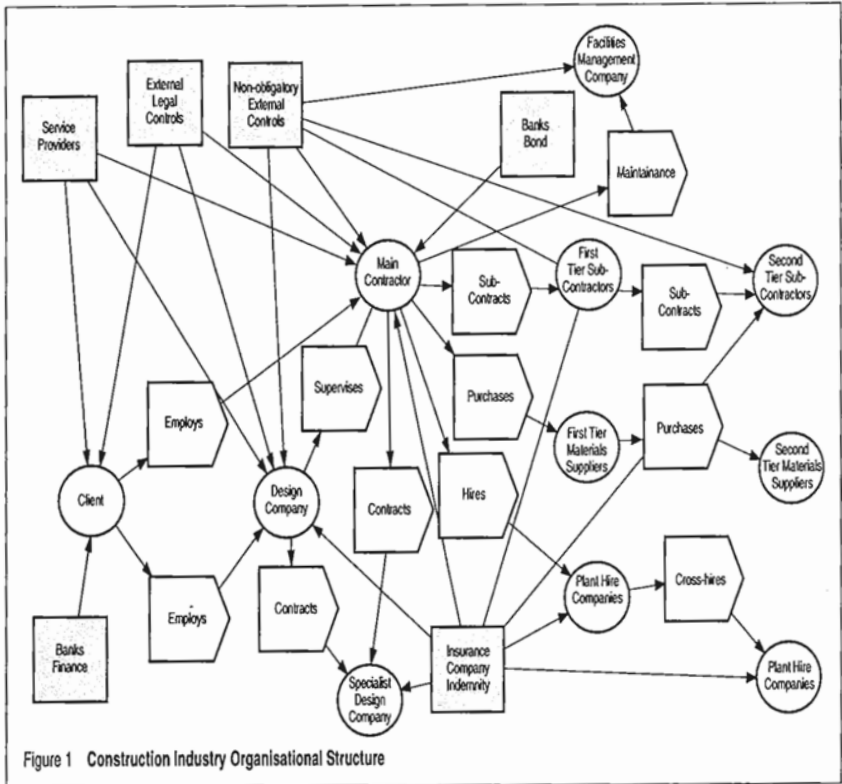
Table I: Construction sector performance improvement targets for the USA and UK

To try to achieve these targets emphasis has focused on

transferring improved processes implemented with success in the manufacturing industry to the construction industry. The traditional construction industry is perhaps the last industrial sector to look to the improvements produced in the manufacturing industry; and it should be recognised that many of the methods for improvement developed within the construction industry could be successfully transferred to other industrial sectors. Technical methods such as just in time (JIT), business process re-engineering (BPR), pre-fabrication and standardisation, pioneered in manufacturing, are beginning to produce benefits in the construction industry. Technical issues are important and need to be improved, and without their improvement much of the success achieved so far would not have been possible, however, the biggest problem is that of a non-co-operative culture (Lazar³). Quantum improvements in the construction industry, as required by the improvement targets, will not be attained purely by technology transfer from manufacturing. Significant improvements can only occur by a culture change coming from within the construction industry and dedicated to changing the culture from adversity into one of co-operation.

Even the simplest of construction projects involves many different participants assembled into a once only team. The organisational structure of the construction industry is shown in Figure 1 and illustrates the range of contributors that are required for a construction project.

Figure 1: Construction industry organisational structure



As a result of the highly fragmented nature of construction, the industry is blighted by adversity, poor quality and cost and schedule overruns. It has been recognised that construction costs need to reduce, together with construction schedules and generally better value for money needs to be provided. The reasons for these failures can be directly attributed to a lack of co-operation between the parties to a construction project (Brown⁴).

The fierce competition generated by competitive bidding based on lowest price has led to contractors bidding as low as possible to get work but looking to contractual aspects of the work to obtain additional payment. Pursuing these objectives leads to adversity. The level of adversity in the construction industry is reflected in the anecdote that by the 1980s, the two main products of heavy construction were claims seminars and new attorneys' firms specialising in construction litigation (Lazar³). In the UK in 1995 the top ten law firms specialising in construction litigation made higher profits than the top ten construction companies but with less than 0.1 per cent of the turnover.

There is a tendency for clients and contractors to assume an adversarial posture with each other as a result of the conflict between clients' costs and contractors' profits. This is essentially a no-win situation since one party's gain is another party's loss (Larson⁵). This dynamic is further complicated since it permeates the supply chain between contractor and sub-contractor and contractor and supplier.

Designers and contractors are traditionally adversarial, inefficient, and resistant to innovation (Tarricone⁶). Consensus estimates that 30 per cent of the cost of a project can be attributed to failures in the design-construct-manage process (Brown⁴). A significant proportion of these failures can be attributed to incongruent goals and the consequent divergence of the various organisations participating in a construction project (Nam⁷). This situation has been named divergence.

Management of the trade-off between the goals of cost, quality and schedule has been one of the central concerns of project management (Puddicombe⁸). Differing prioritisation of cost, quality, and schedule as well as non congruent success criteria will cause conflict as to the definitions of a successful

project. This can lay the foundations for conflicting courses of action and adversity between the project participants. The need for a new contract strategy is clearly evident. Adversarial working is now being replaced by new ways of working in other industries (Towill⁹) and has shown great improvements. The scenario for a paradigm shift in the culture of the construction industry was proposed by Sir Michael Latham¹⁰ in his report *Constructing the Team*, that proposed working in partnering arrangements.

Bates¹¹ recommends that the principles for non adversarial working should include shared goals arrived at through consensus, mutual trust and respect, new attitudes and behaviour, new means of communication and commitment from top to bottom. These new attitudes cannot be initiated contractually. They will only occur when the culture for co-operation replaces that of adversity in all parties involved in a construction contract. Valuable lessons can be drawn from a construction project where this occurred spontaneously.

Case study

The benefits of co-operation in construction are demonstrated by analysis of the construction project for the stabilisation of Hurst Spit. The work involved transporting 125,000 tons of 6- to 10-ton rocks from Norway and placing them with precision in a designed grid. In addition, the spit was replenished with 250,000 tons of shingle, dredged from the shingle banks in the Solent and pumped ashore.

Hurst Spit is a shingle spit formed at the end of the Pleistocene period and located at the eastern end of Christchurch bay on the south coast of England. It is approximately 2km long and at its seaward end reaches a point approximately 1250m from the Isle of Wight. The spit now protects the coastal areas of the Solent to the east, both on the mainland and the Isle of Wight, and salt marshes in its lee, a Site of Special Scientific Interest (SSSI), from Atlantic storms. Historically the spit was nourished by littoral drift from the west, however, as early as 1609 repairs were made to the spit after storm damage. Coastal protection works to the west, which began some 100 years ago, cut off the shingle supply for re-nourishment of the spit. In 1974 the New Forest District Council took over responsibility for

coastal protection from the Borough of Lymington and in 1981 commenced a programme of annual re-nourishment of the spit. Due to the threat of extensive damage to property and the salt marshes that would occur as a result of the spit being breached a more permanent stabilisation scheme was developed.

The project was additionally complicated as a result of being a new and untried design, and it was not possible to accurately predict the standards of work which could be reasonably expected for certain parts of the works. In addition, the project was in an environmentally sensitive area with a high public profile. Delays in completion before the onset of winter storms could have resulted in a serious breach of the spit and hence catastrophic consequences both to commerce and the environment. A breach in the spit would have led to flooding of the nearby low-lying areas with consequent disruption to agriculture and business, as well as damage to residential property.

The contract was prepared with the expectation that it would be a traditional adversarial contract and use the traditional contract documents. However, the individuals named in the contract to act on behalf of the client, were keen to work in a non-confrontational manner. The main contractor was of similar mind and had already adopted the philosophy of treating others in the way they would wish to be treated themselves. It is interesting to study how this wish to work in a non adversarial way was transformed into reality.

The start of the project was delayed for six months due to protracted negotiations with the Department of Transport for dredging licences. This delay provided time for the contractor, client, and engineer to develop a co-operative and trust-based relationship. When construction eventually started cautious optimism existed between the parties for a non-confrontational project, which over time developed into a high degree of trust which all parties strove to maintain throughout the contract. Evidence of the success of the co-operation which evolved can be found in the fact that during the entire project, no contractual letters⁺ were written by any of the parties and that site meetings were not used for resolution of problems, as these were routinely sorted out on site, but principally for maintaining contact between all of the parties, and as a result meetings rarely lasted more

than one hour.

It must also be noted that considerable pressure existed with the contractor who was trying to complete the work before the winter weather closed down all work; a situation exasperated by the delay in the award of the dredging license.

The success of the project is summarised in Table II which compares the results of the project with the UK performance improvement targets shown in Table I.

Performance Metric	Project Performance
30% cost reduction	Achieved
25% duration reduction	Achieved
zero defects	Achieved
20% user benefits	Exceeded

Table II: Project performance

The study of this project has revealed the mechanisms required for co-operation, and research into the wider construction industry has identified the causes for non-co-operation. This project provides evidence of the benefits to the construction industry of a co-operative way of working. The requirements for a cultural change in the attitudes of the construction players has been identified and the importance of mutual trust and common purpose highlighted.

Organisational trust

The presence of trust-based relationships, or relationships which resemble those based on trust, does create an economic advantage in conducting business (Zaheer¹²). The higher the level of trust in the relationship, the lower the cost of doing business, and the higher the level of effectiveness to do businesses (Bromiley¹³). Trust in the context of business has been defined by Hosmer¹⁴ as:

Trust is the reliance by one person, group, or firm upon a voluntarily accepted duty on the part of another person, group, or firm to recognise and protect the rights and interests of all others engaged in a joint endeavour or economic exchange.

A critical factor in this definition is the concept of reliance. Reliance implies one party placing its well-being in the hands of another with only limited protection. It also implies that the party relying on another will forbear to act defensively until it is proven with reasonable certainty that the other party has become no longer trustworthy. In a trust-based relationship, there can be slippage in both the timing and proportionality of reciprocation, because the mind set of the parties is, or ought to be that all unevenness between the parties at a given point in time is a temporary phenomenon and will eventually be evened out. Consequently, the occasional lack of timely reciprocation or a disproportionate response would not cause the affected party to either retaliate or take on a defensive posture against the offending party.

There are other classes of relationships which appear to be trust based but are much more fragile and only emulate trust-based relationships. One of these can be termed a reciprocal based relationship. In this relationship, co-operation between the parties provides maximum group benefit. When one individual or party makes a co-operative move the other party reciprocates. Over time a relationship, mimicking a trust-based relationship emerges. However, any action which is seen to be non-co-operative or untimely produces a swift and adversarial reaction. The outcome is a rapid change to a highly competitive negative strategy aimed at maximising both self gain and the other party's loss. This is a more extreme strategy than just maximising self gain. In a violated trust-based relationship this might be the ultimate outcome, but it would take much longer to reach the same level of antagonistic behaviour (Friedland¹⁵).

Given the fuzziness of the boundary separating trust based and reciprocal based relationships and the fact that both lead to similar outcomes of co-operation, is there any value in ascertaining which type of relationships exists, within an organisation?

The implications are definitely significant. In a trust-based relationship, the timing and proportionality of each reciprocal action are not super critical. As long as the expectation of the final equity between the parties remains, there can be interim periods of inequality.

In a reciprocal based relationship, however, the timing and

proportionality of each reciprocal act is critical. Failure to reciprocate in a timely or proportionate manner, particularly when there is a pattern of non-reciprocation, can quickly send the relationship into a downward spiral from apparent trust to aggressive hostility (Friedland¹⁵).

In a reciprocal based relationship, each side actually determines its response based on the actions of the other party. In any relationship, emulating a trust-based relationship, each party is willing to give the other the benefit of the doubt of untimeliness but will react adversely to the first potentially hostile move. At this point, the reacting party moves into an aggressively competitive stance. This adversarial stance can be extremely hostile and decision making is oriented towards making gains by causing the other party to suffer losses. This change in relationship is described by Friedland¹⁵ as the fast-track route from co-operation to litigation.

There is, however, a methodology for successfully managing a reciprocal based relationship and making it look and act like one which is trust based. The key is to first identify it as a reciprocal based relationship and to then scan for concessions or acts of goodwill that the other party is making. These need to be identified, acknowledged, and quickly reciprocated. This is not always possible, and sometimes concessions or acts of goodwill are not always easily identified. To mitigate the effects of failing to recognise concessions or acts of goodwill, multiple, clear lines of communication must be established and maintained within the organisation so that misunderstandings can be quickly remedied. If reciprocation has to be delayed or is disproportionate, this should be clearly communicated to the other party, together with a statement of how equality will be restored.

Co-operative dynamics

The motivation for a co-operative way of working is a culture not an agreement. There is no need for special forms of contract or agreements, especially as these will not necessarily guarantee co-operation. However, lessons from construction show that it is of absolute importance that the culture for co-operation be augmented by prompt and fair payment throughout the supply chain. Late and unfair payment are not the ethics of co-operation. The principle means for achieving organisational

integration can be broadly classified as contractual and social psychological methods. These two approaches embody different assumptions about company dynamics and therefore develop different approaches for integration. This paper focuses on the social psychological approach. Previous research by the Business Engineering Group has shown that contractual methods of integration have limited value. The project at Hurst Spit achieved successful organisational and inter-organisational integration and demonstrated that trust was the key element to integration (Brown¹⁶). A member of the team for this project stated "as soon as you write down a formal agreement you lose the element of trust which drives the whole set-up. If the will is there you don't need the formal arrangement, if the will is not there you won't create it by writing it down".

The two dynamics for a successful organisation have been identified as communication and motivation (Bowers¹⁷), of which the most important is communication. Common ownership has been proposed as a mechanism for achieving motivation implicitly by providing congruency of expectations. The reality is that motivation develops from a trust-based relationship. Common ownership in itself is not sufficient to develop motivation and can sometimes produce adversity and resentment. Recent discussions on the Southampton Co-op Network mailing list have demonstrated the problems associated with equal pay to all members: there is clearly a notion that pay differentials must exist to provide fair reward for the perceived input to the organisation. Thus, divergence can result from dissatisfaction and perceived under valuation. This situation can only have detrimental effects on motivation.

The most important dynamic for a successful organisation is communication, and it is true, that common ownership should provide and encourage greater communication. Unfortunately, this forum is frequently under exploited, and the authors have been witness to disputes arising both within and between co-operative organisations through lack of communication.

Organisational conflict

Conflict within and between organisations is frequently due to human factors and the way in which these human issues are managed. The predominant causes of conflict are classified in

Cause of Conflict	Summary
Task interdependency	Conflict resulting from dependency upon others (e.g. for information, feedback, or completion of a task)
Organisational differentiation	Conflict due to different groups of people perceiving the same thing differently
Values, interests, and objectives	Conflicts arising from misalignment of personal goals with the project goal
Communication obstacles	Conflict arising from personal or organisational barriers to communication
Tension	Conflict resulting from unresolved and mounting interpersonal tensions
Personality traits	Conflict escalation due to lack of understanding or inability to manage personalities encountered

Table III: Most frequent causes of organisational conflict

Conflict due to task interdependency

Task interdependency is the extent to which two or more social units, people, or groups of people, depend upon each other for assistance, information, or compliance to perform their respective tasks (Walton¹⁸). This trait is analogous to the finely tuned relationships that exist between the players of the most successful football teams. The entire structure of an organisation is based on multiple social interdependencies that are established between members of the organisation and amended as people leave or join that organisation. These interdependencies grow in depth and complexity with the life of the organisation. Hundreds and sometimes thousands of tasks have to be undertaken by different sub-groups within the organisation to produce an output.

Dysfunctional conflict related to task interdependency has been a significant cause of project failure within the construction industry (Gardiner¹⁹). In terms of organisational design, good communications and shared understanding are particularly important, especially when activities are linked by reciprocal interdependency. When organisations or groups within an organisation are communicating at cross purposes, either due to a simple misunderstanding or because of prior assumptions, beliefs or when they are just failing to communicate at all, the seeds are sown for conflict at a later stage.

Organisational team building does not remove or reduce these interdependencies, but it can be used to strengthen the relationships and increase the trust between parties. This will then minimise the damaging consequences of non-conformance by any party and create a better understanding and appreciation of the organisational networks. Team building in this context helps members of the organisation to see beyond their own limited boundaries of operation and provide an incentive for each member to help meet the needs of the other members.

Conflict due to differentiation

There is an optimal degree of differentiation for every organisational sub-unit, defined principally by the degree of uncertainty in its environment. It can be concluded, therefore, that over differentiation or under differentiation can be a cause for conflict (Lawrence²⁰). This is a particular problem in the construction industry where project organisations are created from functionally separate, geographically separate, and often culturally separate organisations, meaning that high differentiation exists even for small projects. The result of high differentiation is that members of one camp within an organisation often regard members from another camp with wariness and caution. Although organisational differentiation is an established concept, which has received significant attention in many large organisations, smaller organisations, and co-operatives in particular have failed to address the problem. Dysfunctional conflicts due to high differentiation still occur with great regularity.

Team building which brings people or organisations together enables some of the differences to be smoothed out. This process

allows members from different organisational backgrounds with different mind sets to become familiar with and to learn to understand better where the other participants are coming from. A commonly accepted view can eventually emerge, in the vein of "we all agree to accept that the glass is half full and not half empty". This brings with it a congruent increase in trust and allegiance to the organisation and not just a participant's individual part or contribution. The benefits of team building will be particularly apparent within a virtual organisation.

Conflict due to differing values, interests, and objectives

Organisations are composed of and influenced by a diverse range of people, with competing as well as common interests. The interests of participants are based on values that may or may not have relevance to the organisation. The same problem also extends to inter-organisational groups. If aberrant interests are shared by persons collectively within the organisational structure, then a potential for inter-group conflict exists. The challenge is to be aware of and manage these interests to obtain a balanced set of best interests for the organisation.

The need for a shared common goal is one of the requirements for successful organisational teams (Adair²¹). Many members of an organisation are only briefed on their particular input and not provided with a more holistic picture of the organisation's goals and expectations. Not surprisingly, this frequently results in needless misunderstandings and conflicts.

Conflict due to communication obstacles

Barriers to communication can be attributed to organisational or personal obstacles. In most organisations common experience eventually reduces communication barriers. However, many examples in a wide range of organisations exemplify the tenet that the less each individual knows about each other's job, the less collaboration occurs and that this lack of knowledge can lead to unreasonable demands through ignorance (Miller²²). Effective communication is the key concern for any serious attempt at team building.

Conflict due to personality traits

Certain personality attributes can increase conflict within an organisation (Walton¹⁸). Most relationships involve mixed motives and therefore require a degree of behavioural flexibility if they are to be managed optimally. Organisation members who are unable to adopt this flexibility when appropriate may be drawn into and cause an escalation of unnecessary conflicts.

Psychometric testing may alert an organisation to these problems, but even without such testing, which is seen by many as intrusive and unwelcome, a team building event will almost certainly bring out these characteristics. This will then enable strategies to cope with the problem to be developed in a proactive and beneficial way.

Case for team building

The decline of pyramidal organisations in recent decades has been mirrored by the growth of other organisational forms. In the 1990s, teamworking, networking and co-operation are some of the more important forms that have dominated the debate in organisational design (Harland²³). The problem being experienced by current organisational practice is a failing to meet the demanding requirements of today's socially complex organisational environments. Organisations are still hampered by a high incidence of dysfunctional conflict.

Team building provides a method for organisational development and has the potential to achieve significant lasting effects in a relatively short time. Organisations undergo change and modifications as time progresses. These can vary from structural modifications to metamorphic change, bringing with them a changing set of organisational needs. The trust and opportunity for communication facilitated by team building provides the members of the organisation with the confidence to adapt to changing demands and needs.

The importance of developing an organisation as a social unit is described by Zander²⁴, who states that "responsible members make their group stronger if they help participants recognise they constitute a whole, want to remain as members and want to do what the group needs." The use of team building techniques is a convenient mechanism to accelerate the

integration process which is necessary to override the effects of differentiation and people's shortcomings.

The chemistry needs to work between the members of the organisation. Teambuilding allows members to interact socially and observe other members. Even simple measures like this can reveal unwelcome organisational aberrations that can be avoided or resolved before conflict arises. An organisation whose members have learned to communicate effectively provides a firm foundation from which to develop the organisation and to deliver greater value to the client.

The key to understanding organisational effectiveness lies in the ongoing interaction processes that take place among the members of the organisation as they work on a task. Members of an organisation who work together but do not share with one another uniquely held information critical to the task in hand can cause the quality of the resulting output to suffer. Team building within an organisation provides the opportunity for the members of that organisation to interact with and learn from each other at a time when the cost of making mistakes is small and the stakes are low.

Removing barriers to co-operation

The organisational barriers to co-operation can be grouped into four categories, of which one is external to the organisation and the other three internal:

- Intrusions from the outside world (external)
- Organisational climate (internal)
- Organisational culture (internal)
- Organisational structure (internal)

Intrusions from the outside world can cause significant barriers to co-operation. These arise as a result of a misconceived belief that co-operation equates to bureaucracy. This leads to a reluctance by the outside world to trade with a co-operative organisation due to the perception that decision making will be by committee and the organisation will lack dynamism, and hence be stagnant and resistant to innovation. Thus, to the outside world, the co-operative organisation is seen as a dinosaur rather than a market leader, bringing increased external pressure to the success of the organisation.

There is no single way to deflect this negative pressure, however, one successful way is to encourage potential critics to "buy into" the organisation and demonstrate the flexibility and innovation that can be achieved by co-operation. Another way is by championing the benefits of co-operative principles. In a trust based co-operative organisation client care will be paramount since internal conflict is eliminated and all efforts are directed to client satisfaction.

Organisational climate refers to a situation and its links to the thoughts, feelings, and behaviour of the organisational members. It is temporal, subjective, and subject to direct manipulation by people with assumed power and influence. Co-operation cannot exist when a situation can arise, either by chance or design, which adversely impacts on the ability of the organisational members to perform.

These obstacles can be alleviated by identification of situations which detract from the organisation's performance. Once these situations have been identified, procedures and processes need to be incepted to mitigate and eliminate their effect, or preferably to prevent their occurrence in the first place.

Organisation culture, in contrast to climate, refers to an evolved context within which a situation may be imbedded. It is rooted in history, collectively held and sufficiently complex to resist many attempts at direct manipulation. A negative aspect of culture is the passive acceptance of continuing to carry out a task in a certain manner for no better reason than that is the way in which it has always been undertaken. This aspect of culture can be the cause of a major barrier to co-operation. If the culture for non-co-operation exists then cultural resistance to change prevents it from occurring.

Cultural change to enable co-operation can only be achieved by collectively removing barriers which prevent its occurrence. This is the major problem within the construction industry where the culture for non-co-operation, conflict and adversity is so deeply entrenched that it is difficult to change. Short term changes to culture can be produced by radical actions, such as a massive infusion of new personnel into the organisation. However, without collective support for the culture change brought about by radical actions the previous culture will soon resurrect itself. Organisational structure refers to the formal patterns of

activity and decision making within an organisation and its external environment. Structure is created both by design and formed by an organisation's evolution. There are a multitude of perspectives as to the evolution of organisational structure, but management and time play the principal roles. If the organisational structure is such that various groups or individuals within an organisation hold equal levels of authority, then it only requires one group or individual to be resistant to co-operation to prevent co-operation occurring entirely.

This obstacle can be removed by education. The wishes of the majority must be expressed to the minority and consensus for co-operation- reached. When this is done well, members of the organisation previously opposed to co-operation will frequently champion the cause.

Conclusion

The construction industry is endemic with conflict and adversity. In an effort to rectify the situation various attempts have been made at contractually forcing co-operation. This has had limited success. Organisations working together in a co-operative environment guided by mutual goals provide a viable alternative to the industry malaise of litigation and claims.

This is proven by the study of a construction project where co-operation occurred spontaneously. It was shown that it occurred because a culture change had been brought about which gave individuals and organisations the freedom and confidence to work together with mutual trust and respect. This project demonstrated the massive benefits that can be achieved by co-operation.

The understanding of the problems and the lessons learnt in construction are directly transferable to other organisations, particularly organisations wishing to work in a co-operative manner, since the primary cause of dysfunctionality identified in construction is a lack of co-operation and trust. Technical improvement methods used in manufacturing have had limited success in construction. The major stumbling block to increased performance is the required change in the culture, roles, and expectations of the participants. A combination of organisational and technological integration is required.

It was found that there are many obstacles to co-operation, all of which can be overcome if trust exists between participants. Trust has been shown to be the motivator and driving force behind co-operation and can only occur when the mind set of the participants is focused in this direction. There are relationships that mimic trust which need to be identified and carefully managed if an organisation is not to degenerate into adversity.

This paper has identified and investigated the causes of individual and organisational conflict and the organisational barriers to co-operation. The benefits of team building have also been espoused and the ability of team building to eliminate conflict described. Six causes for human conflict within an organisation have been investigated and methods of resolution proposed. However, the truly co-operative organisation will eliminate the causes of conflict rather than resolving the dispute. Co-operation is also inhibited by organisational barriers.

These barriers take four forms, three internal and one external. Of these the greatest barrier to co-operation is organisational culture. In the construction industry this has thwarted almost all efforts to achieve co-operation.

The lessons learnt from the construction industry are common to many other organisations. Co-operation will not occur whilst there are obstacles preventing it. The first task is to identify what these obstacles are, and then set about removing them. Organisations that undertake this process will be able to achieve co-operative working and reap the benefits and rewards associated with it.

This paper has presented the obstacles to co-operation. A forthcoming paper will provide a toolkit for achieving co-operative working.

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+Contractual letters in construction are used to draw the attention of a participant of failure to perform in accordance with the contract and inevitably leads to claims for additional payments to the contractor, naturally, such moves are resisted by the client.

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Profits with Principles: Developing Co-operation for Sustainable Stakeholding

Sara Mackian

Co-operation has always been about mutual and collective benefit. So, it comes as no surprise to co-operators that the rest of the world has finally started to move towards a 'third way' of operating, with leading politicians espousing the principles of mutuality we are so familiar with. A central feature of the third way, which is illustrated clearly in many of the recent political and social developments in Britain, is the concept of stakeholding; a drive to improve service provision and show the wider society - as customers, employees, and stakeholders - that they have an active role to play. Ultimately a more participatory society will lead to a more co-operative, democratic, and sustainable society, as individuals come to feel more empowered and integral. This is the vision we hold at The Co-operative Bank and this paper outlines a model to take us there.

Challenging business ethics

Some business leaders still operate with a mentality dominated by the belief that success can, and should, be measured solely by financial return for the shareholders. They ignore the reality that customers can boycott, activists demonstrate, and business partners shun - and that newspapers love it all! Luckily, the more enlightened of the business community are recognising that stakeholding and developing mutual benefit *are* profitable, and there is growing recognition that business must be more accountable for its actions in both the short and the longer term and must be transparent in its operations. These wiser counterparts have realised:

The companies which will sustain competitive success in the future are those which focus less exclusively on shareholders and on financial measures of success - and instead, include all their stakeholder relationships ... in the way they think and talk about their purpose and performance (Tomorrow's Company).

At the Bank, our co-operative roots gave us a firm foundation from which to examine our purpose and performance. The Co-operative Bank was formed in 1872 as the loan and deposit department of the CWS and has always held true to the principles of mutual benefit. It holds assets of over £5 billion and has over two million customers. With pre-tax profits of £55.5 million in 1997, the Bank has enjoyed record profits for four consecutive years. This success is largely put down to the 'rebirth' of the Bank in the early 1990s, which has seen us turn around from being the 'dowdy co-op' operating at a loss, to the ethical bank of the nineties and the next millennium. The Bank's new image was formalised with the launch of our Ethical Policy in 1992, outlining who we will and will not do business with. As ethical issues are many and varied, we decided to let our customers define the precise ethical stance we should adopt, as it is their money we are investing. Customers are now regularly balloted to update the Policy, and we have just completed the most recent review. The past decade has seen an increasing awareness of the ecological and ethical problems caused by certain business practices, and a growing body of penalising legislation has emerged in response, covering issues as diverse as bio- accumulative waste and socially responsible employment practice. We ask our customers which of these issues matter most to them and have developed an ethical stance accordingly.

In 1996 we launched our Ecological Mission Statement. Priorities for improving ecological performance are also varied and open to challenge. Therefore, the Bank turned to the experts and adopted a clear set of scientifically proven truths, the Natural Step system. Natural Step originated in Sweden and defines sustainability in four simple rules:

- nature cannot withstand a progressive build up of waste derived from the Earth's crust
- nature cannot withstand a progressive build up of society's waste, particularly artificial persistent substances
- the productive area of nature must not be diminished in quality (diversity) or quantity (volume) and must be enabled to grow

- society must utilise energy and resources in a sustainable, equitable and efficient manner.

In 1997 we introduced our Partnership Approach; a coming together of the Bank's core values and policy statements into one basic model for business. The Partnership Approach recognises that a careful balance is required between the sometimes conflicting needs of stakeholders in order to ensure long term business success. In short, our policy is to deliver value to all the Bank's partners in a socially responsible and ecologically sustainable manner - staff and their families, customers, suppliers, community, society, past and future generations of co-operators, shareholders (Thomas, 1997).

The process

By operating with greater mutual awareness and understanding the Bank can co-ordinate its efforts to minimise conflict and maximise value for all. For example, we have created a forum to explain to partners when decisions seem to go against them. Thus, even when harmony cannot be achieved, the simple act of engaging honestly with customers, suppliers, staff, and the wider community, pays off by creating a greater sense of trust, as the good name of the Bank demonstrates. This is not simply the imposition of the latest model of business management on unsuspecting stakeholders identified at random. Qualitative research was conducted with all stakeholders in order to fine-tune the model and terminology. In particular our customers gave us a clear mandate to develop along these lines, with 100,000 responding to a Partnership Ballot in 1997 and 97 per cent saying that the Partnership Approach was a good idea. But how do we make the Partnership Approach happen? How do we find out what our partners need from us and how do we tell them what we are doing? The main tool to make the Partnership Approach work is a regular audit and report. This is a unique synthesis of social, ecological, and financial reporting, externally verified by independent experts to provide proof of a genuine commitment to accountability. The decision to conduct a regular audit of the Bank's relationship with its Partners was based upon the recognition that there is always room for improvement, and

the Bank sets itself new targets accordingly. We were fully aware that having committed to this we would have to admit to doing some things wrong. However, we knew that in the long run it is better to know *now*, so that we can pre-empt any problems which might arise in the future if we were to carry on operating in ignorance. This is a lesson some businesses have had to learn the hard way.

The results

In our first report (April 1998), the external auditor Richard Evans of *ethicsetc* ..., stated:

The Co-operative Bank's Partnership Report ... is significant because many public companies regard this type of disclosure as risky and unnecessary and avoid it.

So, what did our first audit reveal that is considered so risky by others? The results of the audit of 1997's operations were published in a ninety-page report, detailing how each partner was defined, how indicators were selected and what performance was measured. For each measurement there was also detailed comment and new targets set. The sheer size of the report precludes a full summary here. However, a flavour of the findings can be given by selecting a sample.

During 1997 £1.95 million was channelled into society and local communities as part of our charitable aid programme. This represents 3.5 per cent of pre-tax profits, which was heralded as 'exceptional' by our independent auditor, Business in the Community. On the other side of the coin, the Bank also closed 8 outlets during the year, which were no longer attracting enough custom from the surrounding community. In a survey of these communities, 40 per cent said they believed the closure had a negative impact on the area. Responding to this concern, the Bank will continue to be mindful of the impact of restructuring on local communities and is commissioning a study to look at the balance of impact of all delivery channels from individual branches to our Internet service.

The Bank also invests heavily in its employees, and this was reflected in us achieving the Investors In People award during

1997, the first bank to achieve this across all operations. However, although 3.9 per cent of the community in the districts where we operate is made up of ethnic minority groups, these groups are represented by only 1.8 per cent of our staff. This is clearly a fundamental problem which needs to be addressed, and the Bank has committed to developing a diversity policy during 1998 to address the situation.

The Report also provided a detailed analysis of the way in which the Bank developed its Ethical Policy and Ecological Mission Statement and provided independently verified evidence to show that both were being implemented without being compromised in the interests of profit making. Not only did we risk disclosure on these issues and many more; we actively encouraged all our partners to read the report. All staff received a copy, every customer was provided with a summary and offered a freephone number to receive the full report, key suppliers, MPs, co-operative societies, and leading social commentators were sent a copy. All were asked for their comments, good and bad, and if anyone has missed out on this consultation exercise, they can access the report on the Bank's website. The response has been overwhelmingly positive, with even well-known cynics admitting that the Bank has made a significant step towards an increasingly popular new way of doing business; and moreover, proved it is successful!

The future in partnership

It is our belief that as more organisations adopt such models, we will see the development of a stronger and fairer economy based on the balanced interests of all stakeholders. However, this may be some time in coming; as Mark Goyder of Tomorrow's Company commented in our 1998 Report "While it is easy to use fine words, it is much harder to establish a consistent discipline of measuring and publicly reporting against these targets". He adds, reassuringly, "It is clear ... that inclusivity to The Co-operative Bank is not simply about fine words". We were not afraid to wear our principles on our sleeve when others were taking a backseat because they could not work out what stakeholding should look like. We are often asked if it is practical to promise so much to so many. We say the question is not 'is

it practical?', but 'is it possible to operate successfully in any other way?' The way in which the Bank's success has been turned around is directly attributable to the chance we took in making the Bank stand out as a model sustainable business. The success of the first Partnership Report, and the record profits which continue to be enjoyed at the Bank, demonstrate that looking beyond the shareholder reaps rewards. The Co-operative Bank's Partnership Approach is a model of stakeholding which brings together the social and the economic in a vision of sustainable development:

As people continue to wrestle with what sustainable development really means, the Co-operative Bank's Partnership Report gives an innovative and significant insight into that reality (Jonathon Porritt).

Clearly each business will have its own set of partners or stakeholders, depending upon its operations. However, the overall goal of partnership, of delivering value in a responsible and sustainable manner, can form the basis of corporate stakeholding for any organisation. Developing a workable model has been a lengthy process. We hope that our work at The Co-operative Bank can now serve as a stepping stone to help others on their way to proving that profits *can* be made with principles.

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Report by the Secretary

A Year of Challenge

The SCS held its Annual Conference and Annual General Meeting at the Co-operative College on 26/27 September 1998. The weekend proved to be a highly productive event for the Society. The 1998 Conference theme was "Can Businesses be Ethical" and the two principal speakers were Paul Monaghan, Senior Manager - Ecology Unit, The Co-operative Bank pie, who spoke on "How does an organisation go about defining its ethical position, and how does it subsequently demonstrate ethical performance" and John Donaldson MA (Oxford), Author/Researcher, Associate of the Unit for Member-based Organisations at the University of Leicester, who spoke on "Business Ethics, Values and Governance in the Co-operative Context".

Following the presentations members divided into buzz groups to consider the subject matter in greater detail and Paul and John responded to a range of questions and general observations. The presentations were praised by members who again expressed satisfaction in the Conference structure which allowed the membership greater opportunity to contribute to a topical issue that needed to be addressed by a much wider audience. Paul's colleague at The Co-operative Bank, Dr Sara MacKian has expanded in this issue on aspects relating to the partnership approach in an article entitled "Profits with Principles: Developing co-operation for sustainable stakeholding.

On the Sunday morning the Conference received a progress report on the research project "Reasserting the Co-operative Advantage" from Roger Spear, Alan Wilkins, and Peter Davis. Following the Presentation members questioned the research partners on different aspects of the research and strong support was expressed for the methodology being followed and the need to carry out research on the theme of mutuality.

The AGM of the Society took place on Sunday 27 September at the conclusion of the Annual Conference. The retiring Chairman, Peter Davis, reported on a busy year for the Society and its Chairman. For the Society, it had seen the successful launch of the research project - "Reasserting the Co-operative

Advantage". He mentioned the important role played by the Society's Executive Committee and the Research Sub-Committee who had driven the idea forward following up Rita Rhodes' suggestion calling for such a project to be undertaken.

The Chairman stressed that he had promoted the Society to colleagues in the International Co-operative Movement in literally every continent from Winnipeg to Manila and from Machi to Pune. A special word of appreciation was therefore extended to the Society's Vice-Chairman, Rowland Dale, who deputised when the Chairman was abroad and also when matters to which the Chairman had a special interest concerning the Research contract were being discussed by the Executive Committee. He concluded by praising the contributions all the officers and committee members were making on behalf of the Society.

The Secretary, John Butler described 1997 and 1998 as being a year of challenge for the Society with the Research Project, endorsed at the previous AGM in 1997, requiring a great deal of hard work from officers and support staff. The raising of over £24,000 for the research project was a very satisfactory outcome and it was hoped that additional contributions would be made to the Research Fund by societies, individual members and advisers connected to the Co-operative Movement.

Members raised a number of questions in respect of contributions made to the Research fund, the payment of subscriptions by direct debit; extending the Society's membership to other sectors of the Movement; the colour and design of Journal cover; interest received on certain Society investments; Gift Aid and Deeds of Covenant in regard to donations to the Society; promoting the society on the internet. Suitable responses were given by officers to certain questions raised whilst others would receive the early consideration of the Executive Committee and be reported back to members in due course.

Frank Dent, the Treasurer and Membership Secretary stated in his report that the Committee was addressing the issue of the deficit by both controlling costs and increasing income. Despite the excess of expenditure over income amounting to £726, the Society was still in a sound financial position with net assets of £18,818.

Membership had held up well and the Committee had agreed

that Journals for overseas would be provided by Journal subscription rather than membership.

The meeting also expressed thanks to the Society's Auditor, Peter Roscoe, for the work he had undertaken on behalf of the Society.

Johnston Birchall the Journal Editor reported on his third full year as Journal Editor. The Journal editions had been well received, the articles on the Lanica Affair in the September Journal in particular causing comment and interest. Articles for future editions were now arriving steadily and the refereed system was working well. Members were encouraged to contact Johnston Birchall with their views on the Journal. It being noted that the Editor greatly valued the opinions of readers.

The following officers and committee members were appointed to serve for the year 1998/99 -

Chair	- Rowland Dale
Vice-Chairs	- James Bell Rita Rhodes
Secretary	- John Butler
Journal Editor	- Johnston Birchall
Treasurer and Membership Secretary	- Frank Dent
Additional committee members	- Len Burch Gillian Lonergan John Launder
Immediate Past Chair	- Peter Davis
Auditor	- Peter Roscoe

The existing Presidents of the Society - Professor Tom Carbery, Professor Tony Eccles, Dr Bob Marshall, Graham Melmoth, Alan Sneddon, Lord Terry Thomas, Lord Michael Young, and Dr Alex Wilson were re-elected.

The meeting was informed that John Butler had indicated his intention to carry on as Secretary for the coming year but would step down at the 1999 AGM. The Executive Committee would be addressing the need to find a replacement.

The past service of retiring Executive Committee members Peter Clarke, Jim Craigen and Martin Stears were acknowledged with appreciation and thanks.

The Treasurer reported upon the proposed rate of

subscriptions for year ending 31 March 2000. After careful consideration it was agreed that the membership subscription rates be increased by £1 for individuals and £5 for organisations to the following -

Full time students/unwaged

- Basic £6
- Sponsor £11

Waged

- Basic £10
- Sponsor £15

Organisation

- Basic £30
- Sponsor £80

It was agreed to keep this matter under review.

The meeting noted the review that the Executive Committee were undertaking in respect of next year's Annual Conference/AGM. It was agreed to hold the event at the Co-operative College, Stanford Hall, during the weekend 9/10 October 1999.

Following the meeting the Society was pleased to announce that the two principal speakers at the 1999 Annual Conference would be Dr Ian MacPherson, Dean of Humanities at the University of Victoria, British Columbia, Canada and Graham Melmoth, Chief Executive of the CWS Ltd.

The meeting concluded with a Vote of Thanks to Peter Davis for his year as Chairman and the way he had conducted the weekend Conference and AGM.

Responses to Published Articles

Shann Turnbull's response to Guy Major's article 'The need for NOVARS', Journal 31.2

This author has his heart in the right place but seems to accept the traditional paradigm of negotiable capitalism as a reference point for his analysis. I use the word negotiable because he compares co-ops with the classical Berle and Means model of the widely held publicly traded investor-owned firm. Such classical firms represent less than 1 per cent of all firms in market economies. Their numbers, size and scope do not provide an appropriate basis for comparing the operation of non-publicly traded interests in "common ownership" or other forms of "democratic firms". Even if we only consider listed firms, many have a controlling investor contrary to the Berle and Means model.

One common ownership firm which has the size and scope of a publicly traded enterprise is the John Lewis Partnership (JLP) which Major ignores. He cannot then go to say that "There is a certain amount of theoretical and anecdotal evidence that one breed of democratic firm, the common ownership workers' co-operative, is particularly prone to this problem" [of under-investment] without showing why the JLP is an exception. There are over 10,000 firms with employee ownership in the USA with only a minority of these being publicly traded. The majority of these firms involve both employed and non-employed shareholders without the need for NOVARS. This is not to say that NOVARS may not be useful in some situations. However, many of the reasons put forward by Major for using NOVARS can be achieved by appropriately designing the control architecture of the firm rather than the control structure of its shares. It is an empirical fact that non trivial worker co-operatives which are sustainable over the longer term have a complex architecture with executive power divided into two, three or more boards or control centres. This provides checks and balances against both excessive executive power and excessive worker interference. Crucially, it also provides a basis for managing executive succession in a constructive manner. Without divided power and indirect appointment, the most popular or political

person may be appointed the CEO rather than the best manager.

Major's DCF model is not realistic. More importantly it accepts the intrinsic flaw of capitalism which allows investors to be overpaid. No productive investment provides perpetual earning streams, as proposed in his model, as they all wear out. However, as Major states, shares last forever. This is the crux of the problem of why the capitalist system is both inefficient and inequitable to create excessive concentration of wealth as it allows investors to be overpaid in perpetuity. NOVARS would simply contribute to this fundamental problem of capitalism unless they were issued so as to have limited life, like all real productive investments. All productive investments must create more value than they cost by definition. By definition, all productive investment must therefore pay for itself and become self-financing. The ability of any productive investment to become self-financing is not dependent upon either its total cost or the total number of people/workers who own it as in Major's model. Provided credit can be obtained during the payback period, no salary sacrifice is required to finance a productive investment. In practice, some salary sacrifice may be needed to create an equity or "hurt money" to give a financier confidence to bridge the payback period. Lack of finance by co-operatives arises because financiers have less confidence in managers when they are subject to being fired at the whim of their workers. There are two non NOVARS solutions to this problem as used in Mondragon. One is for the co-ops to own their own financier/ bank and the other is for managers to be insulated from being fired at the whim of the workers through a control architecture which introduces decentralised power with checks and balances. The Mondragon bank makes such a corporate architecture a condition of obtaining finance and so a condition of becoming part of the Mondragon system.

The Mondragon system illustrates the ability of enterprises to be self-financing as do the many leveraged buyouts of publicly traded companies in the US. Because viable firms must be self-financing, most companies have their shares publicly traded not to raise money but to provide an exit for their investors!

Major goes on to say "to avoid underinvestment and degeneration, democratic firms need fully tradable investment which like debt is not voting. This statement is not supported by

the many thousands of privately owned ESOP firms in the US which have a mix of capitalists and worker owners. The degree to which they may be democratic in the sense used by Major is open to conjecture. Major needs to define what democratic means. Would it include firms where workers cannot directly fire the CEO as is the case in all non-trivial sustainable non-capitalistic firms that I have heard about?

US ESOPs which utilise tax incentives, are required to both provide votes to their employed owners for key decisions and buyback employee shares when they depart. The buyback price is determined by an independent appraiser. The price may also be used by non-employee investors. There is no need for "Splitting a firm's value added in a pre-defined way between worker and shareholders". Major needs to relate his analysis and solution to the widely practiced US procedures.

To sum up, I suspect there are situations where some sort of NOVARS could be useful. US practice could provide a basis for identifying their strengths and weaknesses and in which situations they may be most attractive. Definitions need to be presented to describe a "democratic firm" and what is an "optimal labour-capital mix". So, I think some more work is required.

Book Reviews

Karin Hakelius, *Co-operative Values - Farmers' Co-operatives in the Minds of the Farmers*

Swedish University of Agricultural Sciences, Department of Economics, Box 7013 750 07 Uppsala, Sweden ISSN 1401-4076 ISRN SLU-AVH-23-SE

Åke Edén, *The Lever, Co-operative Development Attempts in Bangladesh (East Bengal) 1860-1980*

Department of Economic History, Gothenburg University, Box 720, 405 30 Gothenburg, Sweden ISBN 91-85196-45-2 ISSN 0072-5080

Both authors are members of the Swedish Society for Co-operative Studies, and their work arises from their PhD studies.

The first is by Dr Karin Hakelius of Uppsala University and is entitled *Co-operative Values - Farmers' Co-operatives in the Minds of the Farmers*. Although based on a survey of Swedish agricultural members the study is likely to have significance to agricultural societies elsewhere and also to other kinds of co-operative. It provides the most recent study into how co-operative members view their societies and is also one of the most detailed of its kind.

Dr Hakelius's starting point was that most Swedish co-operative organisations were formed at the end of the 19th century or at the beginning of the 20th Century when their most commonly shared values were those of solidarity, democracy, and fairness. The questions she posed were how far these still motivated today's co-operative members, or might there be a 'discrepancy between farmers' values and the co-operative organisations' attributes'. In attempting to answer these questions Dr Hakelius surveyed 2,134 Swedish co-operative farmers through a questionnaire initially tested on a group of 100 Swedish farmers and later on 1,000 co-operative farmers in Michigan in the USA.

Her thesis records the various stages of the research and records the results of the Swedish and American test surveys. It also includes the final questionnaire to Swedish farmers, and

the statistical results of the survey based upon it. One of Dr Hakelius's conclusions was that '... younger farmers seem to be less willing to adhere to those co-operative values dealing with solidarity and democracy. These farmers tend to concentrate on their own financial situation.' In placing a higher value on economic efficiency, they differed from older co-operative members who still emphasised the value of self-help. Moreover, in putting greater emphasis on the economic side of their membership, younger members'... do not hesitate to sometimes trade with other actors on the market'. Older members, on the other hand, tended to be more loyal to their societies and more ready than younger members to attend meetings and to take up democratic positions.

It seems likely that such generational differences exist in agricultural co-operatives elsewhere, and also in other kinds of co-operative. Dr Hakelius has raised the question of how such differences could impact on the forms that co-operatives take. She has also provided a methodology that could well be relevant beyond Swedish borders.

The second Swedish thesis is by Dr Åke Edén of Gothenburg University. Its title is *The Lever; Co-operative Development Attempts in Bangladesh (East Bengal) 1860-1980*. Dr Edén explains that the 'lever' is a frequently used symbol of the co-operative movement. It was also the title of a popular Swedish co-operative film distributed to co-operative educationists throughout the world. He therefore chose the symbol of the 'lever' in his investigation of how far the implementation of co-operative methods and ideas as a tool, or lever, had contributed to the relief of the rural poor. Unlike Dr Hakelius's thesis, which is in English, much of Dr Edén's text is in Swedish. There is likely to be a full English translation in the future. In the meantime, it is possible to grasp the salient points from parts that are already in English, including the summary.

Dr. Edén's thesis is significant for two main reasons. One is its topicality and the fact that it will be relevant to two on-going studies. One is a history of the Indian Co-operative Movement which is being prepared by the Indian Society in Studies in Co-operation to help celebrate the Movement's centenary in 2004. The other study is that which our own Society is undertaking into Co-operatives under British Colonial Administration 1900-

1960. This will be complementary to the Indian study. Written from the British perspective, it will also trace co-operative developments in other British colonies and assess how far these shaped co-operatives in the post-colonial period.

The second reason why Dr Edén's study is significant is that it helps to explain why the export of western style co-operatives to the Indian sub-continent failed to be as successful as hoped. One reason he suggests was that, from 'time immemorial' there had been indigenous experiments in 'a variety of co-operative principles and forms'. Dr Edén studies and records these and then compares them with the attempts to introduce Western European forms of co-operation from the 1860s to 1980. As far as Bangladesh was concerned, he concludes that 'The western co-operative concepts are hardly applicable to the co-operative reality of Bangladesh; this is one of the reasons for the failure of co-operative development aid projects ... '.

The hallmark of a good thesis is that it is based on original research or approaches a well known subject from a new direction. Both these theses expand co-operative knowledge and illumine our past and our present. British co-operators will benefit from studying the work of their Swedish fellow co-operators.

Dr Rita Rhodes

**Eds Andreas Eisen and Konrad Hagedorn, *Co-operatives in Central and Eastern Europe - Self-help in Structural Change*.
Edition Sigma, Rainer Bohn Verlag, Berlin, 1998.
ISBN 3-89494-644-9**

Co-operatives in Central and Eastern Europe - Self-help in Structural Change is the title of a new (1998) book, edited by Andreas Eisen and Konrad Hagedorn, both of whom work at the Humboldt University in Berlin. Located in the former East Berlin and surrounded by the former East Germany, the Humboldt University has established an institute for research on co-operatives with special respect to co-operatives in the Eastern and Central European Countries.

The book contains twelve chapters describing the conditions for and trends of co-operative development in one country each. Furthermore, four prominent researchers on co-operatives (Johann Brazda, Tode Todev, Juhani Laurinkari, and Hans-H. Münkner) have written one analytical chapter each, with comparisons between a few countries.

The root of the book is a conference on co-operatives in the former state socialist countries, that was held in Berlin in 1996. Some of the presentations have been selected and translated into English. Hence, the articles have previously (1997) been published in the conference proceedings book *Genossenschaften in Mittel und Osteuropa*.

The topic of the book is highly relevant in these years. History shows that co-operative organisations have been very instrumental in the development of the market economies in the western world. Through co-operatives, disadvantaged groups have succeeded to defend their rights and secure their welfare. By alleviating many badly functioning market mechanisms, the co-operative organisations have contributed to more effective market economies. In the present transformation of the former communist countries, one would expect co-operative organisations to play a similar role. This is the point of departure for the book.

According to the book, co-operative organisations in the east and central European countries have, however, not (yet) fulfilled

this role. The reputation of the co-operatives in the old regimes was very poor, and still today, the concept of co-operation has no positive connotations. The problems of the co-operatives is also aggravated by the invasion of domestic as well as international competitors on most markets. In the transition from command economies to market economies, economic gaps evolve when the economic actors are given large freedom to act, at the same time as the legal and institutional frameworks have not yet been developed. As a result, large groups of citizens may suffer from scrupulous businessmen, having insufficient possibilities to get legal protection. It seems, however, that today's market forces are stronger and hence, more difficult to correct, compared to in the childhood of co-operatives in the western countries. Today, it is more difficult for a group of individuals to take action on badly functioning markets. Perhaps this is an explanation to the tardy development of co-operative movements in the countries under study.

Because of the large differences between these countries, it is very difficult to grasp the co-operative development in them. The differences between the countries are huge when it comes to tradition, economy, legislation, and institutions. While some countries, such as Estonia and Poland, are already negotiating for membership in the European Union, others like Belorussia and Ukraine have not yet become true market economies. This heterogeneity makes it also impossible to summarise the book. Against this background it is also understandable that the theoretical contributions from the book are limited. The book is written for a broad circle of readers with special interest in either co-operative organisations or in the former communist countries.

The greatest strength of the book is that it presents a wealth of information, in depth as well as overviews. By far most of the articles are written by native citizens of the country they write about. And the authors are recognised authorities on co-operative organisations. All in all, this book represents a rich source for valuable information about a contemporary topic.

Jerker Nilsson