

# Try Again: Draw a Long Breath

by Lily Howe

'I can't believe *that*,' said Alice. 'Can't you?' the Queen said in a pitying tone. 'Try again: draw a long breath and shut your eyes.' Alice laughed. 'There's no use trying', she said: 'one *can't* believe impossible things'.

'I daresay you haven't had much practice' said the Queen. 'When I was your age, I always did it for half an hour a day. Why sometimes I've believed as many as six impossible things before breakfast.'

Practice in believing 'impossible' things, as with the white Queen, has never been lacking when co-operation between Co-operatives has been on the agenda. Belief in the principle has always been there. What has seemed impossible, except in a few brave instances, has been the translation of principle into practice.

## Inter-Sector Forum

Now the broad Co-operative movement is on the trail again. With the intended demise of the Co-operative Development Agency - set up in 1978 - in the second half of next year, discussions are proceeding in the different sectors on post-CDA arrangements, including those of a possible successor to the present Inter-Sector Forum<sup>1</sup> convened under the CDA aegis. This Forum has met twice yearly over the last four years, with earlier meetings having been held to get it off the ground.

Four Forum Working Parties were set up three years ago: on Law -chairman Keith Brading (former Chief Registrar of Friendly Societies); Taxation - chairman Ernest Chesworth (Co-operative Insurance Society); Finance - chairman David Railey (Industrial Common Ownership Finance); and Education, Training, and Marketing - chairman Edgar Parnell (director, Plunkett Foundation).

These groups submitted reports to the Forum in March of this year - that on the Law, with a longer timescale, being an interim report-after they had been circulated to constituent organisations for their responses.

<sup>1</sup>For earlier history of the Forum see Journal 59 'Co-operation between Co- operatives' by Dr. R.J. Birchall, published in May 1987.

## The Working Parties

Later contributions to the *Journal* will doubtless deal in more detail and depth with the reports. In the context of this up-date on the Forum, requested by the Editor, references must necessarily be brief and inadequate.

The *Law Working Party* emphasised that the interest of government was necessary to bring about the kind of legislative change the movement as a whole would wish to see. But, equally clear, borne out by the building societies' recent experience, was that the desired results in legislation were best obtained through careful preparation followed by firm, unanimous presentation of 'requirements', with professional assistance at the ready and with the whole process underpinned by organised briefing and lobbying over a wide field.

Among the several areas examined, the Working Party looked in detail at the merits of a new comprehensive Co-operatives Act as against the amendment and extension of the I. and P. Acts. The Forum follow-up is related later in this piece.

The *Taxation Working Party*, after much deliberation, concluded that 'the best interests of all the sectors would be served if it concentrated on the specific area which has long proved a problem in many Co-operative enterprises - the raising and retention of capital'.

The recommendations on the taxation treatment of Co-operative profits are aimed at maximising their retention in the Co-operatives and are measures with many similarities to taxation treatment of Co-operatives in Europe.

This report was approved by the Forum meeting, with the rider that the CDA board be asked to look at it and forward to government any recommendations it thought appropriate.

The *Finance Working Party* chairman, David Railey, at the March Forum meeting asked that in the light of the need to adopt an appropriate strategy when the political climate was opportune, only one recommendation be taken to government, with the support of the CDA, at this stage.

This recommendation related to the expansion of the credit union movement 'which would benefit the more deprived section of the population'. Central government funding to strengthen the administrative infrastructure of the Association of British Credit Unions Ltd was considered to be both justifiable and desirable. Additionally, relaxation of the restrictions on interest and dividend rates and also the membership limits, all laid down in the Credit Union Act 1979, would provide extra stimulus to development.

The *Education, Training and Marketing Working Party* concluded that until there was a centrally funded organisation which could take initiatives for all types of Co-operatives, collaborative action would only be successfully achieved if one specific sector took on the responsibility for organising any joint activity. This viewpoint was endorsed at the March Forum which looked to a centrally funded body as the eventual ideal solution.

Joint activity would include organising an annual conference across all sectors for those involved in Co-operative education and training; organising a management conference for those involved in the practice and teaching of management in Co-operatives; maintaining a register of a video-based training material, as well as developing a register of other types of specialised training material for use by Co-operatives.

Other responsibilities would be establishing links with higher education institutions and feeding in information on Co-operative forms of enterprise; providing literature, including text books, which better cover Co-operative forms of enterprise across all sectors; and establishing a database providing information for buyers and sellers in all types of Co-operative business on a European basis.

## **The Forum and Its Constituents?**

Sadly, by the March Forum meeting few responses to the Working Party reports had been received from constituent organisations. Indeed, returning to the interim Law report, the Forum decided that a schedule of the main options should be drawn up by Keith Brading and re-submitted to constituents by the CDA in the hope of gaining a fuller response which might help determine the form of the final report.

This lack of response reflects the relationship between the Forum and the broad movement. While individuals from the participating organisations have contributed to the Working Parties (though, with disparate views, the going has been hard in some cases) interchange between the Forum and its constituent organisations has never really taken off. And critical to the functioning of the Forum is that constituent organisations determine their views on subjects under investigation, then advising their Forum representatives accordingly.

By its nature, the Inter-Sector Forum is made up of widely varying forms of Co-operatives: consumer, agricultural, fishery, workers productive, housing, credit, insurance, banking, wholesaling, and others. Common ground for in-

depth investigation leading to progressive action is therefore elusive. Yet this is the purpose of the Forum.

Twenty-six representatives, including the secretary, Maurice Wright of the CDA, attended the March meeting. If all who apologised for their absence - 28 - had been there the attendance would have produced a somewhat bulky body to get to grips with policies beamed at the effective functioning of the various sectors.

### **A Future after the CDA?**

Minds are now turning to the future of the Inter-Sector Forum if, indeed, future there is to be in the post-CD A period. Should it continue in its present form? Does the broad movement *wish* it to continue as at present? Would a smaller body consisting of chairmen and chief officials of national organisations be commercially more effective? Should the Working Parties continue? Who should, would, or could provide and fund the Forum secretariat?

Not too much time is left to resolve these questions and also to respond to the current Working Party reports by the next Forum meeting scheduled for October 18.

To return to the White Queen - 'Now *here*, you see, it takes all the running you can do, to keep in the same place. If you want to get somewhere else you must run at least twice as fast as that!'

There is, in fact, no keeping in the same place for Co-operatives: either they develop, or they regress. The running shoes need to be put on now if the inter-sector relationships are to provide a practical stimulus to mutual progress.

### **The Author**

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