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A Review of the Co-operative Union

Bob Burlton

"I'm not interested in the survival of the Co-operative Union" was the first part of my answer to the accusation that that was why I was a member of the Review Committee that had just produced its report. The accusation was made in the midst of fierce debate on one of those late night, after dinner occasions, when earnest co-operators put their cherished co-operative world to rights.

No, the Review Committee Report is not at all about the survival of the Union, it is more important than that. It is about ensuring that the Union adopts a role that is understood and accepted by its members and embraces a style and methods of operation that deliver the services that are required most cost effectively - to the benefit of member co-operatives.

By now, I was warming to the theme and continued:

> The whole point of the Review Report is to be positive about the Union, to recognise its essential contribution to binding societies together into the co-operative movement and to ensure that it adapts itself to the current and future needs of its members. This way, they should value the services of the Union and recognise that their subscriptions are value for money. If all that the Review was seeking to do was to prop up the Union, to keep it going, the effort would be doomed to failure. The voices of doubt and discontent amongst Union members would continue and its status would continue to be questioned.

I hope this summary of a discussion that seemed to continue for quite some time, sets the scene adequately for what follows, which seeks to explain the purpose and key recommendation of the Review Report. It seems appropriate to start this summary of the Review, by outlining the background to it. It is probably fair to say that there were three main elements that contributed to the Review. The most important was a general climate of criticism, or lack of understanding of the Union, that surfaced

and was aired "off the record" by many senior co-operators, including some lay leaders and officials of some of the larger societies. The Central Executive considered that this atmosphere needed to be addressed, not least because some societies were questioning the level of Co-operative Union subscriptions, and obviously this is not healthy, at least in the long term. Next, some societies had been more specific in expressing their concerns about the Union to the Central Executive. For example, Co-operative Retail Services (CRS) had highlighted that it contributed some 20% of the Union's funding yet had no direct representation on the Central Executive. This body concluded that this and other points that other societies were making should be given serious consideration. A third contributing factor related specifically to the UK Co-operative Congress. It was clear that there were wide ranging, and often mutually contradictory, views about Congress and how to change it. This culminated in the motion and debate at Congress 1996, which resulted in the Central Executive resolving to include Congress within the scope of the Review.

The Review Process

The Central Executive, at its first meeting following Congress 1996, elected a sub-committee comprising David Allonby (CWS), John Anderson (North Tayside & Strathaven), Alan Middleton (Lincoln) and myself (Oxford, Swindon & Gloucester) to undertake work on the Review, and to report back to the Central Executive. The Terms of Reference for the Review were agreed as covering three main areas. The first was to address the fundamental issues surrounding the Co-operative Union and was expressed in part as: - 'To review critically the purpose and role of the Co-operative Union for the future, ... leading to a Statement of Aims and Objectives ...." This was crucial; if no-one is clear· why the Union exists and what it is seeking to achieve, how can there be any sensible debate or consideration of the Union's structure, or of its organisation and funding? The second main area for enquiry within the Review was precisely those matters of structure (constitution) and organisation that I have referred to. This review of the modus operandi of the Union was to include, specifically, the current functioning of Group

Corporate Membership. Finally, as will be clear from the points regarding Congress that are expressed above, it was decided that the sub-committee should include a complete review of Congress within its remit.

A draft Report was presented to the Central Executive in September 1996 and following serious consideration and some modification of the Report, the Union published a draft for consultation in October. The process of consultation has consisted of three main elements to date: a presentation to co-operators attending the CWS half yearly meeting in Manchester in October 1996; direct consultation with the Union's member societies; and consultation by and within the Union's Sectional Boards.

The Union's Role and Purpose

I think it will be evident to most co-operators that no serious review of the Co-operative Union could take place without bringing into sharp focus the fundamental question concerning the Union; "what's it all about?". This is why the Central Executive concluded that a statement of the Union's aims should feature as a priority within the Review Report. This Statement of Aims seeks to define why the Union should exist, given the current and prospective state and profile of the consumer co-operative movement. It also seeks to make clear the role(s) that the Union will aim to fulfil.

The Statement of Aims makes some key points. These include: -

a) that the Union is an organisation that is representative of co-operative societies, yet is independent and is not controlled by any one society;

b) that it seeks to promote the concept of co-operation through co-ordinating contributions that independent co-operative societies make to the wider co-operative movement. In parallel, it aims to ensure that societies receive reciprocal benefits from their participation in the movement. Co-operators understand very well that ABC Co-op or ABC Co-operative Society is accepted and supported by the public much more than ABC Retail Limited would be (that is most co-operators understand this);

c) that it aims to promote and defend the interests of its co-operative members with a wide range of important third parties, but particularly with the various levels of government;

d) that it aims to support the professional and lay leaders of its member societies in certain key areas including, very specifically, assisting in the education and development of lay co-operators, to equip them for their role as members of regional committees or boards, and ultimately as society directors.

The Central Executive considers that all its member societies should consider formally the full detail of this Statement of Aims and they will be asked to endorse it. This endorsement will then provide the foundation for subsequent analysis and review. Assuming that the Statement is endorsed, all members of the Union will be that much clearer that the rationale for and the role(s) of the Union have been confirmed by its membership. If this is so, then we will all have made progress towards understanding that such an organisation requires appropriate resources. A basis will have been established for more informed and rational consideration of appropriate levels of funding for the Union.

The Central Executive

One of the most sensitive areas of the Review was the issue of the Central Executive itself. The Central Executive structure was last revised in 1984, when there were 120 member societies, whereas the current number is 60 members, of which 37 are retail consumer co-operatives. Since that time, there have been some very significant changes in the profile of retail societies and particularly in that of the largest societies, i.e. CWS, CRS, United Norwest, and Midland. These four societies now contribute some 67% of the Union's funding. The review committee considered a number of factors in determining its recommendations regarding the composition of the Central Executive for the future. Chief amongst these were: -

a) the recognition that the Union is a body that is

representative of its member societies; it is societies that are the members of the Union, not individual co-operators. Therefore, in principle, the governing body of the Union should be representative of the Union's membership;

b) some of the larger societies had made abundantly clear their dissatisfaction with the prevailing arrangements, including their lack of direct representation;

c) further concerns at imbalances in the voting strengths of societies within the Sections, with the effect that in some cases, one or two societies could control the result of Sectional elections;

d) the concerns of members societies about the Union's costs, which led the Executive to conclude that no increase in the size of the Executive could be considered.

The recommended future structure of the Central Executive is: -

reserved for CWS	6
reserved for CRS	2
reserved for UN and Midland	2 (1 each)
elected by and from other retail societies	4
appointed by and from Productive Board	1
TOTAL	15 (as now)

CWS and CRS have been requested to consider establishing a process of election by individual members for some of their nominees. The consultation process has highlighted that the election of the four members by and from other societies (one from each Section) could still have the drawback that in some cases a society may be in a position to determine the election result. Accordingly, the Central Executive has resolved to recommend that in a case where a Society has, in total, more than 40% of the votes in a Section, its proportion of the votes shall be capped at 40%. This is in the interests of promoting democracy, by ensuring that a Society would require some support from others in a Section for its candidate to win the election. If Congress approves these (amended) proposals, they

would come into effect in 1998. It is, of course, impossible to please everyone, especially when seeking to introduce important changes, but it is to be hoped that Congress delegates will mute any vested interests and will give support to these proposals, to make the Union's governing body more representative of the Union's membership

Group Corporate Membership (GCM)

The role of Group Corporate Membership within the affairs of the Union is important and sensitive. In essence, Group Corporate Membership enables the regions and branches of some of the larger societies, which are often based on former societies that have transferred their engagements to the larger society (sometimes on the point of financial ruin), to participate in the Union's activities as if they had remained as independent societies. When this measure was introduced, there was a requirement for "a substantial degree of managerial control to be vested in the branches", in order for societies to be eligible for GCM status. Congress 1988 deleted this requirement. There are now five GCM societies, the four largest and Scottish Midland.. Collectively, GCM members command 5,339 votes at Congress, compared with 2,435 votes that are attributable to non-GCM societies. This makes it self-evident that if any reform of Group Corporate Membership requiring the consent of Congress were to be contemplated, it would be essential for such reforms to enjoy the support of the regions and branches of the GCM societies themselves.

Notwithstanding this, the Executive was made aware of some drawbacks associated with the practice of Group Corporate Membership as it has evolved. There is little question that the structures of some GCM societ1es are now such that there can be very little degree of managerial control in the branches. The practice of GCM society regions/branches proposing Congress motions - sometimes in conflict with other regions /branches of the same society or the policy of the parent society itself has, frankly, attracted widespread criticism. Taking into account the theme that the Union is comprised of member societies, its Congress should reflect this. Accordingly, the Executive wishes to encourage more co-ordination of Congress motions to be submitted by GCM society regions/branches by the Board of

the society. The Central Executive proposes to invite GCM Society Boards to involve themselves in a process of consultation with their regions/branches regarding Congress motions prior to their submission, and to assist the Central Executive by indicating the five proposals (and amendments) that it regards as their society's priority, (in the event that the Central Executive can not accept all of the proposals and amendments submitted by the Society's regions/branches).

Congress

The 1996 Harrogate Congress resolved that there should be a review of Congress, based on an annual event, but requiring a critical review of arrangements and proceedings. The Review considered many criticisms and suggestions that have been made by societies and individual co-operators. The most common points appeared to be that: many societies send the same delegate to the CWS AGM and Congress, which take place within one or two weeks of each other, the proceedings seem to lack focus, with a number of irrelevant proposals, and some social events now impact adversely on Congress business.

Accordingly, the Central Executive has resolved to recommend that: -

a) Congress and the CWS AGM should occur on the same weekend at the same venue, with the CWS AGM taking place on Saturday, and Congress commencing on Sunday morning, both as now;

b) proceedings should be more focused and particularly that there should be a presentation assessment of the movement's performance, immediately following the Presidential address and before lunch on Sunday;

c) the sponsors of social events should be approached and invited to consider alternative events to complement Congress proceedings;

d) there should be more emphasis on providing briefings and other information to delegates, to assist them in assessing their Society's position and in policymaking for their society.

The Central Executive has received and considered very diverse views concerning Sectional Boards, especially following the publication of the draft Review Report in October 1996. As a result, it has now decided not to make recommendations in their area at present, but to ask the Sectional Boards themselves to consider their function further, with a view to any appropriate proposals for change coming forward at a later date.

Monitoring of Society Affairs

The Central Executive concluded that this is one of the prime responsibilities of the Union and has resolved to give this area greater attention in the future. The background to this important decision is the long history of Society failures, which tend to take place with great waste and at great cost to the rescuing society, and also which usually are very predictable to most seasoned co-operators, with the exception of those that are involved in the leadership of the ailing society. This must stop and the Union must become much more proactive than hitherto, in ensuring that it does. It is intended that all society directors will be provided with a frank, meaningful assessment of their society's results and that the Union should visit the Board of every society to discuss the assessment. Achieving this service will require substantial changes in the focus and functions of the Union's Information and Statistics sections and a number of items of information that have been supplied t societies in the past, will be discontinued as part of the refocussing exercise.

This personal summary of the Review Report has necessarily concentrated on those aspects of the reform of the Union that I consider -to be the most important. It has not been possible for me to cover all areas of the Report, and I confess that there may well be some other aspects that are considered to be important by other co-operators. For that, I apologise and ask for the understanding of the Journal's readers. For my part, my hope is that the Review Report and the discussion thereon at Congress will stimulate fresh consideration in each society of the Union. I trust that there will be renewed understanding that the purpose of the Union is to assist our collection of consumer co-operatives to join together in common purpose, to be the consumer co-operative movement. I would like to hope, also, that there will

be rejuvenated commitment for co-operative societies to work together for our common good.

Bob Burlton, Chief Executive, Oxford, Swindon & Gloucester Co-op, and member of the Central Executive of the Co-operative Union writing in a personal capacity.

Inclusive Partnership: The Key to Business Success in the 21st Century

Terry Thomas

Many commentators have said stakeholding is dead. But I would argue that it has not yet been born. I would like to set out my ideas on how stakeholding or as I prefer to call it, the Inclusive Partnership Approach, offers companies the blueprint for success in the 21st Century. I believe the shortcomings in our business culture were amplified by the prevailing values of the 1980s. Foremost among these was the misinformed idea that selfish behaviour - whether as an individual or a company - was in the public interest. Companies were perceived as short-term profit maximisers above all else and their sole role was to enhance shareholder value (often referred to as the Anglo-Saxon approach). Worse still it was claimed there was no such thing as Society. Freedom was defined in simplistic terms as the ability to buy and sell in the market without Government interference. However, the excess of capitalism has always needed restrictive legislation and freedom for the consumer always depended on the amount and accuracy of information available to them. Consumers were perceived in narrow terms, choosing products and services based on price and quality, not on a company's social, ethical, or environmental record.

Although these values served an ideological purpose, they also reflected immense changes in society. Consumers became far more powerful; indeed, shopping arguably became the number one leisure pt1.rsuit, and even perhaps a definition of existence - 'I shop therefore I am'. This was partly a product of Government devolving responsibility to consumers on the sole principle of buyer beware. At the same time business, particularly multinationals controlling 30% of the world's production, grew stronger.

However, by the end of the 1980s this anodyne version of consumer sovereignty lost its attraction as the recession bit. Cynical consumers began to reject these individualistic values disillusioned by businesses which externalised social and environmental costs, exploited their customers, the environment

or society. Consumers started to be influenced by ethics and ecology as well as price and quality, leading to the growth of, for example ethical and green consumerism. Since 1989 this trend has hardened as the cynical consumer has quickly turned into the vigilante consumer willing to protest against companies with poor social, ethical, and environmental records. These vigilante consumers do not see business as neutral players simply abiding by regulatory framework set by Government but as part of society with responsibilities as well as rights. This trend is also supported by pressure groups who are very effective at articulating their concerns.

One of the symbols for this change was the humbling of Shell by Greenpeace. Shell pursued Government-orientated public relations to secure support for the dumping of the Brent Spar oil platform. Despite Government approval the power of Greenpeace succeeded in putting the story in the headlines and consumer anger stopped the dumping despite inaccuracies in the Greenpeace claims. This campaign showed that the power of corporate reputation, a key driver of competitive advantage, is a double-edged sword, as big brands can suffer serious damage if they do not respond effectively to the concerns of Society. Corporates who desperately want to eliminate uncertainties in the pursuit of profit are finding these developments difficult to manage. They are searching for a new business methodology which enables them to deal with these campaigns and establish a less confrontational dialogue with pressure groups and vigilante consumers. It is clear that as we approach the 21st Century these pressures will only increase. I believe that increasingly all consumers will be driven by a complex mix of ethics, ecology, price, and quality. The companies that will retain their competitive edge are those which are quick to respond to these changing needs and values.

Businesses are now facing increasing pressure from a variety of environmental concerns. There is an increasing legislative burden, for example the ban on CFCs; increasing operating costs, such as the landfill tax; shifts in the marketplace, for example, the growth in demand for recycled paper, and restriction of access to financial funding with banks now routinely restricting access to borrowing for industries and particular companies with a history of pollution. Business is clearly failing to respond to these

pressures effectively. The general public are reacting against this failure; research we have carried out shows that over the last ten years, people believe that British companies have become more ruthless. Seventy per cent of the thousand people we surveyed believed that British business over the last ten years has become more focused on profit and less concerned about their wider responsibilities to their customers, staff, and society at large.

So, what business model should we turn to? The Anglo-Saxon model is clearly flawed since it inevitably leads to short termism in decision making and a lack of responsiveness to consumer concern. Many business people, who subscribe to the Anglo-Saxon view, have been downsizing as one way of meeting the competitive challenges of the future. And indeed, selective downsizing has been necessary as we face constant technological change. However, often it has been used as an excuse for radical short-term cost cutting which has improved short term profitability whilst reducing employee motivation and damaged service to customers. There is now a consensus that you cannot downsize yourself to long term success.

Many thinkers on the left, such as Will Hutton, have looked for inspiration to the "Rhine" model, initially the more successful of the two capitalistic models, (note Germany and Japan's economic development since the 2nd World War). However, now it is becoming increasingly clear that it so protects itself from the rigours of the market place that it eventually becomes inefficient, incestuous, and even corrupt.

Robert Owen and the Inclusive Partnership Approach

During my school days and in my later reading I was struck by the work of a rather unusual guru, Robert Owen, a fellow Welshman, who was born in Newtown in 1771 and died there in 1858. His writings show him as a man several centuries ahead of his time, an industrialist, an educationalist, and a social reformer who came to be regarded as the founder of the Co-operative Movement. I believe Robert Owen's theories set out a middle way between the uncontrolled capitalism of Adam Smith and the failed communist experiment of Karl Marx.

Interestingly, the lives of these three influential activists overlapped. All of them were heavily involved in communicating their particular theories on how to develop the economy in the interests of the people, so they no doubt influenced each other, particularly as they were all based in Britain. We all know what has happened to communism, and equally we are aware that all democratic countries, whilst adopting capitalism, have had to pass laws to safeguard citizens from the excesses of capitalism. The Factories Acts - Weights and Measures, Purity of Food, Slavery, Child Labour, Monopolies, and Protectionism being some examples that come to mind. By comparison, Robert Owen's business model combines the rigours and disciplines of the marketplace with a focus on nurturing co-operative relationships with the company's natural partners - those groups who are directly or indirectly affected by its activities. It also sets out a long-term view for managing the financial and non-financial aspects of a business that can produce long term success.

Robert Owen's experimentation (apart from New Harmony in Indiana) was entirely within corporate organisations. Indeed, he was an industrialist who successfully demonstrated at the textile mills in New Lanark that by embracing all the natural partners of an enterprise one could increase profitability and enhance shareholder value. In his essays setting out "A New View of Society" Robert Owen examined how his then progressive management techniques, which emphasised good treatment of staff, their families, and the community, could 'co-operate to produce the greatest pecuniary gain to the proprietors'. He claimed that his investment approach would 'return you not five, ten or fifteen per cent for your capital so expended, but often fifty and in many cases a hundred per cent'. As a result, only 'ignorance of your self interest can in future prevent you from bestowing care on the living machines which you employ'. At heart, he argues, business people should be motivated by enlightened self interest; 'the happiness of self, clearly understood and uniformly practised; can only be attained by conduct that must promote the happiness of the community'.

Robert Owen's values can be used to define the partners crucial to business success. I have applied his approach and have identified seven partners to whom companies have a responsibility. The partnership model is illustrated in the diagram

below. The first of these partners is the **shareholder.** We are all familiar with the prevailing view about shareholders in the UK and most particularly in the City of London, sometimes referred to as the Anglo-Saxon business culture. It holds that as servants of shareholders, managers are only allowed to participate in business if they concentrate on a single objective. That objective is "to enhance shareholder value". Everything else is subservient to that objective. Any activity not directly designed and authorised to enhance shareholder value is a waste of resources and should not be entertained.

Interestingly this view does not prevail elsewhere in the world - in Germany, for instance, in Japan, or even to some extent, in France; sometimes referred to as the "Rhine" view of capitalism where the company is perceived as operating within a wider social context. Robert Owen's model proposes a new relationship with shareholders. This involves meeting all the normal financial criteria and the disciplines of the marketplace as this model is not a soft option or an excuse for avoiding hard decisions. However, there are also expectations of shareholders to understand how managers can deliver long term success. And those expectations include continuity of the enterprise and respect. for the other partners in the organisation who help to deliver this success. Each partner must be treated in balance - not equally, not in preference but in balance and across time. The skill of management is to ensure that each partner co-operates together to produce the appropriate returns to the shareholder over the short and long term. Unlike George Orwell's Animal Farm, some partners are not more equal than others. Each partner must be treated in balance - not equally, not in preference but in balance and across time.

The second partner is the **customer.** I believe that in the next decade companies will have to become much more accountable to their customers and more responsive to their ethical and ecological demands. Managers will have to shift from a top-down perception of customer relationships to a more decentralised approached based on a partnership of equals. If you look at customers as partners who have a genuine say in how you can develop your business you will see them in an entirely new perspective. It becomes very important to know them better. To understand their values and their objectives. To get right in alongside them,

supporting their values and aspirations. This more mature relationship also demands greater openness - admitting your successes and failures - and a willingness to set out who will address these failures, how and when.

The third partner is the **staff.** It is clear that Robert Owen had some very strong ideas about this particular partnership. That is evident from what he did. From the beginning he engaged in an active working partnership with his 'leaders' (what we would call managers), his staff and their families. Robert Owen, at his own expense, took children from 5-10 years old out of his factories and into schools he built and paid for. He also built houses for his employees, complete with clean water and drains. This approach created more skilled operators, less absenteeism and higher productivity. It also offered the ability to move up-market and increase the quality and margins on his products. He actually made more profits and, unforgivably, he was more successful than his peers. These goals are the same for companies today. They want high quality staff, high productivity, and low absenteeism. To achieve this we must involve them, motivate them, and harness their potential. We want staff to have fun and be proud of what they do, to nourish the whole being. But we must also recognise that the concept of a job for life has gone and in its place we need to offer staff the concept of employability through continuous high-quality training and work experience.

Robert Owen also argued that if staff are to become true partners then responsibility for them includes their families as well. That is why companies need to adopt "family friendly" policies. Forcing staff to work long hours on a regular basis is bad for productivity and the family. Management has a duty to ensure that business life does not damage family life.

The fourth partner is the supplier. It is vital to strengthen co-operation with the supplier chain to meet the competitive challenge of the future. Every organisation has to buy in resources and services. It cannot run the risk of buying rubbish, shoddy workmanship or poor service or buying from unethical companies exploiting others. If companies buy badly they will pass on this cost to their customers. In fact, they will bear the brunt of the company's mistake. That is why it is necessary to develop long term contracts, three to five years into the future - contracts that guarantee a

Company's use standards set out in our service level agreements.

These are the obvious partners, but it is important to look into the softer areas - areas that hard-headed - bankers or accountants may feel is not their territory. It is necessary to move from the tangible, conventional measures of the bean counters to the more difficult areas to measure and manage. Take the **community** for instance - when Robert Owen talked about "the community" he meant the place from which he drew his labour force or the place where he sold his goods and made his profits. Now why should a company develop a partnership with the community? Staff travel from that community to get to work and go back into it afterwards. Their personal security when travelling is naturally vital as are the quality of the transport links. A company has to think about the security of its offices or factories. It must be concerned with the quality of the young people leaving local schools, colleges, and universities. It needs to nurture the local networks that create genuine trust in its operations, Crucial to this involvement are staff- if they are seen to be involved in the community, if they are active in it when the day's work is over, they are sending a positive message to the community. It is a message that will always be well received.

The sixth partner is **society.** Robert Owen said that running a successful business also meant being concerned about the wider society. That could mean a region or a country or it could even be the whole planet if we are considering ecological issues. The best way to demonstrate that an inclusive partnership company can be more successful and more profitable is by example. What it does and what it does not do is crucial. At first these changes may only be at the margins of society but eventually, when others see how successful inclusive partnership companies are, they will start to copy this business model. Robert Owen has demonstrated that it is entirely logical and commercially advantageous to have a cause outside and greater than the company. You will be familiar with Maslow's theory on what makes us tick as people - the "hierarchy of needs". Starting with factors like food, clothing and warmth until the spirit or ego requires a challenge outside of and greater than ourselves in order to experience fulfilment. This common cause can unite all

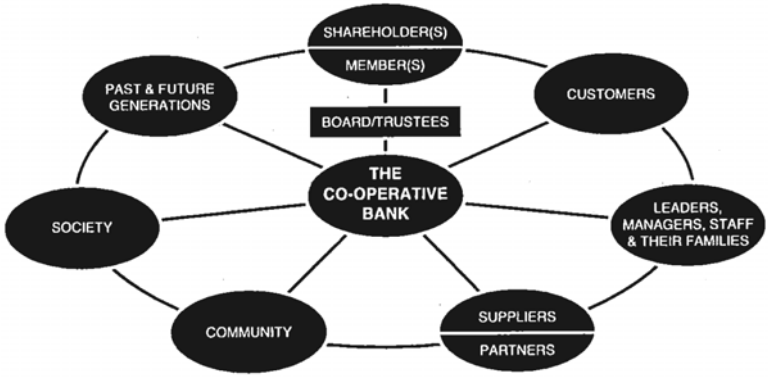
the partners and thereby increase job satisfaction and morale, and nurture well being or self fulfilment.

The final partner is "past and future generations". For companies to look to past generations does not mean that they are backward looking organisations. Companies should respect the past and try to learn from it. Some of a company's "past generations" remain with it. For example, several thousand pensioners are still part of The Co-operative Bank's family. However, companies exist today - not in the past, and not yet in the future - so they should approach their business on the basis that they have inherited the past. Their job is to build on it and to hand over something better to future generations. What is handed over should be substantially better than our predecessors could have achieved in their time. It is a reminder not to be greedy - not to exploit all the things that could be exploited on this planet or within our business, within one generation.

These are the seven partners but, as you will see on the diagram, directly below shareholders there is the Board of the organisation made up of both today's non-Executives and Executives. The members of the Board are trustees, responsible on a day-to-day basis for balancing the needs and aspirations of

THE SEVEN PARTNERS CONCEPT

Developed from the writings and successful activities of Robert Owen 1771-1858



As our predecessors realised, a balanced long term relationship with all our partners is one of the keys to business success and longevity

each partner against each other and across time. However, co-operation with partners is still not sufficient to ensure the long-term success of a company. These social relationships depend on the productivity and diversity of nature - the net creator of wealth on this planet. This is being destroyed as our linear economy converts resources into waste, overloading our eco-system, damaging its capacity to produce the resources that drive our economies. That is why companies, and their partners together need to nurture a sustainable economy based on the cyclical flows of nature which constantly turn waste into new resources.

The new business model: Inclusive Partnership plus sustainable development

This is the basis of the challenging new business model: inclusive partnership plus sustainable development. Developing the new business model requires a seismic shift in current business processes. Firstly, it is necessary to build consensus with partners on what they expect from the company and what the company expects from them. This needs to be set out in a clear agreed policy with each partner or the mix or make up of partners needs to be changed. The company must have a clear mission statement on sustainable development and how they will assist their partners in achieving this goal.

Policy documents will not be enough. Staff will only be committed to partnership and sustainable development if the company's culture is genuinely inclusive. The 'leaders' need to use social and ecological auditing as the tool for changing this culture. Annual audits - assessing performance against the partnership and ecology policy - will define areas where change or improvement is needed or where tangible progress has been made.

The company must be open with their partners concerning the actions necessary to improve performance. This also means that if something is happening in society that both the company and its partners are concerned about then a proactive engagement will be necessary. For example, last year The Co-operative Bank published a Landmines Declaration which received support from

politicians, charities, and celebrities but most of all our customers. We made clear our support for a ban and the need for banks to take a lead on this subject.

Essential to the development of the partnership policy and auditing is the ability to acknowledge to your partners where the company has succeeded and failed. This requires a significant shift from the enclosed nature of many organisations to a more open but inclusive approach. However, openness and transparency will not come easily to corporate organisations. That is why the processes for creating policy and measuring performance through audits must be open to independent scrutiny.

I am happy to confirm today that The Co-operative Bank intends to continue to lead the way in implementing the Inclusive Partnership Approach. We have used focus groups and market research to develop our partnership policy. We will publish the results of the consultation when totally assimilated - the full Partnership Approach against which we will in future be measured by our partners. In conclusion it is clear to me that Robert Owen's middle way, so ridiculed by Marx and Engels - as being "Utopian" has in fact proved to be the most successful formula, and market forces will actually ensure its continued success in the 21st Century. Robert Owen combined the disciplines of the market place with a company's natural partners to provide a blueprint for the successful business. In fact, tomorrow's company, or tomorrow's co-operative.

Teny Thomas is Managing Director of The Co-operative Bank pie. This paper is taken from a speech at the Fabian Seminar on March 12, 1997.

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Reports

1. Tomorrow's Company: *The Role of Business in a Changing World (Royal Society of Arts)*
2. Promoting Prosperity: *A Business Agenda for Britain (Commission on Public Policy and British Business).*
3. Business as Partners in Development *(The Prince of Wales Business Leaders Forum).*
4. The Body Shop's Value Report.

Women's Participation in Co-operatives: Evidence from the British Canadian Co-operative Society

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> We had the ladies' auxiliary. They were a bunch of ladies, and they used to meet every week. They called themselves the Co-operative Auxiliary ... They used to meet in the little hall, the S.O.B.I. [Sons of the British Isles] hall for their meetings ... They put on a beautiful operetta with beautiful costumes with all these hooped skirts, those shawls they used to wear in the olden days. The ladies did all the work and then they put it on in the theatre in Sydney Mines ... The ladies would have to buy all kinds of materials and threads, and fancy things, patterns so the money went for that ... One lady I remember was a Mrs Winstamer, little, short stout lady, she was English, and there was Mrs Scott, and there was Mrs Curuthers, and Mrs Steveson, Mrs Cullen, and Mrs Archer and a Miss Lee and a Briers, Mrs Jackson, quite a few. All old country people.[1]

In early twentieth century Britain, the Women's Co-operative Guild enjoyed considerable success in organising working class women. It also supported women's autonomous political and economic struggles from both inside and outside larger co-operative structures. The Guild employed an ideal of women's self-management in co-operatives, while it maintained an enduring social space for working-class women from which women shaped their own larger social worlds. In 1919, the British Canadian Co-operative Society followed the British example and launched its own Women's Co-operative Guild, albeit under the direction of men.

In this article the arguments for women's participation in the British Canadian are situated, first, by describing the commercial setting of the co-operative and then the significance of the British Canadian Co-operative. The approach to

encouraging women's participation in co-operatives is then investigated with reference to the dialogue between George Keen, Secretary of the Co-operative Union of Canada, and Margaret Llewelyn Davies, General Secretary of the British Women's Co-operative Guild. Finally, the fading local remembrances of the Women's Co-operative Guild are contrasted with the documented evidence of Guild activities suggesting that the working-class women, though organised without the benefit of the feminist ideal of self-management, became politically and economically active when and where they could.

The commercial setting at the turn of the century

In industrial Cape Breton in the late 1800s, small company stores were an integral part of the tiny mining operations that littered the rural landscape.[2] These independent general stores were replaced by larger stores operated, first by the General Mining Association,[3] and later by the Dominion Coal and Steel Company, which was granted the exclusive lease for all mineral rights in Cape Breton in 1900.[4] As a result of the exclusive corporate control over the island's mineral resources, company stores became the symbol of company domination over the local people in Cape Breton.[5] For mining families in Cape Breton, the conditions of indebtedness inherent in the earlier system of merchant trucking - a system of trading and paying wages with limited exchange of currency[6] - was reinforced by the creation of "credit only" mine-owned company stores. The co-operative challenge to corporate control over the economics of family life was not immediate. Between 1860 and 1900, local inhabitants in the mining districts of Cape Breton, on at least ten different occasions, had tried to form an enduring co-operative store. Most of these unincorporated co-operatives, however, failed due to a lack of circulation currency for store use, the withdrawal by members of almost all surplus capital from store reserve funds, poor management of funds, lack of discretion in store credit allowances for members, and the dispersal of families accompanying the closure of small mines.[7] Except for the Sydney Mines Industrial Co-operative Society, which opened in 1863 and closed again in 1905 due to a fire, none of the ten stores created during those early years lasted beyond 1900.[8]

With the passing of the Coal Mines Regulation Act in 1900[9]

miners (who in Canada at that time, by law, could only be men) gained the opportunity to decide whether they and their families should shop at a company-owned credit-based store or a community-owned, cash-based co-operative store. With the passing of the Act, miners acquired, for the first time, the right, to be paid in cash. In 1906, under the rules of the province's joint stock legislation,[10] seven men became charter members of the British Canadian Co-operative.[11] Both women and men, who were amongst the influx of the newly arriving British immigrants, were original members and suppliers of the co-operative.[12] In quick succession, branch stores opened in Florence (1908), Cranberry (1917), and North Sydney (1918). In 1916, a bakery was established. All the stores served both male and female members and employed both women and men.

Although there were no prohibitions against membership by local people who were not of recent British origin, and the open membership policy was always made public, the membership retained its immediate British character. This Britishness seemed to allow the co-operative to better understand and therefore resist the destabilising impact of colonial relations on local people, even as the co-operative relied on these relations to build the co-operative's strength. In the 1920s, the BC Co-op, as it was locally known, continued to grow when it annexed the large Glace Bay Co-operative Society which served the multi-cultural, multi-ethnic south side of the mining region. Here, as in other parts of the industrial area, immigrants from Great Britain, Eastern Europe, Central Europe, and the Caribbean lived side by side with local people of French Acadian, highland Scottish, Irish, English, African diasporic and First Nation's Aboriginal descent. As a result, the British Canadian once again expanded its membership, both male and female, this time becoming more heterogeneous in character though still dependent on its inherited British structures and philosophy. At this point, the British Canadian was one of the most successful consumer co-operatives in all of North America, in terms of sales, services and products produced. The Women's Guild, though an important building block in co-operatives in Britain, was not an immediate priority in building the new co-operative in Canada though it was discussed for several years before it was organised. In 1919 the Women's Co-operative Guild was formally launched as an

auxiliary organization.

The significance of the British Canadian Co-operative

As a working-class organisation located in a turn of the century industrial mining environment, the British Canadian Society kept to its course of providing goods and services to its working-class members.[13] It remained overtly critical of the practice of private business and drilled an independent retail passage through the bedrock of corporate capitalism and union communism on which it was built. It became the largest retailer in industrialising Cape Breton. In its local setting, it rivalled Canada's largest national retail organisation, Eaton's, which at that time was expanding across the country.[14] At its zenith in the 1930s and 1940s, the Society operated two huge department stores, six smaller branch stores, a milk processing plant, several garages, and an extensive transportation service. It employed over 160 men and women serving over 3,000 member families and supplied advice to other groups without expansionary intent or charging fees for its assistance.[15]

Remaining distant from partisan politics, corporations, and even unions, the British Canadian preferred business alliances with other co-operatives and with producers sympathetic to co-operatives. It also maintained its co-operative and union links to Great Britain through trade. Its largest wholesale supplier was, first, the Co-operative Wholesale Society of England, and later, the Scottish Co-operative Wholesale Society. The British Canadian became one of Canada's largest co-operative suppliers of British goods, with these goods becoming the trademarks of the stores. Tea purchased directly from the British colony of Ceylon (now Sri Lanka) and a wide range of British foodstuffs, clothing, shoes and boots, dry goods, linoleum, and pharmaceuticals were sold in addition to livestock, foodstuffs, and dry goods produced locally in Eastern Canada.

The British Canadian Co-operative took a moral position on co-operation and advocated social, moral, and economic reform outside the realm of partisan politics. The nature of this working-class call "to do good ' was expressed in the co-operative's management practices and phrased in the language of men: "til the great Co-operative Commonwealth shall be ushered in, when

all men shall find in seeking each other's good a common brotherhood."[16] It became the example of Canadian working-class success and resistance to the every-day influence and domination of a foreign owned mining company.[17] Symbolically, its stores represented a sustained challenge to the imposition of a class- and company-controlled economic system for seventy- four years. Sadly, in 1980, after declaring bankruptcy, the British Canadian Co-operative succumbed to its own internal membership and management difficulties and divisions. It became a casualty of changing relationships in the grocery and hardware trade and of Cape Breton's overall economic and political decline.

The arguments for women's participation In co-operatives

George Keen, Secretary of the Ontario-based Co-operative Union of Canada[18] from 1909 to 1945, maintained a reciprocal relationship with members of the British Canadian Co-operative, located in Cape Breton, Nova Scotia. Keen gained much of his personal, professional, and financial support from the industrial working-class co-operative and took an interest in influencing its direction. Financial contributions made by the British Canadian to the Co-operative Union of Canada often exceeded their required membership contributions (which were the largest in the country).[19] W.C. Stewart, Manager of the British Canadian, regularly corresponded with Keen from 1910 until 1931.[20] As the national advocate for co-operatives, Keen argued that women's participation was an important means of strengthening the co-operative movement. He suggested to Margaret Llewelyn Davies, the influential General Secretary of the British Women's Co-operative Guild, that "as to women taking a comprehensive interest in our movement, it only reflects the difficulty we have experienced." It was women's lack of initiative and an attitude of parochialism, according to Keen, that limited women's participation in co-operative activities and handicapped individual societies and the movement as a whole.[21] What Keen failed to communicate to Davies was that it was more than just women's inability and lack of initiative that restricted their interest in co-operatives, rather, it was a complex of factors inside and outside co-operatives like the British Canadian, which limited

their ability in organising women's organisations. For instance, in Cape Breton the absence of women in the mining industry, and their consequent ability to organise, created very different conditions for women compared to Britain.[22] It was also easier for women to make inroads into economic organisations when women had some claim to doing related paid work as they did in other industries in Cape Breton[23] Nova Scotia, Canada and the United States.[24]

While Keen did not appear to appreciate the differential experiences in employment patterns between men and women in mining and other industrial communities in Canada or the role this had to play in women's ability to organise and participate in male-dominated organisations, Keen still regularly promoted the need to involve women in co-operatives. He specifically recognised the female membership in the British Canadian and praised its adherence to the principles of co-operation, which included the ideal of democratic equality for both women and men. In Keen's correspondence and lectures, he regularly held up the British Canadian Co-operative as a model to be emulated by the rest of the country. In 1915 he reminded them of their obligation to promote co-operation:

> Your society owing to the class consciousness of its members, owing to them being engaged in one staple trade, is able to pay the largest dividend of any society in Canada. Surely it is in a better position to do its share toward bringing about the co-operative commonwealth than any of the societies west of you.[25]

Even earlier, in 1910, Keen had urged the men of the British Canadian Co operative "to get the women to work - they have more time for opportunities than men and also by nature they are more sentimental which is a valuable asset in Co-operative populism."[26]

Whether or not life in the surrounding mining town created conditions of time, opportunity, and sentimentalism toward co-operatives for women mattered less for Keen than the promotion of co-operatives. The growth of the co-operative movement was Keen's paramount concern and the model the women and men-of the British Canadian could provide for other co-operators was

meant to enhance that priority.

Changes in defining women as consumers

The definition of woman as 'consumer'[27] was emphasised regularly in *The Canadian Co-operator* which Keen edited and copies of which the British Canadian members regularly received. The definition of women as consumers - was central to Keen's agenda of maintaining co-operative 'loyalty' and 'thrift,' which would support growth in existing co-operatives and help create new ones. From the point of view of male directors of the co-operative, it was a definition which could be used to support the first goal of the British Canadian Co-operative: "to lessen the inequalities that exist and to diffuse more evenly and more humanely the luxuries and wealth of the world."[28]

How women's work as consumers was defined and organised required a decision that women were first and foremost consumers rather than producers, recipients rather than providers of service as employees. In the pages of *The Canadian Co-operator* Keen printed many accounts of the accomplishments of the British Women's Co-operative Guild, as an organisation of female consumers.[29] He also regularly offered his own views and outlined the importance of women in strengthening individual co-operatives as well as the movement as whole, of their definition as consumers, and the method he preferred for organising women. Keen declared that women, in their role as loyal co-operative consumers, had a practical understanding of the essential co-operative values of thrift and loyalty. They could best serve the movement by assisting in co-operative education and propaganda, by encouraging children to become future co-operators, and by making use of the services of co-operatives. These activities, he argued, would almost always increase the distributive business of the co-operative store, and could best be organised through an organisation that federated Women's Co-operative Guilds under the umbrella of the Canadian Union of Co-operatives.

In Margaret Llewelyn Davies' correspondence to George Keen, she argued for a much broader role for women than Keen would have dared. Defining women as active working-class consumers, she suggested that they should undertake educational

and political work in co-operatives as well as in Co-operative Women's Guilds. Beyond propagandising for the movement and creating effective businesses from which women could reap benefits as consumers, women, Davies argued, would benefit from co-operative organisation in other ways. In a self-managed organisation, she argued, women would also begin working "in the spirit of true co-operation ... in all questions of local and national importance." Thus, the direct activities of co-operatives - "the collective use of profits, high and low dividends, hours and wages of employees, co-operative productions, cash trading" - were, in Davies' estimation, as important to women's definition as consumers as were "child labour and education, the work of women in local government, wages, unemployment, woman suffrage, etc."[30]

While Keen had a narrow vision of what women's participation might mean for co-operatives, he did not publicly disagree with Davies. He simply did not actively support her stance toward women's participation or report on the different task-allocation, job segregation, or differential treatment of male and female employees in the employ of the British Canadian. The marriage bar for women as employees in co-operatives was never discussed.[31] Keen worked hard, though with only limited success, to organise women as consumers into Women's Guilds in as many co-operatives as he could, in the organisational form he recommended, using the definition of their work as consumers as he understood it. He stayed current with many of the changes affecting women in co-operatives and was supportive of women's efforts under his direction. Keen's definition of women as consumers, which he promoted across the country, was not static, although at its base the idea remained the same: consumption by women was part of their familial responsibilities. What did change was his rationale for women's participation. At first, he tried to cultivate women's "comprehensive interest in the movement" in order to counter attitudinal barriers to co-operative growth. Later he expanded his argument to encourage what he saw as women's natural roles in promoting thrift and loyalty in co-operative development.

Between 1915 and 1930 Keen noted that the shift in co-operative employment included more women. Participation of women in co-operatives was on the rise. By 1933, he realised

that the potential usefulness of women to co-operatives as employees and consumers was so important that

> the success of consumer societies depended a great deal more upon the interest and support of women than of men ... the men generally have the power to pledge the family resources to subscribing for shares in co-operative societies, but the women decided where the family purchases should be made. In consequence, initial estimates of business based upon membership of men in co-operative societies had frequently proved erroneous; so much so that in some cases the initial volume had fallen so short of expectations that the gross revenue it produced was not sufficient to pay expenses, and the venture did not get off to a fair start.[32]

Women, originally defined as consumers who needed to become more involved in co-operatives, had become the backbone of consumer co-operatives.

Organising women for participation

Women were important members whose participation as consumers was deemed essential. How best to organise their participation, however, was a regular topic of discussion in the ongoing dialogue between Keen and Davies, as was the actual form of organisation that developed. Keen's early proposal was to operate Women's Guilds as auxiliaries of local co-operatives and to federate different branches of the Canadian Co-operative Women's Guild under the auspices of the Co-operative Union of Canada. In Davies' comments to Keen she contrasted his suggested form of organisation with the British Guild system of autonomous organisation. For Davies, the relationship of women to consumer co-operatives was explicitly political and she noted the importance of women's self-management in any co-operative endeavour; unity of work amongst self-managed Women's Guilds created the only way women could "obtain the experience and self reliance which is necessary for really effective work."[33] Her point of view was not just British in origin but one that had been expressed in Canada in the early 1900s by organised groups of women, who saw the importance of women's organisation as

a political act, and co-operatives as "societies which would be of special interest to women."[34]

Although an enthusiast for the work of women like Davies,[35] Keen's understanding of what women's lives were like in industrial towns, how women's organisations within co- operatives might be organised, and what groups of self-managed women co-operators might accomplish, were different. Keen understood these views. He adapted them, however, through his male vantage point for the benefit of the men of the organisation. Only in the Prairies were women able to contest this male monopoly. Here in the 1920s, co-operatives were swayed less by British Canadian influences than other parts of the country. Women also participated overtly through their guilds in struggles for suffrage and labour and political reform.[36] Keen believed he was the person who was in the best position to manage national definitions of women as consumers and the creation of Women's Guilds as national co-operative organisations. With the frequent secretarial assistance of his daughter, Keen managed, from afar, the work of the men and women charged under the authority of the national co-operative body with the work of organising women. To what extent these· efforts actually resulted in real assistance is not known.

Ultimately, it was Keen's approach that set the framework in the British Canadian Co-operative Women's Guild. Keen was interested in building an organisation that would first and foremost enhance co-operative financial success rather than create the kind of working-class feminism that the British women had worked to secure.[37] The British Canadian Co-operative, perhaps the most British of all the consumer co-operatives in Canada, discussed creating a Women's Guild. When the Co-operative finally launched a Guild in 1919, it used Keen's model. In Sydney Mines, the Guild was alternatively called the Ladies Guild, the Ladies Auxiliary Guild, and the Women's Guild. Keen, however, regularly revised Sydney Mines' use of "Ladies' Guild" changing it to the "Women's Guild" in his publication of reports in *The Canadian Co-operator.*

The Women's Guild

The Women's Guild of the British Canadian Co-operative Society

lasted 32 years. The 1920s and 1930s were its most active years in terms of numbers and activities. During these years, the Guild's primary activities of supporting women's education as consumers were often redirected by events in the community. Especially during the 1920s when work in the mines was increasingly intermittent, wages were depressed, strikes proliferated, and military intervention was overtly evident, women from the Guild were needed on the front lines of soup kitchens and demonstrations to ensure the survival of their families and community as well as the survival of their store from the threats of looting and burning.

In 1923 the British Canadian Co-operative Women's Guild became part of the Canadian federated Women's Guilds group, which remained a separate organisation affiliated with the male-dominated sectional councils of the Co-operative Union of Canada.[38] As an affiliate member of the CUC, the British Canadian Guild was not structured to support autonomous political expression for women. It was accorded no official power, and in Sydney Mines its leadership and work were often conducted tinder the formal auspices of the Education Committee, whose male members had official voting status at the Board of Directors. Self-management was further undermined by a limited national organisational structure that associated only those guilds connected to the CUC with each other and not with the other active Co-operative Women's Guilds in the country.

Although the cultural influence of the Women's Guild was very significant in sustaining the British Canadian Co-operative, the connections between women's self-management in the Guild, trade unionism, and co-operation, were far less obvious than they were among the British Women's Guilds. In industrial Cape Breton, where miners' unions and co-operatives were only sometimes supportive of each other's goals, the Women's Guild was not integrated into the organisational structures of either the larger co-operative or the women's group within the larger social milieu. The Guild was expected to contribute financially to both the local co-operative and the larger Co-operative Union of Canada through honorary subscription fees to the Union. This it did, though like other Women's Guilds in Eastern Canada, it received few benefits from belonging. It was without external financing from the larger organisation and without official

institutional power in the Union. Women's organisations in Cape Breton, at least according to local oral historians,[39] tended to be associated with churches and social and education services, rather than within the workplace unions or co-operatives.[40] Thus, co-operative struggles were not as overtly feminist as they were in Britain but were subsumed under social and moral reform work. The British Canadian Co-operative sacrificed the British model of women's self-management for a model which followed the pattern of male dominance in the larger co-operative institution.[41]

The work women did in the British Canadian Co-operative represented the kind of work that Keen was interested in, one which met the needs of the organisation. The Guild did not function as an autonomous voice for speaking about the lives of working-class women as it had in England. Instead, it explicitly depended on a male-defined normative ideal of women as consumers in male-headed households. Between 1910 and 1940 two different national drives were initiated in Canada to organise Women's Co-operative Guilds.[42] The British Canadian Co-operative Society created a Guild which lasted from 1919 until 1951, and which made enough of a social contribution, in terms of community networking and social support for the women within the Guild that there is still some local memory of it. The argument that women could facilitate the growth of co- operatives, whatever the internal form of organisation, retained its strength over the years, along with the growth of a consumer society.[43] The understanding that women are consumers with a special role in society has retained currency even into the 1990s, even though women have struggled to create larger and less culturally limiting definitions of their place in the world.[44]

Remembering the Women's Guild

The limited formal power of women within the British Canadian does not suggest that they were entirely disregarded within the organisation, or that they were passive members or employees. On the contrary, there was a contradictory discourse and practice as in the British Canadian that, while it may have varied among individual co-operators, also had a collective expression on the part of the board and the working men and women. In 1992 the

men and women who were interviewed for an oral history of the British Canadian Co-operative remembered the work of the Women's Guild. They reconstructed their memories in different ways often according to gender. The women were more likely to remember the Guild than were the men, even though its activities included participation of women, men, and children. Women remembered that "there weren't any women's rights, they [women] just knew what their rights were" and that "women seemed to have as great a part as men in the store."[45] As one man put it, women's participation in management of the co-operative was simply a non-issue. "There was always a group of men that was the Board of Directors. There was never any discussion of having women on the Board, at least none that I could tell."[46] The women confirm the view that men had managerial control in the co-operative. They link this control to the power dynamics of patriarchal culture in home and family. Some women described the power of women in the home and pointed out the interrelationship between home and co-operative and the different power dynamics between women and men in different households. Some of the men remembered the arguments about women as consumers. Those people holding the view that women are best defined by the label of consumer remembered the Women's Guild as an ineffective organisation. These were the same people who were disparaging of the value of the work of women as consumers and who fit their current stereotypes of women's character to the reconstruction of. this history.[47] Some of the women, by contrast, were less dismissive of women's work in Guilds, constrained as it was, and suggested that the social networking role of the Guild met some very real needs of the women involved and of the larger community.[48]

While individuals remembering the Women's Co-operative Guild did not remember its political activities,[49] at least two recorded events, currently not available to local people, indicate that the Women's Guild supported overtly political projects. The existence of these records also indicates that a local understanding of one's own history changes over time. In spite of organisational limitations, women in the Guild may not have been as politically passive or as socially focused as some contemporary co-operators think.[50] In 1922, the Guild called for the participation of co-operators in the Sydney Mines municipal elections in order

to contest the general political orientation of the local council. Mrs. J. Wolstenholme, then president of the Guild, is on record calling for action "in municipal and parliamentary affairs, making out in a clear manner that our Society had ran a Co-operative store to a successful issue, and why could we not do the same for our town and country".[51] Not only did women as members of the Women's Guild involve themselves in electoral politics in the community, they "directly criticised the management practices of the Board of Directors" in 1926 and 1927 from the point of view of women.[52] The extent and nature of these criticisms, however, because they were few in number or because they didn't fit within the underlying conservative ideology and organisation of women as consumers have been lost in the individual and collective memory of most co-operative members still alive today.

On at least several occasions, the male Board of Directors of the British Canadian Co-operative expressed opinions and took actions on behalf on improving women's working conditions. In attempting to "practice what we preach and show we are model employers of labour leading in the reduction of the hours of work,"[53] the Board of Directors in 1926 criticised Williard's Chocolate's hiring practices in relation to girls and women, and they took action on unfair hiring practices for women.[54] The Co-operative also participated in the 1930 Canadian Fair Wage Hearings suggesting that women do well in the employ of co-operatives and that they ought to be paid fairly everywhere else in the labour market. They spoke of "the advantages enjoyed by co-operative workers compared with those of workers in private enterprises",[55] and claimed a moral stake in promoting themselves as "model employers of labour". In increasing its numbers of female staff over time (from at least one in 1906, to more than a third of its 135 staff by 1928) the British Canadian promoted the right of unmarried women to paid work in the co-operative store. It promoted welfare schemes among employees in the form of a co-operative-approved Welfare Club; it created the Death Benefit Fund to which employees were entitled as members;[56] and it worked toward improving management-labour relations in the practice of a shorter work week by promoting Wednesday afternoon store closing. Careful store-management practices in the areas of dividends, stocking,

departmentalisation, and more accurate accounting methods were instituted so that the store would reap greater financial success, which could be transmitted to all its members. In the 1940s the British Canadian promoted a woman to department store management.[57]

While the actions of the co-operative were laudable in relation to its female employees, throughout the co-operative's history men always outnumbered women as employees (although at least one woman was among the first store workers).[58] Paid and unpaid labour in the organisation was almost always divided on the basis of sex, wages were also paid on the basis of sex. As employees, men were labourers, clerks, store workers, delivery men, and administrators. Women were store administrative and service workers. The wage differentials in the store among employees, which began as informal agreements between the Board of Directors and individuals, were quickly encoded in labour-management agreements, the first of which was printed in 1915.[59] (The terms of the agreement, at least as relates to wages, were seemingly reworked in 192260 and at least once again in the 1930s.[61]) There was a slow but constant increase in wages over the years with a corresponding differential between men and women. In some cases, men and women were paid the same wages to start, but men's wages always increased at a greater rate and went to a greater maximum than women's. Both women and men were members but only men ever became members of the Board of Directors, the governing body, at the British Canadian Co-operative.

What the majority of co-operators who took part in the 1992 interviews collectively remember, and what the documents confirm, is that the Women's Guild was more than, as some would suggest, an ineffective social club providing women only the opportunities to "knit and talk". In reality, the women in the Guild were an active success in many terms. They raised money for the local co-operative;[62] contributed financially to the Co-operative Congress of Canada;[63] held educational and social events, including a variety of public lectures. They coordinated theatrical, choral and entertainment events as well as massive parades and picnics;[64] encouraged children's participation in co-operatives through a children's stamp scheme;[65] and provided much labour for the co-operative relief efforts and soup kitchens

during the devastating strikes and economic famines of the 1920s. In the 1930s they also supported the work of study clubs promoted by the Antigonish Movement. And through their participation in the Guild, they were also active supporters and consumers in the co-operative store supporting the "the law" of co-operation. "If you wanted anything you bought it at the store. It didn't matter what it cost, you had to get it at the store."[66]

Given the variety of activities the organisation sustained, it can be argued that the Women's Guild played a significant, if primarily non-radical, social, and cultural role in industrial Cape Breton. The women in the Guild, along with male and female employees and co-operative members, actively supported, participated in, and created diverse social and cultural community events - from picnics to parades and even operettas and theatrical events. Most of the women who did this work were the wives of men active in directing and managing the organisation. Most had children towards whom they directed some of their activities as members of their community. The Women's Guild is often remembered as an organisation that seemed more like an auxiliary with genteel women at its helm, than a place where women actively resisted gender norms. While the women of the Guild knew what the limits of acceptability were on a daily basis, women employees of the co-operative also knew these same limits, but still engaged in practices the men of the organisation did not sanction.[67]

While there is still an active memory of the activities of women as shoppers and. employees in the British Canadian Co-operative Society, the role of the Women's Guild has faded beyond remembrance for most co-operators. This loss has occurred in spite of the remembered obvious and direct connections between the British Canadian Co-operative and the British co-operative movement, its Women's Guild organisations, and members;[68] the social and cultural work of women organised as consumers and store supporters; the few recorded instances of political agitation within the organisation; and the individual acts of women resisting normative and management directions. Women's allegiance to co-operatives in both Canada and Great Britain was maintained by ideas about class equality as a means of redistribution of wealth to the working class. This allegiance in the British Canadian Co-operative was primarily encouraged

by the social importance women were accorded for the work they did in the Guild and the Co-operative in meeting the needs of the larger organisation rather than through creating autonomous women's organisations overtly pushing for larger organisational change.

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Notes

1 Interview with Emma Aubrecht Farr, Sydney Mines, Nova Scotia, 1992.

2 Richard Brown, **The Coal Fields and Coal Trade of the Island of Cape Breton** (Stellarton: Maritime Mining Office, 1899); C. Ochiltree MacDonald, **The Coal and Iron Industries of Nova Scotia** (Halifax: Chronicle Publishing Company, 1909).

3 D.A. Muise, "The General Mining Association and Nova Scotia Coal," **Bulletin of Canadian Studies** 6/7 (1983); Marilyn Gerriets, "The Impact of the General Mining Association in the Nova Scotia Coal Industry 1826-1850," **Acadiensis** 21 (1) (1991), 54-84.

4 Provincial Archives of Nova Scotia (PANS) Government of Nova Scotia, **Journals and Proceedings of the House of Assembly of the Province of Nova Scotia** (1900). Granting of ninety-nine-year lease to Dominion Coal Company and protest by George Forrest, MPP.

5 For a composite oral history of the company stores created from interviews with Archie MacIntyre, Billy Pittman, Thomas Day, and Gordon MacGregor, see "The 'Pluck me' Life and Death of the Company Store," **Cape Breton Magazine** 3 (3) (nd). Merle Travis wrote perhaps one of the most popular songs, "Sixteen Tons," depicting the company store. "You load sixteen tons and what do you get, another day older and deeper in debt. Saint Peter don't you call me 'cause I can't go. I owe my soul to the company store." Published with other songs on the same subject in John C. O'Donnell, **"And Now the Fields are Green": A Collection of Coal Mining Songs in Canada** (Sydney: University College of Cape Breton, 1992). For the best local accounts see John Mellor, **The Company Store: James Bryson McLachlan and the Cape Breton Coal Miners 1900- 1925** (Toronto: Formac 1984); and Beaton Institute Archives

(BIA), File: Beaton Institute Reports: Coal: Connie MacDougall "Life and Death of the Company Stores in Cape Breton," (nd).

6 For a description of trucking in the Canadian Maritimes see Rosemary E. Omner, ed, **Merchant Credit and Labour Strategies in Historical Perspective** (Fredericton: Acadiensis, 1990).

7 H. Mitchell, **The Co-operative Store in Canada** (Kingston: Bulletin of the Departments of History and Political and Economic Science in Queen's University, 1916); Roderick Grant Bain "Consumer Co-operatives in Nova Scotia," (MA thesis, Acadia University, 1940), 36.

8 A handwritten account of the fire is lodged at the Beaton Institute Archives. It was found among other unrelated documents and has since been refiled in the Sydney Mines File.

9 Government of Nova Scotia, **Revised Statutes.** Chapter Nineteen, "Coal Mines Regulation Act," (1900).

10 PANS RG 67 394 (286/34). Letter of registration from the British Canadian Co-operative Society Limited to the Provincial Secretary of Nova Scotia, 28 January 1907; Government of Nova Scotia Joint Stock Companies Act, Chapter 79, **Revised Statutes** Fifth Series. The separate Act establishing the British Canadian: Government of Nova Scotia, **Revised Statutes.** Chapter 198, "An Act to Incorporate the British Canadian Society," (28 April 1906).

11 These seven men from Sydney Mines, John McLatchey, William Stewart, Robert Naylor, Peter J. Meek, James Robertson, Alexander Kerr, and John Hunter, all of Sydney Mines, were also charter members of the Sons of the British Isles, a social organisation of British immigrants organised as a fraternal society.

12 Beaton Institute Archives (BIA) 185-6-2066 MG 14, 1. a General Ledger 1906-1908. For a descriptive account of the rural lives of the Scottish Catholic Highlanders who settled in Cape Breton in the 1800s and whose lives provided models of sexual division of labour, in production, that were less rigid than those associated with the industrial regions of Cape Breton, see Malcolm MacLellan, **The Glen: An Gleaan's an Rogh mi Og** (Antigonish: Casket Publishing, 1982).

13 The goal of the British Canadian was "to place capital in their [the people's] hands, and in doing so to moralise trade, moderate competition, educate men as citizens, and unite them in brotherly sympathy," BIA MG 28, 1, 15, (6), 1910, "The British Canadian Notice to Members".

14 T. Eaton Co, **Golden Jubilee, 1869-1919: A Book to**

Commemorate the Fiftieth Anniversary of the T Eaton Co. Limited (Toronto: T. Eaton Co, 1919); William Stephenson, **The Store that Timothy Built** (Toronto: McClelland and Stewart c.1969); Mark Starowicz, "Eaton's: An Irreverent History," in Wallace Clement, ed, **Corporate Canada** (Toronto: James, Lewis, and Samuels, 1972).

15 The British Canadian Co-operative Society Limited, **Souvenir: History of the British Canadian Co-operative Society and its Branches during its 25 Years Activities in Cape Breton** (Sackville: The Tribune Press, 1931). A copy is available in the Beaton Institute Archives, (BIA), Sydney, Nova Scotia.

16 NAC, Co-operative Union of Canada, MG 28, 1, 15 (6), "British Canadian Co-operative Notice to Members."

17 One of the most persuasive personal testimonials of the benefits of the co-operative store versus the private store is from a letter by George Troicuk. This letter outlines the benefits of co-operative membership in the British Canadian from 1923-1936. NAC, Co-operative Union of Canada, MG 28, 15, (167) George Troicuk, 27 February 1936.

18 For an outline of the main developments in the history of the Co-operative Union of Canada and the important role George Keen played, see Ian MacPherson, **Building and Protecting the Co-operative Movement: A Brief History of the Co-operative Union of Canada** (Ottawa: The Co-operative Union of Canada, 1984).

19 They are recorded in NAC, Co-operative Union of Canada, MG 28, 1, 15 (209-216). Membership fees for honorary membership in the Co-operative Union of Canada are also recorded for the. Women's Guild of the British Canadian Co-operative.

20 The correspondence between W.C. Stewart and G. Keen from 1910 to 1931 is of particular value because of the regular sharing of information and advice between the two men. NAC, Co-operative Union of Canada, MG 28, 1, 15.

21 "As to women taking a comprehensive interest in our movement, it only reflects the difficulty we have experienced during the many years I have been secretary of this Union [Co-operative Union of Canada] as to men. Large areas and small population contribute to a purely parochial attitude of mind. The individual societies suffer through failure to appreciate that by fostering the movement as a whole each individual unit is strengthened." NAC, Co-operative Union of Canada, MG 28 1, 15 (25), letter from G. Keen to L. Davies, October 1920.

22 Angela V. John, **By the Sweat of Their Brow: Women Workers in Victorian Coal Mines** (London: Routledge and Kegan Paul, 1984); Angela V. John, **Coalmining Women: Victorian Lives and Campaigns** (London: Cambridge University Press, 1984).

23 In Cape Breton women were excluded from employment in the mines but found work in lobster and fish canneries and the woollen factory at Glyn Dwyr. Mary K. MacLeod, "Cape Breton Economy is Especially Hostile to Women," **Forerunner** 4 (10) (Spring, 1991), 22-26. The most descriptive accounts of women's employment in lobster factories are to be found in the oral histories "Lobster Factories Around Cape Breton" in **Cape Breton Magazine** 20 (1978). For an examination of women's paid labour force participation in three Nova Scotian industrial towns (Amherst, Yarmouth, and Sydney Mines) see D.A. Muise, "The Industrial Context of Inequality: Female Participation in Nova Scotia's Paid Labour Force, 1871-1921," **Acadiensis** 20 (2) (Spring 1991), 3-131.

24 Studies of women's industrial labour in Canada indicate a rich history of women's participation and struggle in paid industrial work in Canada. Gail Cuthbert Brandt, "Weaving It Together: Life Cycle and the Industrial Experience of Female Cotton Workers in Quebec, 1910-1950," **Labour/Le Travail** 7 (Spring 1981), 113-126; Joan Sangster, "Canadian Working Women in the Twentieth Century," in W.J.C. Cherninski and Gregory S. Kealey, eds, **Lectures in Canadian Labour and Working-Class History** (Toronto: New Hogtown Press, 1985), 59-78; Joy Parr, "Women Workers in the Twentieth Century," in W.C.J. Cherninski and Gregory S. Kealey, eds, **Lectures in Canadian Labour and Working-Class History** (Toronto: New Hogtown Press, 1985), 79-88; Bettina Bradbury, "Women's History and Working-Class History," **Labour/Le Travail** 19 (Spring 1987), 9-46; Marjorie Griffin Cohen, **Women's Work, Markets and Economic Development in Nineteenth-Century Ontario** (Toronto: University of Toronto Press, 1988); Margaret MacCallum, "Separate Spheres: The organisation of Work in a Confectionary Factory: Ganong Bros., St. Stephen, New Brunswick," **Labour/Le Travail** 24 (Fall 1989), 69-90; Joy Parr, **The Gender of Breadwinners: Women, Men, and Change in Two Industrial Towns: 1880-1950** (Toronto: University of Toronto Press, 1990); Susan Trofimenkoff "One Hundred and Two Muffled Voices: Canada's Industrial Women in the 1880s," in Laurel Sefton MacDowell and Ian Radforth, eds, **Canadian Working Class History** (Toronto: Canadian Scholars Press, 1992), 191-203.

25 NAC, Co-operative Union of Canada, MG 28, 1, 15 (14), 1914, G. Keen to W. Stewart, 22 November 1915.

26 NAC, Co-operative Union of Canada, MG 28, 1, 15 (6), G. Keen to J. Pilkington 22 October 1910.

27 Three historical works which challenge the narrowness of the dominant ideology of women as consumers and describe the work of women as consumers in retail organisations include Susan Porter Benson **Counter Cultures: Saleswomen, Managers, and Customers in American Department Stores, 1890-1940** (Urbana: University of Chicago Press, 1986); Ellen Furlough **Consumer Participation in France: The Politics of** Consumption, 1834-1930 (Ithaca: Cornell University, 1991); Cynthia Wright '('Feminine Trifles of Vast Importance': Writing Gender into the History of Consumption" in **Gender Conflicts: New Essays in Women's History** ed, Franca Iacovetta and Mariana Valverde, 229-260, (Toronto; University of Toronto Press, 1992).

28 From the letterhead of the British Canadian Co-operative, used from its inception until the 1930s.

29 Keen edited the articles on Women's Guilds in **The Canadian Co-operator.** The only complete series of this journal is located at the Canadian Agricultural Library, Sir John Carling Building, Ottawa. The newspaper describes the activities of the British Guild and some local Canadian Guilds often including Sydney Mines. Articles about the more publicly activist Prairies Women's Guilds are contained in **The Grain Growers' Guide.** A partial history of these guilds is published by Saskatchewan Women's Co-operative Guild **History of the Saskatchewan Women's Co-operative Guild, 1905-1955** (Regina: Saskatchewan Women's Co-operative Guild, 1955).

30 NAC, Co-operative Union of Canada, MG 28, 1, 15 (6), L. Davies to G. Keen, 21 June 1910.

31 The marriage bar for women is not stated in the jointly worked- out British Canadian Co-operative management/labour document of 1915. It does not appear in any of the retrievable documents of the Co-operative but was patently clear to everyone who work at or wanted to work in the employ of the British Canadian.

The bar was also not revoked even after provincial legislation on the subject changed to include marital status in 1977 in the Human Rights Act. Government of Nova Scotia, **Revised Statutes,** "Chapter 18," Section 16, "An Act to Amend the Statute Law Respecting Women. This Act purged some of the most obvious cases of sexism in legislation such as the "Metalliferous Mines and Quarries Regulation Act" which

explicitly prohibited the employment of women underground in the mines. "The Consumer Protection Act" prohibited discrimination against women as consumers in the practices of borrowing and extending credit.

Originally the list of prohibitions or discrimination in employment only included race, religion, creed, colour, ethnic or national origin. Government of Nova Scotia, **Revised Statutes,** "Chapter 11," 1969. Sex was added as a prohibition **in** 1972. Government of Nova Scotia, **Revised Statutes,** "Chapter 65," 1972 and marital status was added in 1977. For a review of the substantive issues in relation to employment law and women and the procedural issues in processing complaints to the Human Rights Commission see Elizabeth Shilton Lemmon, "Sex Discrimination in Employment: The Nova Scotia Human Rights Act" **Dalhousie Law Journal** 2 (3) (July 1976), 593-632.

32 G. Keen, “Women’s Co-operative Guilds Meeting in Toronto: The Power of Women as Purchasers," **The Canadian Co-operator** (April 1933), 11.

33 NAC, Co-operative Union of Canada, MG 28, 1, 15 (25), L. Davies to G. Keen, October 1920.

34 NAC, Co-operative Union of Canada, MG 28, 1, 15 (14), E.W. Weaver to G. Keen, 27 May 1914. The following volumes· contain papers presented at the International Congress of Women in Toronto in 1909 that refer to the role of co-operatives in allowing women to enhance their occupational possibilities, especially in agriculture: National Council of Women, **The International Congress of Women** (1 and 2) (Ottawa: The National Congress of Women, 1909).

35 Keen's tribute to M. Llewelyn Davies, on the occasion of her resignation as General Secretary of the Women's Co-operative Guild and acceptance of the position of president of the British Co-operative Congress, appears in **The Canadian Co-operator** (July 1922), 11-12.

36 Lou Hammond-Ketilson, "The Saskatchewan Women's Co-operative Guild" (Saskatoon: The Centre for Co-operative Studies, 1992).

37 Margaret Llewelyn Davies, ed, **Life as We Have Known** It: By **Co-operative Working Women** (1931; reprint, London: Virago, 1977). Barbara Drake. **Women in Trade Unions** (London: Virago, 1984).

38 "National Convention of Women's Guilds: organisation Completed - An Important Step Forward," **The Canadian Co-operator** (May 1923), 10-12.

39 **The Cape Breton Magazine** began publication of Cape Breton local oral history in 1972 and is still published providing a ready supply of oral histories.

40 Joan Sangster has begun the task of identifying women who worked with the Canadian Left in Canada, including women who lived in Nova Scotia. Joan Sangster, **Dreams of Equality: Women on the Canadian Left, 1920-1950** (Toronto: McClelland and Stewart, 1989). Unfortunately for the sake of women's history she focuses almost entirely on two regions of Canada, Ontario, and the West. She leaves "the tale of socialist women in Quebec and the Maritimes to regional historians already working on similar projects" (pl0).

41 In many of the nineteenth century reform organisations that laid the groundwork for twentieth century organisations, especially women's organisations, three organisational options were likely to arise. Women could have complete administrative control, they could have enough control to run the institutions with an advisory body of men, or they could share control with men. Wendy Mitchinson, "Early Women's organisations and Social Reform: Prelude to the Welfare State," in A. Moscovitch and J. Albert, eds, The Benevolent State: the Growth of Welfare in Canada (Toronto: Garamond Press, 1987), 77-92.

42 Various attempts to organize and sustain Women's Guilds are recorded in letters by George Keen to various co-operatives. This correspondence is located in the NAC, Co-operative Union of Canada General Correspondence Files MG 28, 1, 15 (6-186) for 1910-1932; and the Society's Correspondence Files, MG 28, 1, 15 (132-187) from for 1913-1940.

43 Margaret Hobbs and Ruth Roach Pierson assess the gender and class implications of government-sponsored improvements in relation to housing in "A Kitchen that Wastes No Steps ... Gender, Class and the Home Improvement Plan, 1936-40", in **Social History** 21 (41) (May 1988), 9-37. They focus on advertisements that encouraged women to become active consumers as part of their domestic responsibilities. Women's leadership in the fledgling consumer movement that accompanied the growth of consumerism is noted in Veronica Strong-Boag, **The New Day Recalled: Lives of Girls and Women in English Canada, 1919-1939** (Markham: Penguin Books, 1988), 118-119.

44 The series of advertisements placed in **The Canadian Co-operator** by the Co-operative Wholesale Society highlighted the renewed role of women in co-operatives during and after

World War II. These were the same advertisements which appeared in the English national daily newspapers.

45 Interview with Moira Briers Singer, Sydney Mines, 1992. It is interesting that in spite of documented evidence of wage differentials, job segregation, and the marriage bar, local people did not initially want to admit to the legacy of inequality (in spite of drawing out its parameters in later parts of interviews). The different jobs men and women did ... No such a thing." Interview with Tommy Gordon, Sydney Mines, Nova Scotia, 1992. "Were there certain jobs reserved for young men or young women? No, it didn't work that way. They just put you in a job and that was it." Interview with Emma Aubrecht Farr, Sydney Mines, Nova Scotia, 1992. "Women seemed to have as great a part in the store. I don't think there was any idea that women couldn't do this or couldn't do that." Interview with Moira Briers Singer, Sydney Mines, Nova Scotia, 1992.

46 Interview with Harold Pennington, Coxheath, Nova Scotia, 1992.

47 In 1992, I conducted a series of interviews with former members, board members, and employees of the British Canadian Co-operative. Those who agreed to have their memories tape recorded included John Bailey, Jack Davies, Emma Aubrecht Farr, Tommy and Hazel Gordon, Ralph Hill, Eileen MacDonald, Beverely Macleod Mitchelitis, Harold Pennington, Moira Briers Singer, Wilfred Stevens, Walter Stewart, George Sturgess, Angela Taylor, and Mary Vickers. I thank all of these former British Canadian Co-operative members in sharing their memories with me.

Other important contributors who were not audio-recorded but whose interviews informed this work were conducted in the spring of 1992. These contributors include Ida Gallant Delaney and Isabelle Strong of Glace Bay; Neira Blinkhorn Greenwald of North Sydney; Ann West, Wes Stewart, Ethel Caldwell, and Bessie Toms of Sydney Mines; Mrs. Don Murdock Patterson of Big Bras D'Or, and Doris Boyle of Sydney.

Kate Currie of the Beaton Institute and John Currie of the Sydney Mines local historical society laid much of the initial groundwork for this project with earlier attempts to collect documents so as to create local interest in the history of the co-operative. Betty Young and Judi Dipersio, librarians at the Martha Hollet Memorial Library in Sydney Mines, provided the social milieu and support to sustain local interest in my 1992 project in local history.

48 "I know they did have a very active guild, and I remember my

parents being invited to different [activities]". Interview with Moira Briers Singer, Sydney Mines, 1992.

49 Harold Pennington recalls that women's political participation was a non-issue: "There was always a group of men that was the board of directors. There was never any discussion of having women on the board at least none that I could tell." Interview with Harold Pennington, Coxheath, 1992. Angela Taylor and Eileen MacDonald confirmed this from a different point of view: "No, there were never any women, board members, no God help us ... The men were always the leaders at that time. No, women wouldn't have the power. Its a good thing we didn't, we got into enough trouble. (Laughter)" Interview with Angela Taylor and Eileen MacDonald, Sydney Mines, 1992.

50 The women I interviewed were more likely to remember the activities of the Guild than were the men, even though the Guild's activities included the participation of women, men, and children.

51 NAC, Co-operative Union of Canada, MG 28, 1, 15, (138), Submission to G. Keen by British Canadian Education Committee, 27 February 1922.

52 Mr W.C. Stewart, General Manager of the British Canadian Co-operative, noted the Guild's criticism at the Annual Congress Meeting of the Co-operative Union of Canada. A summary of Stewart's comments, although not evident in the CUC Congress correspondence files are contained in the subsection "The Value of a Women's Guild" in the 1927 Congress Reports published in **The Canadian Co-operator** (Sept. 1927), 12.

53 NAC, Co-operative Union of Canada, MG 28, 1, 15, (6), G. Keen to W. Stewart 14 October 1910.

54 NAC, Co-operative Union of Canada, MG 28, 1, 15, (144), G. Keen to W. Stewart 6 January 1926.

55 British Canadian Co-operative Society Limited, **Souvenir: The British Canadian Co-operative Society and** its **Branches During** it 25 **Years Activities in Cape Breton** (Sackville: Tribune Press, 1931).

56 BIA, MG 14, 2, (e) Box 10, "Death Benefit Scheme," contains policy, death certificates and claims.

57 Miss Margaret MacLeod was promoted to the position of manager of dry goods and ladies wear in 1942. Recorded in the 1956 souvenir edition of the British Canadian Co-operative published in **The Sydney Post.**

58 BIA, 85-6-2066, MG 14, British Canadian Co-operative, 1 a. General Ledger 1906-1908 (containing an inventory).

59 National Archives of Canada (NAC), MG 28, 1, 15, (1), British Canadian Co-operative Society Limited, Sydney Mines - Nova Scotia - Rules and General Conditions to apply to, and to be observed by Persons Employed by the Society, 1915, printed at the Stratton Printery, Sydney Mines, Nova Scotia.

60 NAC, Co-operative Union of Canada, MG 28, 1, 15, (138), Wage Agreement, November 1922.

61 NAC, Co-operative Union of Canada, MG 28, 1, 15, (172), List of Wages, 22 November 1937.

62 NAC, Canadian Co-operative Union, MG 28, 1, 15 (138), Mrs. W. Burchell *to* G. Keen 7 December 1922.

63 NAC, Co-operative Union of Canada, MG 28, 1, 15, (209-211).

64 Descriptions of these events are vividly recorded in a number of letters and documents in the General Correspondence and Societies Correspondence files of Co-operative Union of Canada, MG 28, 1, 15; in the photographic collection of the National Archive of Canada in Co-operative Union of Canada, 1956-029; in **The Canadian Co-operator.** The events were referred to in several of the interviews. On several occasions in the 1920s the Women's Guild organised local parades containing up to three thousand children and sponsored huge Victorian-style picnics for the entire town and surrounding geographic region.

65 BIA 85-6-2006, MG 14, 141, 2 (d), 36 cards of Thrift Stamps.

66 Interview with Tommy Gordon, Sydney Mines, 1992.

67 In spite of some suggestions by some men that women might not have managerial abilities, the story of Phyllis Bond shows how very well one woman understood the store's accounting systems. Between 1931 and 1947 this store clerk actively undermined the store's inventory and record keeping system by stealing many of the goods associated with women's work in the home. She was convicted of embezzlement and sentenced to three years in the regional federal prison. P.A.N.S. Cape Breton Supreme Court. Criminal Minute Book 7 [1936-1949]. p. 524-526, 531

68 The only person I interviewed who was able to remember the Women's Guild as an activist group of women was Nora Blinkhorn Greenwald who, at the time of the interview, was in her nineties and confined to a bed. Unfortunately, her descriptive interview was unrecorded.

Co-operatives and Federations

Tom Johnstad

The federation aspect of co-operatives was on the agenda at the turn of the century and is here again today. The reason for this is that the environment of the co-operatives is changing fast and the co-operatives themselves are facing big challenges which they have to adjust to. In this article I focus on the federation aspect of co-operatives, and the challenges and problems of federate organisation. This aspect is also expressed in the 6th ICA principle, "Co-operation Among Co-operatives". The principle says that "Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, regional and international structures".[1]

What are federations?

Co-operatives are member owned and governed organisations formed according to certain principles. We also have other types of member-owned and governed organisations, like mutuals, partnerships, voluntary chains, and joint ventures. Together they belong to a family of member-based organisations that we may call economic associations or federations. They are formed when two or more actors join in creating a common unit to promote common interests on contracted issues while keeping autonomy on others. The federation consists of both the member units and the common unit and tries to combine and balance the particular with the common interests through the power or control relations. This makes it different from networks or looser alliances, where the members contract or make treaties, but do not form a common unit to take care of the common activities. It is also different from a hierarchy where all activities of the original members are fused into a centrally governed organisation.[2]

We may generally talk of co-operatives as federations. In this article I will focus more explicitly on the federative aspect of co-operative organisation. This aspect is introduced when primary co-operatives unite to form a secondary co-operative, or secondary co-operatives form tertiary co-operatives, etc. On the other side, to better understand the federative aspect, we

have to have a closer look at federations more generally.

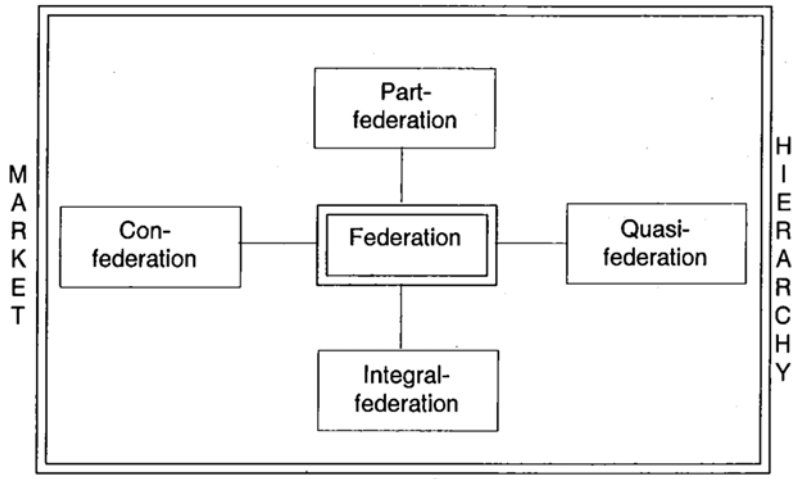
The federation *concept* is relatively unknown and little used in organisational research. The concept is primarily used in political science and constitutional law, about federal states like India, Switzerland, or USA, and this is also reflected in dictionary explanations of the word. But the concept is more general than this, and we find federations in different spheres. We may distinguish between political federations (between municipalities, regions, or states), social 'federations (voluntary associations) and economic federations (economic associations). We may even talk of a general federative *principle* of organisation.[3]

The concept of federation may be traced back to the Latin word "foedus" which means association. This is further related to the word "fides" which means trust and binding assurance.[4] We know of political federations from ancient Greece represented by the different leagues of city states. Switzerland is the oldest political federation today, with more than 700 years of history. The Medieval guilds started as voluntary social associations but were gradually transformed into a combination of both economic and social associations that played a central role in the society. Different voluntary associations also play a central role in modern societies, and the co-operatives are a good example here.[5]

Different types of federations

We have a more general federation concept and some principles, but we do also find different types of federations. Most authors that use the concept do not distinguish between the different types and then lose some of the nuances. There are two central dimensions of the organisation of federations. The first is the power and control relations that emphasise the role of the members versus the common unit in the federation. The second dimension is the depth in use of federal organisational principles. Combined, these two dimensions give us five different types of federations.

Figure 1. Different types of federations



A confederation is a formalised alliance, consortium, or league between two or more parts, where the member units in principle have total autonomy and power, except for what they voluntarily and unanimously have decided in common. The members have the right to veto decisions and to exit. This is similar to Provan's[6] concept of participatory federation where the affiliates or members maintain an active role in the management of the federation. This is a type of organisation that preserves the autonomy of the members but is rather slow in making decisions. The integration between units often starts as a con- federation but may over time shift into a more regular *federation.* This type has a clearer balance of power between the common unit and the members. Here the member units have transferred more power and control to the common decision and management unit through the making of majority decisions, but they still have the exit option. Provan[7] has called this an independent federation. Many associations are organised as regular federations.

A third type of federation is what we may call a *quasi-federation*, or what Provan[8] calls a mandated federation. This is a type where the common unit has more power and ability to control member units, though they still have substantial autonomy. It may be in the form of franchising arrangements,

hindrances or strict rules on exit, monopoly power, etc. This may be the result of voluntary adjustment, state legislation or role of a third party. Agricultural co-operatives in some countries are still of this quasi type.

Further, the depth in use of federal principles in an organisation may vary. Many federations are federations of federations, or *multilevel federations.* This means that the federative organisational form is used at both local, regional, national, and even international level: Different associations are formed this way like Chinese boxes.[9]

Organisations that are not federations, but private or public hierarchies (or entrepreneurs) may also form a federation on one level for one or more functions. This could be the holding company level as in SAS, where three national companies form a consortium at the Scandinavian level, or the R&D or sales functions for a group of companies organised through a joint venture. This creates a *part-federation* between otherwise non-federative organisations.

The deepest form of federative organisation is what is called an *integral federation.*[10] This is where both the economic, social, and political sphere are federatively organised on different levels in a community or society. Co-operatives fall partly in here because of their dual nature both as a social group and business enterprise.[11] The Medieval guilds or the Mondragon co-operative are examples of the more integrated type.

Together this gives us a typology of federative organisations that is more useful than an uncritical and general use of the concept federation. This typology also makes it easier to understand the dynamics of federations.

Federations as a form of governance

Through history mankind has developed different instruments for coordination and control of economic activities. The basic principles are, according to Polanyi1[2] reciprocity, redistribution, householding and market. The principle of householding is still important in modern societies but is less significant than in many primitive and traditional societies because functions have been transferred from the household to other arenas. The principle of redistribution has taken the form of both public and

private bureaucracies or hierarchies. But the principle of market first became significant in the nineteenth century. It has further increased its role in recent decades. Reciprocity has in the modern societies taken more and more the form of social and economic federations.

Within institutional theory there has traditionally been a strong focus on the dichotomy between market and hierarchy. Coase[13] made a distinction between market and firm (hierarchy), a distinction that was further elaborated within the economic theory of organisation (transaction cost theory) by Williamson.[14] He regarded federations and other intermediate forms as unstable and that over time they would transform to one of the two other stable forms. In the 80s there was a growing interest in mixed forms, like networks, alliances, and joint ventures, which have been grouped under the heading of the hybrid form.[15] In a more recent article by Williamson[16] this hybrid form is regarded as more stable, and it makes up a third generic form of economic organisation. Market, hybrid, and hierarchy are, then, three organisational forms that use different coordination and control mechanisms and have different abilities to adapt to disturbances.

The federation is a better representative of the third form of governance than networks, strategic alliances, or the hybrid form. It is more genuine and is not only a mixture of the market and hierarchy forms but has its own rationale. This rationale is democracy through member ownership and control of the organisation, and the questions of trust, mutuality and co-operation are fundamental.[17] Compared to the markets and hierarchies, knowledge about federations is nearly non existent.

The federation aspect of co-operatives

The federative system among co-operatives arose at the turn of the century. After a phase of establishing the co-operative movement and the primary co-operatives came the time for the development of a federative structure. Primary co-operatives in a region or a whole nation, came together and a formed a federation to take care of common interests. The federative structures in many areas soon became relatively powerful units that could influence or even shape the co-operative system.[18]

In 1938 Carr-Saunders, Florence and Peers wrote in their

book on "Consumers' Co-operation in Great Britain" that

> The most important step in the history of the consumers' movement, after the founding of the Rochdale type of society, was the setting up of federal organisations controlled, not by individual members, but by consumers' societies. The modern evolution of the movement is steadily increasing the importance of the federal undertakings, in regard both to trade done and, in the case of the national wholesale societies, to their influence on the economic policy of the movement as a whole.[19]

In the last 10 to 15 years these federative structures have been put on the agenda again. The fast changes in the international economy and big shifts of policies in most western countries have affected these structures, and their form and role has now been put into question. Schediwy put it this way:

> For a long time, these ... co-operative federations have been quite successful agents of modernisation and of service to the consumers and the producers. However, in recent years they have been showing serious problems, notably in increasingly competitive environments ... Consumer co- operatives have ... been most exposed to fierce competition and ... may exemplify future trends for other sectors ... moving from a relatively shielded and regulated economy to more standard competitive environments.[20]

This is also expressed by Böök's analysis of the transformation in the Swedish Consumer Co-operative in the beginning of the 90s:

> The basic and essential problem above all was located to the federative system as it was built up in Sweden. The eighties had more clearly than before demonstrated some weaknesses of that system, as the steady expansion of the national economy had stopped, as more co-operative societies had economic troubles and as the intensified market economy started to demand more rapid decisions and adaption.[21]
>
> The federative system had grown to "a heavy and costly

administrative machinery with doubled functions between local, regional, and union levels",[22] increased difficulty with coordination and joint consolidation; mutual trust had decreased, and internal price policy was seen as an obstacle to economic efficiency. The result was a clearer split between the business and association part of the co-operative system, and the members became owners through the association of a co-operative holding company. This represented a shift towards a quasi-federative, or even a more outright hierarchical form of organisation.

On the other side they also focused on a revitalisation of member participation through the different member roles. The customer role is normally carried out in the shops, which were intended to be more active meeting places. The owner role is taken care of through a simplified democratic organisation, and the member-role through more involvement in consumer issues.

Much of these changes in Sweden were modelled after the change that had happened earlier in Italy. The Italian movement has two legs, the member organisation and the business organisation, which are more clearly separated than in most countries. The members elect the representatives in both organisations. On one side is the member organisation, very active in co-operative community social issues like consumer policies, health, environment, and participation, while the business organisation can concentrate more on its own adjustment to the market.[23]

In other European countries the consumer co-operatives have gone through even greater transformations than in Sweden. We have witnessed changes not only from federations to quasi-federations, or shifts to hierarchical or market forms of organisation, but also outright collapse of parts of the whole co-operative system. In Germany, a super merger of the weaker parts of the consumer co-operatives into Coop AG ended in a disaster with criminal overtones in 1989. In France in 1985/86 the four strongest regional co-operatives took control of the federation, drove the weakest regional co-operatives into bankruptcy and dismantled the federation. The federative system was replaced by super-mergers in Konsum Austria in 1978 and Finnish EKA in 1983, and in 1995 Konsum Austria became the biggest bankruptcy in that country since 1945.[24]

Built on his study of Danish dairy co-operatives Sögaard[25]

also concludes that in the long run federative systems cannot survive, because one partner will "take over" at the expense of the other partners. Dairy Denmark came to this position, in the same way as some of the capital city co-operatives (Stockholm and Vienna) in national consumer co-operative systems. This underlines the size problem in many co-operatives, when quite unequal members make up a federation.

Schediwy even expresses a strong doubt about the future of the federative organisations:

> Today, however, we must ask ourselves whether the federative principle is not encountering serious difficulties at the end of the century at whose beginning it ... [was] established as an integrative structural factor for many organisations of the social economy.[26]

The life cycle of federations

To further underline this Brazda and Schediwy[27] have developed what they call "the life cycle of a federative movement" based on studies of co-operative development. In the first phase, there is an ideological or charismatic movement with an authentic sector solidarity that establishes a federative system. In the next phase, the ideological base is weakened and the bureaucratisation increased. Internal rivalry and conflict of interest are emerging. In a further phase, the dominance of the business logic breaks through and undermines solidarity. The growth of stronger member units, super-mergers and/or breakaways changes the power balance and function of the federation. The end result is establishment of one or several hierarchical structures and/or loose co-operation on market terms.

Schediwy also openly recommends transformation of co-operatives. His conclusion regarding the problem of federation is:

> that at least in some cases the courageous step towards a holding company type of model should be taken. That is a type of organisation that allows local and regional autonomy on the pr1mary co-operative level, but which gives a central institution a decisive hierarchical authority over co-operatives

in the case of economic difficulties and decisions that have to be co-ordinated on a central level.[28]

This recommendation will imply a transformation towards at least some form of quasi-federation, but more probably into a true hierarchy and by that changing the form of governance. The theory about the transformation of federations supports Williamson's earlier view that federations are unstable and over time will transform into a more stable market or hierarchy form.[29]

On the other side, most of these transformed or collapsed federations existed for nearly 100 years. This supports Williamson's more recent theory that they are more stable forms.[30] Further, not all co-operative federations have got into trouble and transformed. An interesting question is why the Swedish co-operative system had to go through such dramatic changes while the rather similar Norwegian system kept the traditional federative structure. Today the big consumer co-operative movement in Norway is very competitive and is taking market shares in a very tough market.[31]

Maybe the problem in many of the troubled co-operative systems was not the federative system itself, but the opposite Maybe the viability of the federation in an earlier form had been violated. Maybe other options exist than just dismantling and transforming the federative structure. The co-operatives are put to a hard test around the world, and the federative and democratic structure of co-operative systems may survive into the next century, but the question is how and in what shape.

The future of co-operatives and federations

There are two main schools of thought for further development of co-operatives and the federative aspect in an economy with increased competition and change. The first is what we might call the "economists" or "transformists" that focus on the business side and efficiency of the co-operatives. Their prescription is increased integration and hierarchisation through some holding company form of organisation that will abolish the co-operative and federative structure.[32]

The other school is what we might call the "democrats" or "traditionalists" who focus on more participation and democracy

as a way to vitalise the co-operatives and make them more competitive in a market economy. They will preserve, as well as modernise the co-operative and federative structure.[33]

Maybe transformation to a holding company, or other forms of hierarchy is the solution for some co-operatives in trouble, but then they will often cease to be co-operatives. In the study of the British consumer co-operatives by Carr-Saunders and his colleagues, they underlined that the future of co-operatives is dependent upon viable federations.[34] Brazda and Schediwy's study of the postwar development of the consumer co-operatives,[35] showed that they were right, because most of the federations that got into trouble already had lost their viability. But how to create and keep viable federations? Here we have a lack of knowledge because the research on federations has been rather weak.

Jönsson[36] strongly accuses the federations of many of the problems that we have seen in co-operatives in the last decades. On the other side, he admits that there is a lack of empirical research and theory about the organisation and development of federations. A better knowledge of the federative aspect of co-operatives and other associations is needed, and of the federation as a form of governance compared to other forms.

Some principles of a well functioning federation may be extracted from the literature,[37] like shared goals, relations built on trust, operational interdependence, subsidiarity, relative equality in size, and dialogue and discussion of norms and goals. When some of these principles are broken, federations will often get into trouble. On the other side, we have seen that the federation concept is more complex and perhaps also more robust than often realised.

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Notes

1. MacPherson 1996:1
2. Warren 1967; Provan 1983; Johnstad 1992; Swartz 1994
3. op cit

4. Davis 1978
5. Johnstad 1992
6. Provan 1983
7. *Ibid*
8. *Ibid*
9. Dahl 1970
10. Kindsky 1974; Roemheld 1992
11. Bonus 1986
12. Polanyi 1944
13. Coase 1937
14. Williamson 1975
15. Powell 1987; Borys and Jemison 1989; Thompson et al 1991; Williamson 1991; Lorange and Roos 1992
16. Williamson 1991
17. Johnstad 1992
18. Schediwy 1993
19. Carr-Saunders et al 1938: 272
20. Schediwy 1993: 16.
21. Böök 1995: 226
22. *Ibid:* 226
23. Jonsson 1993
24. Brazda and Schediwy 1989 and 1994; Schediwy 1993 and 1996
25. Sögaard 1990
26. Schediwy 1993: 20
27. Brazda and Schediwy 1994
28. Schediwy 1993: 24
29. Williamson 1975
30. Williamson 1991
31. Sivertsen 1996
32. Schediwy 1993; Jonsson 1993
33. Craig 1993; International Joint Project 1995
34. Carr-Saunders et al 1938
35. Brazda and Schediwy 1989
36. Jonsson 1993
37. Lipset, Trow and Coleman 1956; Davis 1978; Jordan 1986; Jonnergärd 1988; Johnstad 1992; Swartz 1994

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International Organisations and Structures in the Service of Co-operatives[1]

Gabriele Ullrich

In times of scarce financial resources, international organisations, like other institutions, evaluate their budgets in view of the possibilities to adjust spending, structure, and tasks in order to become more efficient and effective. The criteria for such evaluation are to be found in the mandate, the identity and culture of the organisation, its relevance to its constituents and to the socio-economic environment. After the enthusiasm of the earlier decades of this century to create international organisations and structures - governmental and non-governmental - such internal and external reviews touch today even the question of the survival of these international organisations. This general observation merits also to be examined for co-operatives and international organisations and structures servicing them, even more so when the timeliness of co-operatives as an organisational and business form is being questioned. This paper analyses the variety of structures operating in this field and attempts some conclusions as to their achievements and shortfalls.

Categories of international organisations

International organisations and structures servicing co-operatives and co-operative development are manifold in their nature, structure, tasks, and constituencies. They may be distinguished as:

- organisations created by co-operatives,
- international bodies which promote co-operatives as a means to service their target groups and constituents, or
- networks with mixed constituencies which include cooperators and co-operatives among various types of groups.

The geographical coverage may be worldwide, interregional, regional, or subregional. The nature of such organisations and structures may vary from formal intergovernmental and international non-governmental organisations to more informal committees and networks. Their tasks can refer to exchange of information, representation, and lobbying, to promotional work and even to business relations.

The structures of these various organisations may range from federative structures to loose networks with no hierarchy or decision-making capacity. The variety of such structures is very large. Definitions of federations and networks and discussions on their strengths and weaknesses as mechanisms for economic coordination are manifold.[2] For the purpose of this article, we consider that "... federations are organised systems in which entities work together and on the basis of common goals withdraw certain individual functions from their autonomous decision making realm and transfer them to the co-operative to be fulfilled."[3] Such a definition is valid for all levels of co-operative structures: primary, secondary, tertiary and at international levels. Networks can be considered as the "sharing of knowledge, resources and ideas"[4] in certain established structures. A more loose form of co-operation is networking which does not have to be institutionalised or may be "not regular, on changing subject matters, among changing institutions, groups, persons who might only have a few points in common."[5] In any event, networks and networking do not mean to withdraw from parts of autonomous decision making as federations require.

As the distance between individual members and higher-level co-operation increases at international level, the willingness to hand over decision-making to the international structure might decrease. Thus, the international level may tend to have more of a network character than will federations at national level.

The following scheme gives an impression of the variety of existing organisations which fall under the above mentioned three categories. The organisations listed will be described in the paragraphs below and analysed in view of their relevance and impact on co-operatives, their global concerns, and their likelihood of maintaining relevance. This list and analysis can by no means be exhaustive, and provides scope for further development:

Categories of International organisations and structures In the service of co-operatives

International structures of co-operatives		International structures promoting co-operative development		International networks with mixed constituencies	
Global	Regional	Intergovern.	Non-gov.	Interreg.	Regional
ICA ALCECOOP WOCCU IRU COOP	Eur. groups ACOSCA ACCU CCCU COLAC	FAO ILO UNESCO UNIDO EU	IFAP Trade Unions	AGI CIRIEC IRED UIC	 APRACA ASLOCA RADEC- NEDAC

International organisations of co-operatives

The oldest international organisation providing services to its co-operative membership is the International Co-operative Alliance (ICA)[6] founded in 1895. The other international organisations of co-operatives described below emerged only in the late 1960s and early 1970s. The ICA can be called the largest international non-governmental organisation in the world (comprising over 700 million members). ICA's role is to promote the co-operative approach in all its forms. ICA is to represent the interest of all co-operatives in general while its specialised sectoral bodies are to concentrate on their business interest. Such specialised organisations or committees exist for agricultural, banking, consumer, fishery, health care, housing, industrial, insurance and tourism co-operatives as well as for research, human resource development and women. ICA's predominant focus in recent years has been the initiation of a worldwide process to promote the relevance of co-operative values and principles in the contemporary era and the competitiveness of the co-operative movement in a liberalised and globalised market. At its Centennial Congress in Manchester 1995 these newly updated principles were proclaimed in a "Statement of Co-operative Identity". They refer to: "voluntary and open membership_; democratic member control; member economic participation; autonomy and independence; education, training and information; co-operation among co-operatives; concern for

community". ICA is based on national co-operative confederations; however regional interests are also reflected through a regionalised structure which ICA established since its General Assembly in 1991. ICA promotes the development of co-operatives through advisory services and technical co-operation. Programmes are implemented with the resources and assistance of affiliated members (movement to movement assistance) or in co-operation with national or international donor organisations such as the Swedish International Development Agency (SIDA), the Norwegian Agency for Development Co-operation (NORAD) and the World Bank.

The World Council of Credit Unions (WOCCU) was created in 1970 as a fourth tier[7] of the credit union movement. Its mandate is to assist members in expanding and improving their movements, particularly"... to develop the managerial, technical, and financial resources necessary to provide essential and sustainable service to credit unions".[8] In 1993, WOCCU memberships covered 42,000 credit unions which served about 89 million members in 87 countries. The budget of WOCCU is made up of membership dues and the major part of its resources is devoted to development work. WOCCU provides technical and financial assistance to members. Such programmes are being financed by national and international donors such as USAID and the World Bank. WOCCU is a member of ICA, which in turn is an associated member of WOCCU.

The International Raiffeisen Union (IRU)[9] was established in 1968 at the occasion of Friedrich Wilhelm Raiffeisen's 150th birthday. It did not want to enter in competition with existing international organisations of co-operatives and wished to limit its mission to propagating the ideas of F.W. Raiffeisen and to facilitate the exchange of ideas and experiences of co-operatives adhering to his philosophy and principles. IRU maintains relations with other international co-operative organisations and intergovernmental bodies promoting co-operatives, however it has not taken up any technical co-operation or business activities. IRU's purpose is to represent the international Raiffeisen movement to the public, to provide information and documentation to its members and to facilitate the exchange of experiences. National Raiffeisen movements in 44 countries form the constituency of IRU.

Besides these worldwide organisations, regional federations and associations of co-operatives merit the same attention. Due to the strengthening of regional political and economic interstate agreements and transferring of national political power to regional bodies such as the European Union, these associations of co-operatives represent, lobby, and facilitate economic activities at regional level. The most impressive of such co-operative structures exists in Europe[10] where nine sectoral co-operative groups (Consumer, Agriculture, Pharmacies, Commerce, Banks, Insurance, Worker, Tourism, and Housing co-operatives) have put up their own bodies liaising with the European Union. In 1982 they created the Coordinating Committee of EEC Co-operative Associations (CCACC) to lobby on behalf of the European co-operative movement. In the case of credit unions, regional confederations exist in Africa (ACOSCA), Asia (ACCU), Latin America (COLAC) and the Caribbean *(CCCU).* They have a very strong internal coherence and form the constituency of the worldwide organisation WOCCU.

International organisations promoting co-operative development

Under this category of organisations are found non-governmental and intergovernmental organisations. They both see in co-operatives a means to service their target groups or constituents particularly in developing countries, hence include co-operatives in their programmes. On the NGO side, the International Federation of Agricultural Producers (IFAP) and the international trade union confederations should be mentioned. On the side of intergovernmental organisations, we find the United Nations and some of their specialised agencies, the international and regional lending institutions, and the European Union.

In the UN system,[11] there is no separate structure particularly serving only co-operatives, however, the UN General Assembly, the Economic and Social Council (ECOSOC), and the UN Department for Policy Coordination and Sustainable Development as well as some specialised organisations of the UN have regularly dealt with co-operatives and have established specific units for tl1eir development.

The General Assembly and ECOSOC have adopted since the 1950s a number of resolutions recommending to governments to promote co-operatives and requesting the international organisations to increase their technical assistance to co-operatives. The UN Department for Policy Coordination and Sustainable Development has taken a lead role in preparing the two-yearly reports on co-operatives of the Secretary General[12] of the UN to the General Assembly. Since the 1990s this was done in co-operation with the UN specialised agencies and the ICA, particularly through COPAC (see below). The adoption of these policy guiding reports to the General Assembly of the UN, and some related resolutions, has been meant to lead to political backing for co-operative forms of enterprises. In 1995, the General Assembly adopted the declaration of a yearly UN international day of co-operatives for the first Saturday in the month of July. Besides these political efforts, the UN Department for Policy Coordination and Sustainable Development has also provided innovative research on co-operatives. The latest is a study on co-operatives in health care and social services which was carried out with the ICA.

The International Labour Organisation (ILO) can claim to have the oldest arid most extended of co-operative services among the UN agencies; co-operatives are listed among the constituents of the organisation.[13] The Constitution of the ILO has led to a special status-of ICA which gives it all rights to participate in any body and meeting of the ILO, with the exception of the right to vote. Shortly after the creation of the ILO, in 1920 a technical service was established for co-operatives. The activities were in the first decades oriented at the provision of information and policy advisory services which culminated in the Recommendation 127 in 1966 "Concerning the role of co-operatives in social and economic development of developing countries" (an International Labour Standard of the ILO). The Recommendation attributes to the State a strong role in co-operative development, co-operative policy, and legislation, but also in putting up national co-operative support structures in auditing, training, and financing of co-operatives. Two international ILO meetings of experts in 1993 and 1995 appreciated the impact of the Recommendation on co-operative development in the past, nevertheless, they proposed its revision.

The meetings felt that the Standard was to be expanded to all countries, industrialised, transitional as well as developing; and the role of the State in co-operative development had to be limited as it might lead governments to put too much emphasis on using co-operatives as instruments to pursue general development goals. In addition, in the 1970s and 1980s the ILO undertook extensive technical co-operation with developing countries.[14] Following many projects to build up national co-operative structures and training institutions a number of regional programmes for co-operative development were launched, with the financial support of multi-bilateral donors. In a programme approach, activities focused on co-operative policy and legislation (COOPREFORM[15], training (MATCOM and COOPNET) and poverty alleviation through co-operatives (INDISCO and ACOPAM).

The Food and Agriculture Organisation of the United Nations (FAO) has been active in.co-operatives since the 1960s and has to be considered to be a major player promoting co-operatives in developing countries in the areas of agriculture, fisheries, and forestry. Co-operatives are, in this context, viewed as a means to improve the standard of living of rural people. Like the ILO, the FAO has implemented technical co-operation projects for the improvement of co-operative structures and has organised meetings to exchange experiences on co-operative development. Particular emphasis has been placed on improving the management of co-operative organisations as well as on the monitoring and evaluation of their economic and social performance. In the 1980s a programme was developed to promote "peoples' organisations", (rural self-help groups) as alternative to officialised, state driven agricultural co-operatives in developing countries. This is the Peoples Participation Programme.

Although at times there appeared to be a certain competition among the UN agencies, one can also identify periods of collaboration in the promotion of co-operatives. A formal attempt to overcome barriers to co-operation was an interagency agreement of 1955 and the establishment of COPAC in 1971. Other UN agencies also having interest in co-operatives as an organisational form to promote better living conditions for people in developing countries are the United Nations Education,

Scientific and Cultural Organisation (UNESCO) concerned with the role of co-operatives in national education and functional literacy; the United Nations Industrial Development Organisation (UNIDO) concerned with the role of co-operatives in the promotion of small-scale industries;[16] and the World Health Organisation (WHO) in the provision of medical services.

In order to promote the coordination of assistance to co-operatives through intergovernmental and non-governmental international organisations, a Joint Committee for the Promotion and Advancement of co-operatives (COPAC) was created in 1971.[17] During its 25 years existence the Secretariat has concentrated on facilitating the exchange of information through publications and regular meetings of members.[18] Recently, COPAC has suffered budgetary constraints; in 1996, the Secretariat was transferred from the FAO, Rome to ICA, Geneva. Co-operatives have attracted attention from the World Bank, the International Fund for Agricultural Development (IFAD) and the regional development banks particularly in relation to programmes of structural adjustment and privatisation. However, these agencies do not have a systematic approach to co-operative promotion; co-operative organisations are used rather for channelling 'finance to small agricultural producers. It is sometimes claimed that through these activities they have prevented rather than promoted co-operatives to build up their own capacity to raise capital. On the other hand, due to the overall influence of the lending institutions on national policy they have sometimes been successful in pressuring governments to withdraw from interference in co-operative affairs, and hence have facilitated the deofficialisation of co-operatives.

After the growing interest of international agencies in co-operatives in the 1970s and 80s as a means to implement development goals, it appears that nowadays there is a cautious assessment of the role co-operatives can play in national development. There is a decreasing priority put on co-operative development activities. The international agencies criticise co-operatives for having had insufficient impact on national development. At the same time, these agencies have been criticised themselves for having facilitated government involvement and interference in co-operative movements. Often such technical co-operation projects prevented the development

of the potential of people's initiatives. Nevertheless, in the context of structural adjustment and cuts on public budgets, there appears to be a revival of co-operative ideas and joint initiatives among small producers and consumers. However, there is a tendency to use other terms and legal forms, such as self-help groups and mutual associations, due to the bad reputation which so-called co-operatives developed in times of state interference.

International networks with mixed constituencies

A specific type of international organisation giving service to co-operatives should be mentioned, international or regional networks with mixed constituencies. In most cases their activities lie in human resource development, including research, education, training, and information. The members of such networks can be persons and institutions. As their structures are usually open and often informal, their constituency may work in other areas besides co-operatives, such as trade unions and public services. Co-operatives are often themselves interested to liaise through such networks with other institutions or forms of enterprises.

Networks, in general, have various degrees of formalisation, institutionalisation and centralisation. Through various mechanisms (e.g. congresses, fora, meetings) or alone through overlapping memberships, networks also "network"[19] - among each other in a more informal way of coordination. "Networks can effectively link people of different levels, disciplines, organisations and background who would not otherwise have an opportunity to interact".[20] At international level a number of factors become more relevant for the assessment of such structures than they would at national level, such as the originators of the network (individual, independent members or single, dominating organisations in the area concerned), disparity in the membership (persons or organisations), availability of funds (secretariat, finance of international travel, collection of subscription fees). A characteristic of an international network is that there is no hierarchical structure or decision-making capacity in regard to the individual member as in the case of a federative system, and· also no obligation by its members to implement recommendations or resolutions other than individual commitment. In this particularity might lie the weakness or the strength of an international network.

CIRIEC (Centre international de recherches et d'information sur l'économie public, sociale et coopérative) can be mentioned as an international network in the service of co-operatives. It was created in 1947 in Geneva and chose as main areas of concern co-operatives and the public economy. CIRIEC is based on national commissions (in 10 European countries and in Argentina, Canada, and Japan) and the exchange of ideas and research is facilitated through publications, periodicals, and national and international meetings.

Another example of an international research network in the service of co-operatives is the Association of co-operative Science Institutes (AGI) founded by 10 German speaking university institutes in Germany, Austria, and Switzerland in 1968. Most of the member institutes are directly financed by the co-operative movements but are integrated into a university structure. The AGI promotes co-operative science, and university education in this discipline and, through holding international symposia, ensures the exchange of information with researchers throughout the world. These symposia bring together co-operative managers and researchers. Although the researchers come from various disciplines, the purpose of the network is limited to the concerns of co-operatives.

Mention should also be made of the Development Innovations and Networks (IRED) and the Université Internationale des Coopératives (UIC) as two other international networks which are working in the area of research, training, and information. Having mixed membership of NGOs, self-'help groups, churches, and development agencies, they have a certain geographical bias in French speaking Africa. As examples of regional networks with mixed constituencies should be mentioned the Latin American Association of co-operative Training Institutes (ALCECOOP), the Reseau d'appui du développement des capacités pour les coopératives (RADEC-COOP) and the Network for the Development of Agricultural co-operatives (NEDAC) in Asia.

Achievements and shortfalls

Organisations have been described which evolved out of

federative structures, national apex organisations and networks, or were created outside the co-operative movements, with a strong commitment to the living conditions of their target groups. What are the achievements of these organisations and what are their shortfalls? Were they achievements for co-operatives or did they also contribute to social and economic concerns in general? Did they influence the relevance and survival of co- operatives? These are some questions which occur while analysing the performance of international organisations in the service of co-operatives. Some of them shall be taken up below. In the case of the intergovernmental organisations, particularly the UN and the specialised agencies ILO and FAO, the achievements lie in the area of setting a policy framework, assisting in the development of national co-operative legislation, providing technical co-operation and information services. The UN and the ILO created a policy standard for governments and co-operative movements through resolutions of the General Assembly and the ILO Recommendation 127. Through the Secretary General's reports, research and expert meetings in the IL0[21] more detailed guidance was provided for the creation of conditions conducive to co-operative development and its impact on working people. Co-operative legislation was promoted in order to put such policy into practice. The FAO initiated action research on co-operatives, and both agencies, FAO and ILO developed programmes to assist co-operative training, management, and technical co-operation. The achievements were visible in co-operative support structures, apex organisations and training institutions. Over decades the main task of the co-operative service of the ILO was to provide information to member states and co-operative movements. The ILO and FAO contributed to the development of high-quality training materials in the MATCOM and AMSAC[22] programmes. Other achievements lie in the mobilisation of local economic activities in developing countries.

The list of the achievements of UN specialised agencies is long and should be described more in-depth. However, there are also shortfalls to be noted: the policy guidance did not stop governments in the socialist and in the developing countries from "officialising" co-operatives. They did not stop a declining interest of their own constituency in co-operatives. Meetings of

experts in 1993 and 1995[23] urged the ILO to revise the Standard on co-operatives and to extend its scope to all countries in the world. The Member States of the ILO have not yet done so.

Other shortfalls may today lie in the insufficient capacity for self-reliance of co-operative movements in times of government withdrawal of support. This lack of self-reliance may be in financial and human resources, or an insufficient capacity to develop their own training materials and ensure the implementation of training programmes without government support.

For international organisations - governmental and non-governmental - which promote co-operative development "from outside", experience in the last two decades has shown that they are only interested in co-operatives as long as they believe their target groups to be well represented in them. The support to co-operatives has been towards improving the living conditions of lower income groups and the indicator for the improvement was whether these groups experienced economic and social gains through co-operatives. In the decades of increased "officialisation" of co-operatives as an extended arm of inefficient public administrations, the reputation of so-called co-operatives deteriorated. The fact that later they may have been deofficialised, privatised and restructured has not often helped. Today, the idea of promoting private, individual small and medium-size enterprises might be more attractive, even though this may lead to "reinventing the wheel", since support structures have to be created for such small enterprises also.[24]

In the case of international organisations of co-operatives, the achievements are clearly the survival of co-operative values and principles over more than one Century and the propagation of co-operatives as schools of democracy.[25] The organisational survival of the ICA of 100 years during two world wars and the cold war was mainly due to a strong commitment of its constituency to these values and principles, the vision of peace and democracy, to political neutrality and to the historical memory of this ideology.[26]

Shortfalls of the international organisations of co-operatives may be their reduced access to material resources due to their limited constituency. This may explain also their marginal role in technical co-·operation with developing countries. The limited

influence on national policies and legislation may also be due to both the limited constituency and material base. Furthermore, there is a frequent priority on business interest over basic values such as open membership and democratic member control. This may occur when the co-operative as business form is chosen out of convenience, without a specific vision of co-operative values. In these cases, frictions in co-operative organisations, which already appear in federative systems at national level and at the level of apex organisations,[27] might become reinforced at international level.

Already the primary co-operative has a very sophisticated system of objectives which is made up of complementary but also of competing objectives of the members, and which is influenced by their various environments.[28] At secondary and tertiary levels, the objectives become even more complicated and are additionally influenced by the professional management of federations and unions. At international level, the variety of cultural environments, which are reflected in the objectives of the national movements, becomes significantly larger and requires careful analysis.[29] The risk lies often in the widening gap between the objectives of the international co-operative organisation and its entities at national level which might not feel adequately represented nor see their expectations for material returns on their financial contributions fulfilled. This might be one of the reasons why some international organisations, such as the ICA, recently opted for decentralisation and regionalisation, and why some regional associations, such as the European groups, have become more relevant to their members than world wide coordination.

In the case of networks, other constituents may join, who do not always share the commitment to the co-operative cause. The problem of creating diverse objectives might here also occur, but the organisational links of the network are loose enough to allow absorbing competing objectives without the disintegration of the network. [30]

In international organisations the long-term survival of the organisation may not be affected by such shortfalls, yet the organisation might undergo a mutation which would not increase the service to co-operatives. If the constituency is homogeneous and committed to co-operative principles, the probability of

surviving is higher. This might be more likely where the cooperators themselves form the whole constituency. If the structures allow a flexible adaptation to a changing socio-economic-political environment, the organisational learning process may be fast enough for survival in a fast-changing environment. Networks may be more inclined to this than federative structures, particularly when federations are remote from the objectives of the primary co-operatives and their members and losing their relevance to the co-operatives. Such tendencies can be observed when secondary co-operative organisations, through their leadership and human capital advantage, reverse the original "bottom-up structure". The recommendations of the professional management may gain in such cases the quality of instructions as in an industrial combine.[31] The reactions of the co-operative combine on changing environments may therefore become quite complex. At international level, organisations and structures are mostly not involved in business operations and thus, the impact might be lower. Nevertheless, the umbrella organisation may develop their own agenda based on professional judgement rather than the objective of national movements and their members. Networks centralised around a secretariat, may, however, show similar tendencies.[32]

These few examples in the international environment show that the approach to assessing the conditions for survival, relevance and achievement has to be "systemic", as the elements of the system are interlinked, and some might neutralise or reinforce the impact of the others. There appears to be ample scope for in-depth assessment of these conditions.

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Notes

1 This article is based on a paper presented at the 13th International Congress on Co-operative Science at the Institute of Co-operative Studies at the Humboldt University of Berlin, 3 to 6 September 1996.

2 'For the discussion on federations see particularly: Schwarz, Peter, Co-operative Federations, in: Dülfer, E. et al (Eds), International Handbook of Co-operative Organisations, Gottingen, 1994, pp367-372; Brazda, J. and Schediwy, R., Lessons from the recent collapse of various federative •systems ·of co-operatives, paper presented at the ICA Research Forum in Cracow, 1994. For the discussion on networks: Johanson, J. and Mattsson, L.-G., Interorganisational relations in industrial systems: a network approach compared. with the transactions-cost approach; and Powell, W.W., Neither market nor hierarchy: network forms of organisation; both in: Thompson, G. et al (Eds), Markets, hierarchies and networks - The coordination of social life, Open University, UK, 1991.

3 Schwarz, P., op cit, p367.

4 Watts, D., Networking (Second Tier) Co-operatives, paper presented at the co-operatives Key Issues Conference 1995, Sydney, Australia, pl.

5 Ullrich, G., Networking of co-operative institutions in human resource development, paper presented at the ICA Research Forum in Manchester, 1995, p3.

6 Thordarsson, B., International Co-operative Alliance, in: Dülfer, E. et al (Eds), International Handbook of Co-operative Organizations, Gottingen, 1994, pp489-492. Rhodes, R., International Co-operative Alliance During War and Peace, PhD Thesis, Faculty of Technology, Open University, 1994.

7 Baker describes WOCCU as ... a vast international system ... which links each credit union into a worldwide network of national and regional service organisations headed by the World Council of Credit Unions, Baker, Ch., World Council of Credit Unions, in: Dülfer, E. et al (Eds), op cit, pl86.

8 Baker, Ch., op cit, pp186-189.

9 Croll, W., The International Raiffeisen Union, in: Dülfer, E., et al (Eds), op cit, pp499-503.

10 van Hulle, A., European (Union) and Co-operatives, in: Dülfer, E., et al (Eds), op cit, pp346-352.

11 v. Muralt, J., United Nations System and Co-operatives, in Dülfer, E., et al (Eds), op cit, p898.

12 See particularly the Reports of the Secretary General of the UN in 1992, 1994 and 1996 on status and role of co-operatives in the light of new economic and social trends, UN General Assembly, A/47/216/1992, A /49/213/1994 and A/51/267/1996.

13 Article 12 of the ILO Constitution stipulates: "The International Labour Organisation may make appropriate arrangements for the representatives of public international organisations to participate without vote in its deliberations. The International Labour Organisation may make suitable arrangements for such consultation as it may think desirable with recognised non- governmental international organisations of employers, workers, agriculturists and cooperators."

14 Fazzio, J. and Ullrich, G., The ILO 75 Years of Co-operative Service, in: Review of International Co-operation, Volume 89 No. 1, 1996, pp52-59.

15 COOPREFORM: Structural Reforms through the Improvement of Co-operative Development Policies and Legislation; MATCOM: Materials and Techniques for Co-operative Management Training; COOPNET: Human Resource Development for Co-operative Management and Networking; INDISCO: Support to self-reliance of indigenous and tribal communities through Co-operatives and other Self-help Organizations; ACOPAM: Co-operative Support to Investment Programmes in the Sahelian Zone (translation for the French abbreviation).

16 v. Muralt, J., op cit, pp900-901.

17 v. Muralt, J., op cit, p900.

18 Saxena, S.K., International Co-operative Organizations, in: Dülfer, E., et al, op cit, p495.

19 In the field of co-operatives or related areas, there are currently many networks being created, some of them even in the organisational form of co-operatives (see: Watts, D. op cit) Starkey, however, argues "... that the verb is more important than the noun: the process of networking is vital and more crucial than a networking structure." Starkey, P., Networking for Sustainable

Agriculture: Lessons from Animal Traction Development, Gatekeeper Series No.58, Published by the Sustainable Agriculture Programme of the International Institute for Environment and Development, p11.

20 Starkey, P., op cit, p13.

21 The ILO published from 1992 to 1996 a series of working papers on "Favourable climate and conditions for co-operative development" in Africa, Asia, Central and Eastern Europe and Latin America.

22 AMSAC: Appropriate Management Systems for Agricultural Co-operatives.

23 Meeting of Experts on Co-operatives, Final Report, ILO, Geneva 1993 and Meeting of Experts on Co-operative Law, Final Report, ILO, Geneva 1995.

24 Co-operatives and similar organisations in developing countries are internationally also being promoted by governmental and non-governmental organisations of industrialised countries. Although these activities go beyond the theme of this article, it should be noted that the developments were here similar to those of international organisations promoting co-operatives.

25 United Nations in Focus, Co-operatives: "Schools for Democracy", First United Nations International Day of Co-operatives, 1 July 1995.

26 For details see Rhodes, R., op cit, pp250-255.

27 Brazda, J. and Schediwy, R., op cit.

28 Dülfer, E., Betriebswirtschaftslehre der Genossenschaften und vergleichbarer Kooperative, 2nd. revised edition, Gottingen, 1995, pp191-213.

29 See also Dülfer, E., op cit, p339.

30 See also Ullrich, G., op cit.

31 See Dülfer, E., op cit, pp340-343.

32 See observations of Starkey, P., op cit, p15.

Book Reviews.

Understanding the Role of the ICA in the History of the Twentieth Century.

Dr Rita Rhodes, *The International Co-operative Alliance During War and Peace 1910-1950,* ICA, Geneva, 1995.

Dr Rita Rhodes and Prof Dlonysos Mavrogiannis, *Thematic Gulde to ICA Congresses 1895-1995,* Studies and Reports No 13, ICA, Geneva, 1995.

This latest history, *The International Co-operative Alliance During War and Peace 1910-1950* by Rita Rhodes, of a critical period of ICA development will not prove an easy book for the general reader. I would recommend them to persevere with it, nonetheless. The reader coming to this subject for the first time will find the author's historical overview in the introduction very helpful indeed. I was particularly pleased to read an account of co-operative history that gave Edward Vansittart Neale and the Christian Socialists proper recognition. It was only a pity that Rita did not, in her otherwise excellent references, point readers interested by her analysis of this early period to Philip Backstrom's excellent biography of Neale.

Rita Rhodes asks how did the ICA survive as an international body when so many other international working-class organisations failed over this period? Her necessary defence of the idea of the organisation as working class is important not least because I suspect that globally it is one that many people active in the movement would want to challenge. I am not one of them however and recommend this book to the general reader precisely because Rita is clearly anxious to situate the co-operative movements raison d'être in the liberation of labour. The argument with Marxism-Leninism was always about methods rather than goals. I feel this may be a further reason why Communist participation in the ICA was acceptable whilst Fascist participation was not.

Rita Rhodes' discussion of ICA relations with the Italian

Co-operative Movement during the Fascist period shows how impotent the movement was internationally and how little real mobilisation of diplomatic or material resources it was able to muster despite what Rita describes as the robust stance of the ICA leadership. The evidence Rita presents could have been characterised as "necessarily cautious" when facing political/ social forces to which the national co-operative movements appeared to be as impotent as other parts of the labour movement to resist. Why had the German and Italian Co-operative Movements not been able to do more to resist the rise of Fascism in their countries? This is not a question Rita Rhodes' history is concerned to address, but it is a question likely to occur to the reader as they consider the ICA role in working for the defence and post-war re-establishment of these two national movements.

I believe the answer in part presents an important qualification to the case Rita presents for seeing the ICA as a working-class organisation. For which strata of the working class are we speaking of? Could it be that the movement failed to mobilise the poorest segments of society? Could it be that we left a critical opening for a mass base for Fascist mobilisation? I have concentrated in my review on this aspect because I believe this has relevance for world co-operation today. Are we addressing the needs of the very poor? Is there an underclass re-emerging in Europe and America and is the co-operative movement trying to reach out and support its social and economic development? The post-war defeat of Communism following on some forty years after the military defeat of Fascism has opened the door to greater international unity within the ICA than ever before. We must learn the lessons that histories such as this one suggest. The social injustice and polarisation that unregulated capitalist market forces produce led to both Communist and Fascist responses. The latter is already starting its comeback in parts of Europe and in parts of the third world has really never been defeated.

Today the door is open for the greater recognition of the practical and ideological relevance of co-operative principles to resolving the world's problems. Can we as a movement really live the internationalist ideals of our founders and those of later generations that fought so hard to keep the ICA in a position of influence in the councils of the world.

One of the number of explanations for the survival of the ICA that Rita offers relates to the moral basis of the movement's ideology. She writes towards the end of her book, "... the ICA tended to have a developing philosophy and shifting rhetoric throughout the period - but always one with a strong moral tone." (p377)

Co-operation's underlying morality kept the movement alive and flexible without it losing its way in the process. Today we have inherited an ICA constitutional framework that is trusted and tried as Rita Rhodes' history demonstrates. The negative consequences of the global market continue to impact on the working classes (in all strata). The question remains - can our ideals concerning the moral imperatives of social justice be turned into effective action. Can the international framework facilitate management strategies that can reach the world's poor at home and abroad? More than this can we achieve it in ways that benefit existing members, create sustainable economic development, solidarity, and improvement for the poorest members of society? Should the ICA move from being an international co-operative alliance to a universal co-operative commonwealth? Rita's book makes us see the historical background and institutional processes out of which an eventual answer will emerge.

Students of international co-operative history will find in Dr Rita Rhodes and Prof Dionysos Mavrogiannis, *Thematic Guide to ICA Congresses 1895-1995,* Studies and Reports No 13, ICA, Geneva, 1995 a useful summary and guide to source documents dealing with the proceedings of ICA Congresses during the organisation's first hundred years. The material on the congresses between 1910 and 1950 complement and add further illumination to the material Dr Rita Rhodes presents in her book covering this period of the ICA. For example, Rita Rhodes provides much detailed background to the 1933 Basle conference which was dominated by the worsening relationships between the German Co-operative Movement and the ICA in her book on the ICA between 1910and 1950. The follow-up Congress in 1934 is treated more fully in the Thematic Guide and illustrates how the principle of political neutrality prevented a more positive response towards the ..rising threat of Fascism and war. It also suggests that the emphasis on peace in the resolutions and the majority of the delegates rejection of the Russian delegation's

calls for a stronger anti-Fascist response suggested that many delegations reflected the western European nations' strategies based on appeasement and much mainstream British and Scandinavian Labour Movement leanings at the time towards pacifism following the experience of the First World War.

The effects of the Cold War and how the ICA managed to retain unity in the face of an active communist block amongst its affiliates is another area where the two books complement each other rather than merely repeat themselves.

There is a most useful Thematic Index at the back of the book covering twenty-two themes each with a large number of identified sub themes with the Congress date and page numbers in the report provided. These are restricted to the subjects of main papers. Covering as it does the first 100 years of the ICA the Thematic Guide enables us to see both the continuity and the change in emphasis in the issues addressed by the ICA Congress. For example, the issues of Profit Sharing are very extensively represented in the early Congresses but then appear to cease to be an issue after the 1920s. Women's issues appeared regularly after the turn of the century but inexplicably the issues of inter-co-operative trade particularly at international level that have been discussed since the early Congresses appear not to have been raised since 1969 according to the index. Each Congress is examined in summary as to the key themes of the main resolutions and reports presented to Congress. A valuable research tool which will I am sure generate many more enquires for the ICA archivist.

Peter Davis

Godfrey Baldacchino, Saviour Rizzo, and Edward L. Zammit, eds, *Co-operative Ways of Working,* Workers Participation Development Centre, University of Malta, 1994.

Co-operative Ways of Working represents an excellent digest. Its contributors cover a wide range of international experience of the productive societies as they have applied co-operative principles to achieve a range of goals from increased accountability and participatory management styles to increasing the scope for direct worker involvement in management decision making. One of the editors Godfrey Baldacchino makes a powerful case for a renewed critical examination of the role of worker co-operatives and direct worker management styles as a means to respond to the changing agenda in the world labour market. Baldacchino notes both positive trends, concerned with improved participation and health and safety standards, and negative trends relating to the fragmentation of work, and the degradation in the contractual protection afforded to the worker. He argues that the failure to realise economic development in many regions of the world provides further motivation for the generation of worker owned co-operatives. The papers include contributions from three respected British co-operators, Chris Cornforth, Mary Mellor, and Michael Jones. There are papers offering insights from the Italian and Basque experience as well as the German perspective by Hans Münkner. Münkner along with Cornforth explore the implications for the differences and similarities between types of co-operative and the barriers to efficiency and development that can result from the internal relationship of members (Münkner) to the co-operative as well as the external constraints (Cornforth). Gabriele Ullrich of the ILO identifies a wide range of topics requiring research including one that particularly deserves attention in my view concerning the competitive advantage that can be established because of the co-operative values and ownership structure. Those interested in the problems of managing large scale worker enterprises will find the materials on Mondragon and Scott Bader well worth reading. The development of trade unions and co-operatives in Cyprus and their impact on the economic recovery post 1974 is developed in a very informative paper by Andreas

Theophanous and as with the paper on Greek co-operation by Lista Nicolauo-Smokoviti demonstrates that the literature on Co-operative Working can encompass other co-operative services as well as agricultural contexts. Many of those who read this book will want to reflect on the four fundamental values propounded in the Mondragon paper by Antonio Lucas namely, Equality, Solidarity, the Dignity of Work, and Participation. There is much to be encouraged by in this book but the authors frankness concerning the more difficult issues means that this is a serious rather than a promotional work. Its contributors fail, however, to really explore the concept of professional management in a worker owned business and tend (with the exception of Michael Jones) to assume without question the "reactionary" role of a professional management. This is a weakness in approach that does not so much reflect on the authors as on the received wisdom of so many co-operators in the worker co-operative sector. I believe it is this attitude that provides some substantial part of the explanation for the failure of worker co-operatives to make more progress both in Britain and elsewhere.

Peter Davis

E.G. Nadeau and David J. Thompson, *Co-operation Works. How people are using co-operative action to rebuild communities and revitalize the economy,* Lone Oak Press, Minnesota, 1996, ISBN 1 883477 13 1.

This book is an unashamed promotional work based on positive case studies by two partners in a North American co-operative management and organisational development consultancy. It bears some of the negative consequences of being written from a somewhat uncritical and untheoretical perspective. In some ways this book reminded me of those equally uncritical works on business ethics that came out in the early 1990s written by no doubt sincere management consultants whose perspective was, I fear, somewhat coloured by the marketing exercise that to some extent all such books are really about.

Despite the difficulties and set backs that have been a real feature of the American, as of the world wide, co-operative movement I could not find one example of co-operative failure in the book's 185 pages covering case studies of co-operatives in agriculture, small business support, worker co-operatives, housing co-operatives, consumer co-operatives, and community co-operatives. Nowhere does the book address the real challenges in terms of management, membership, governance, technology innovation and transfer, capital structures and legal frameworks that beset the modern co-operative movement. I found this uncritical promotion disappointing, and even a bit dishonest.

So much for the reservations. The examples given are encouraging and provide useful evidence of the breadth of application that co-operative principles has found in the United States. The authors' enthusiasm is infectious and some of the case studies have, I suspect, a wide application outside the US and should be studied and probably reproduced. The idea that small farmers may be able to survive by using co-operatives to increase the value-added potential of the product is not new but some of the applications discussed in this book might lead to some new product developments for small arable and livestock farmers. I have long felt that co-operative associations for small business would not only greatly improve the longevity of such enterprises, but also the quality of the lifestyle enjoyed by their proprietors and employees. Politically they should be forming

the basis of the British Labour Party's policy developments for the small firm sector.

Co-operation Works contains many interesting case studies of American co-operative enterprise and an excellent index. The book also includes an appendix giving details of America's top 100 co-operatives and some of them are clearly very big businesses. A book to dip into rather than read from cover to cover. It deserves to be included in co-operative libraries but read with a sceptical frame of mind. Co-operation does work, but the last 150 years suggest that getting the best results from co-operatives is not always as easy as this book seems to imply.

Peter Davis

Wendy Hurp and David Thirkell, editors, *The World of Co-operative Enterprise 1997,* The Plunkett Foundation, Oxford, 1997, ISBN O 85042 106 3.

There can be few active co-operators who are not familiar with what must be the longest running series of quality readings on co-operation anywhere in the world. This year's issue of *The World of Co-operative Enterprise* maintains its traditional high standards both in terms of the range of the topics covered and the quality of the authors. The review of the British Movement's statistics and insider insights (see this year papers by David Evans and David Rogers) or research-based commentary (see papers by Prof Leigh Sparks, Roger Spear, Raymond Donnelly, and Adrian Haggett) on the agricultural, retail, housing, worker, and credit union sectors brings us up to date with the growth, threats, and opportunities facing the various areas of co-operative activity. The paper on agriculture is perhaps the one where the threats are most severe and the future most uncertain. The de-mutualising trend has had some echoes amongst formerly leading farmer co-operatives. Now with conservative government proposals appearing to threaten the legality itself of farmer co-operatives plus the industry wide crisis for beef and dairy producers, there is no doubting the severe strain on this sector at present. It remains to be seen if a new government will seek to support co-operation in agriculture.

Fortunately, it is not all gloom with confident reports from co-operative financial services particularly on the positive co-operative image in banking by Chris Smith, Group Public Affairs Manager at The Co-operative Bank. There are also some fascinating papers looking at the public perception amongst young people on the Co-operative Movement in Japan and a more general study on co-operative image from Malaysia. In India, the great strides and positive attitudes towards the dairy co-operatives is rather in contrast to a sombre analysis of British farmers perceptions of their co-operatives. We are no strangers to negative treatment by a hostile media, but the case recorded in the paper concerning the Indian dairy co-operatives must be one of the worst and most undeserved attacks by the media on the movement in recent years. The victory of the Indian Co-operators is all the more to be applauded. Between 1970 and

1996 the National Dairy Development Board have established 70,000 dairy co-operatives covering 20 states and owned by 9 million members, of whom, the paper's authors S.N. Singh and M.K. Niyogi tell us, 74% are landless labourers. Together these members are now receiving 40 billion rupees per year in income from their milk. I suspect there must be some very disappointed middlemen out there.

There are also six very important papers on co-operative housing and nine more on Co-operation's work to improve the environment. Along with some excellent British contributions are examples and analysis that come from a wide range of international experience from North America, Norway, Sweden, Poland, France, Malaysia, and the Asia Pacific Region of the ICA. What I have always appreciated in these Plunkett volumes has been the combination of breadth of topics, depth of UK analysis, and a wide-ranging international perspective and experience. The 1997 volume does not disappoint on any of these counts.

Peter Davis

Jean Turnbull and Jayne Southern, *More than Just a Shop: a history of the co-op In Lancashire,* Lancashire County Books, 1995, ISBN 1 871236 36 3.

Co-operative history, in the past, had a wide press. All those Annual Reports and, at the turn of the century, the Jubilee Histories. On the one hand the vital statistics and on the other local societies celebrating fifty years of co-operative endeavour. All this supported by the *Co-operative News* and splendid pieces highlighting special aspects of the movement often written by academics.

Of recent times all this has changed so it has come as a pleasant surprise to receive *'More than Just a Shop'* by Jean Turnbull and Jayne Southern. Not that this is a great piece of Co-operative writing, but it might herald greater things. This small book suffers from being just that - small. It has the making of great things, but cost has played its part in restricting its size. Having said that, it really does have many virtues. In the first place it tackles the history and aspirations of the Co-operative Movement in Lancashire. This is a big subject. The authors began at the beginning in Rochdale and go on to outline the way the idea of retailing grew in many small societies. Retailing was not the only interest and the wholesale movement was needed to support and supply these small societies. The movement climbed to great heights and then came the amalgamation and rationalisation to fewer and bigger societies. So, in outline, this book shows the amalgamation of Lancashire societies into United Norwest.

That is only half the story. As the title suggests, co-operation is more than the retail shops. Education and social activities were important from the beginning; education for members and employees, the provision of libraries and education centres to spread learning and practical skills and make them available easily to as many as possible. The Co-operative Women's Guild takes up a fair-sized section. Rightly so if any part of the Movement deserves recognition this is it. These women were involved in many activities especially concerning children and families. They helped in the fight for women's suffrage.

So why the opening criticism? The history of Co-operation

in Lancashire is a huge subject and this is all condensed into 56 pages. There is so much outlined that needs further development. There are excellent photographs and charts. There could be a bigger book with little more in it than photographs. The amalgamation of smaller societies has a worthy mention. These societies deserve books of their own. There is a list for further reading which suggests greater things and points to the lack of such writing. In short this book hints at more and bigger things. The Movement lacks published material and if this book spurs others to follow its signposts, it will have done a splendid job. One final remark. Anybody who has done research work on Co-operation will have observed the debt Societies have owed to individuals. That is one area neglected in this book. But buy it and judge for yourself. It is worth the £4.50.

Roy Stuttard

Peter Gurney, *Co-operative Culture and the Politics of Consumption In England, 1870-1930,* Manchester University Press, 1996, ISBN 0-7190-4950-4.

Dr Gurney's thoughtful, detailed, and stimulating investigation into the. nature, ramifications and meaning of "co operative culture" is a major addition to co-operative literature, and one of only a handful of original scholarly studies published since the war. With its innovative focus, provocative thesis, and impressive scope, it is undoubtedly the most important, and destined surely, to impact forcibly on Labour and Co-operative Movement studies. The central argument of the book is concerned with the dominant conceptualisations of historiography, culture, and consumption, from which it constructs its historical revisionism.

Chapter 1, "Co-operation and the Historians", offers a useful summary of the Movement's treatment by social and labour historians. Gurney's challenge to the conventional view of co-operation as "just another facet of an enclosed, conservative world, a way of making ends meet rather than a way of changing society", is timely and useful corrective, though it stands uneasily with the historical orthodoxy consolidated within Left scholarship over the past four decades. In place of the deradicalising role traditionally accorded co-operation, Dr Gurney proposes a "working class transformative ideology and practice" whereby economic and social forms of associational activity replace narrow, direct, political solutions to inequality and oppression. Drawing on a variety of sources and through the examination of numerous confrontations, the author demonstrates the fundamental opposition the Movement encountered; both from traditional formations of petty-bourgeois capitalism, such as the numerically impressive but weakening small shopkeeper strata; through to the markedly aggressive monopolists such as W H Lever, who invoked their considerable standing to challenge the Movement both in the high street and the Courts.

In a chapter on "The Politics of Working-Class Consumption" the author usefully reveals the actual and discursive confrontation between the "moral economy" of co-operation and the selfish

ideals of "trustification" - "the international restructuring of the mode of production/ consumption along monopoly capitalist lines" - which was characteristic of the late Victorian and Edwardian period. Furthermore, he extends this analysis to an examination of hostility and restriction posed by local and national government throughout the same period, and which became more marked during World War 1 when the politics of consumption, crucially linked to the controversial issue of rationing, beckoned a near revolutionary moment.

The real innovation of Gurney's thesis is to locate the radical potential of co-operation in the realm of culture and consumption. As he argues: "the key to social transformation in the present and the future lay in the sphere of education. The goal, pursued and articulated throughout the period under consideration, was an educated and active membership organised around, and empowered by, consumption". In a fascinating examination of the culture of co-operation, the book significantly expands our understanding of working-class culture, one previously dominated by considerations of workplace and political activity. The "culture of the store" is revealed to have been "neither drab nor dreary" and through an assessment of educational practice, celebratory literature, associational recreation, and cultural activity which embraced music, exhibitions, galas, pageants, and films, it is alternatively presented as vital, progressive, and expansive.

The author rightly contests that the centrality of co-operation was the act of consumption which should not be simplistically equated as an index of embourgeoisement. On the contrary he asserts:

> to put the matter more straight forwardly: shopping at, and then becoming a member of, the store was the most important point of entry to the Movement's culture. For a great many perhaps, co-operation meant shopping and then "divi" first and foremost, but these consumption practices were highly specific, - co-op stores were not private shops run for profit - and the practice, ritual and symbolism of co-operative trading constituted co-operative culture in a fundamental sense.

Consumption has recently become a central field of critical enquiry. Historians have contributed little to a debate dominated by post-structuralists and the concerns of cultural studies. Correspondingly, and here we have significant illustration of an inadequacy of modern critical theorists, the greatest consumers' movement the world has ever seen has been singularly absent from the discussion.

This study attempts a partial recovery of historical consumption from perspectives suggested by cultural theorists. In particular, Gurney is concerned with the Co-operative Movement's place in the emergent "consumer society" and the contrast/contest between the "capitalist production of the mode of consumption" and the "moral economy" of co-operation. In an evocative analysis, Gurney's work unravels a significant area of enquiry which awaits further detailed examination.

As with all rewarding studies, *Co-operative Culture and the Politics of Consumption in England 1870 - 1930* suggests further avenues of research: a more successful integration of consumption within social and economic history; a more probing consideration of the discourses of advertising and publicity within the development of consumer society; a more expansive framework for dealing with notions of working-class culture, and one which places consumption firmly within its theoretical address:

Gurney's richly detailed and provocative text should be read by all scholars concerned with labour, consumption, and culture. Moreover, it is an essential addition to co-operative literature which has been stagnant for such a long time. It can only be hoped that the challenge to historical orthodoxy presented here stimulates further original study into the Movement and begins to rescue co-operation from its shameful marginalisation within Labour Movement studies.

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