



The Co-operative Development Agency is to close, or rather its life is to be brought to a end, to relay the rather curious phrase used by John Cope, Minister of State at the Department of Employment, in making the announcement. This followed an internal management and financial review in 1987 which presented closure as one option.

Little attention was paid to the report but meanwhile the CDA board recommended that the CDA be turned into an agency promoting Employee Share Ownership Schemes (ESOPs). John Cope told the Parliamentary Co-operative Group that this showed that the board believed that there was a minimal role left in the 1990s for the promotion of Co-ops.

The government has announced that it wishes to consult on its decision, which is no more or less than it is obliged to do by the 1984 CDA Act. However, it does appear that its mind is made up. The government has declared that the CDA's work is done! And yet, while there has been rapid growth of worker Co-operatives in the past ten years, more growth is possible with the right support from central government.

### **Life and Death of the CDA**

However predictable this move was by Labour and Co-op politicians, it is nevertheless a blow to the development of worker Co-ops. The Industrial Common Ownership Movement (ICOM) is arguing that the £200,000 a year currently being spent on the CDA should be deployed elsewhere to help Co-ops but this seems an unlikely outcome. The Co-operative Party will be arguing strongly for the retention of the CDA. Failing that, it wants the powers to be retained on the Statute. The CDA's work has only just begun: massive expansion of the Co-op sector is still possible.

### *Tasks - and Tensions*

The CDA was set up in 1978 by the Labour government, to fulfil a manifesto

pledge made in 1974. At the time it was regarded as a modest measure, a useful first step. However, there was some unease about the CDA, mainly related to the lack of democratic control by the Co-operative Movement. There was also concern that many of the senior employees were appointed from the ranks of the Civil Service rather than from the Co-ops. By the time the Agency had geared up to full capacity the Callaghan government had fallen and the Agency faced the dilemma of trying to fulfil objectives which conflicted with Tory government ideology.

Despite this dilemma, explosive and exciting growth of local CDAs was taking place in many parts of the country accompanied by the rapid growth of Co-ops. But to the consternation of many of its supporters, the CDA appeared to distance itself from these developments. It was also at loggerheads with ICOM, the main federal supporting worker Co-ops. This was partly due to the dispute over democratic control. Better links were developed with Job Ownership, a Liberal Party inspired initiative. Meanwhile efforts to make the break-through in company conversions were not successful.

The first major challenge to the CDA came in 1982 when the time came for the Tory government to appoint its first Board. There was relief in the Co-op movement when it became apparent that the perspective of the new Board was not markedly different from that of its predecessor. More significantly a new Director was appointed, a senior manager seconded from Unilever. He was an unlikely but enthusiastic convert to worker Co-ops. From the first these moves looked likely to take the CDA forward. The first objective was to preserve the CDA when it came up for renewal in 1984. Relations with ICOM were improved and the CDA even began talking to the National Network of Local CDAs.

#### *Survival in 1984*

This effort succeeded in retaining the CDA, albeit on a scaled down basis. The 1984 Co-operative Development Agency and Industrial Development Act gave limited support to the CDA for another six years. But it quickly emerged that this was in fact a form of privatisation by the back door. To succeed on the more limited funds available the CDA needed continued financial support in the form of "secondees" paid by their seconding bodies.

Some came from the Co-op movement and those who didn't were willing and able to learn. The main problem apparent with this policy was the continuity of projects. In some cases it seemed that no sooner had the new persons begun producing useful work on projects than it would be time to go back to their employers. As a consequence after 1984 the CDA began to lack direction. As local CDAs faced increasing problems with the abolition of the GLC and

Metropolitan County Councils, the CDA seemed powerless to help. Outside pressures and interest declined and the CDA seemed incapable of lifting itself above its individual initiatives.

It is sad that after all this the Board, with no public debate, should have argued for such a radical change in CDA policy. Let us hope that successful re-action now can salvage something.

### *The Case for Continuation*

There is a clear case to be made for continuation of the CDA. Ten years of experience mean that it is a case in favour of a different sort of Agency. If the Co-operative Party and the other advocates of continuation are not successful most informed opinion agrees it is the beginning of the end for the public funding of Co-op development. To start with, the eighty-five or so local CDAs funded by local Councils or Development Agencies will find themselves badly exposed. Already there are suggestions that the European Social Fund (ESF), currently under scrutiny in Brussels, which has supported local CDAs, will give funding in the 1990's only to projects which are in line with government policy.

The government is putting its resources into the Training and Enterprise Councils which are being formed and are hoping that they get ESF funding. They have already said that they want these Councils to carry out Co-op development work. This will cut off funding from local CDAs. Meanwhile the Local Government and Housing Bill is going to cause problems to local CDAs sponsored by local authorities and set up as Companies limited by guarantee: it forbids Councils from having a controlling interest in companies.

Without their friend at court worker Co-ops and local CDAs have good reason to feel nervous!

### **NNLEDA merges with ICOM**

After nearly three years of discussion and consultation the National Network of Local CDAs (NNLCDA) has merged with ICOM.

The National Network was founded in the late 1970s, just as the first local CDAs were being started, as an information gathering and exchange network. Its main vehicle was its newsletter, *Local CDA News*, which was always informative and useful. As the number of local CDAs increased, the NNLCDA became the focus for bitter arguments over the direction of policy. Many Co-operators thought that such behaviour wasn't especially co-operative and detracted from the organisation. As a consequence the organisation declined

and by late 1987 their Conference could attract only 18 people. All the>NNLCDA activists come from london whereas most local CDAs are based outside London.

Now all but three local CDAs are affiliated to ICOM and with the adoption of new rules by ICOM, they will get three representatives on the ICOM Council. Interestingly, though over half the local CDAs have been going for less than 4 years they now employ over 300 people.

### **ICOF - on Target**

During 1987 Industrial Common Ownership Finance plc (ICOF) carried off a successful share issue to raise money for a new Co-op loan fund. £500,000 was raised and during 1988 a further £38,500 of Co-operative shares have been allotted to people who wanted to invest in ICOF's fund.

Lending to Co-operatives also got off to a good start. The plan is to lend the fund out in three equal annual amounts. This scheme means that by the time the last amount has been lent, the repayments on earlier loans will be coming in to replenish the fund.

During 1988 ten worker Co-ops were lent £157,000. The diversity of ICOF's portfolio is illustrated by four examples of the borrowers:

*Barhaugh Hall* is a Co-operative of five members purchasing a large country house and nine acre grounds in the North Pennines which will trade as a residential study centre and outward bound centre.

*Blackwall Products* is a Co-operative of five members in south east London, manufacturing compost tumblers and seed propagators using mainly recycled material. Their products are bought by leading departmental stores and are also exported to the USA and West Germany.

*KER Plant Hire* is one of ICOF's largest borrowers. It has 35 members and sales turnover in excess of £1 million. They needed extra funding to acquire a skip hire business.

*Northumbrian Energy Workshop* is one of the UK's leading independent consultants in wind technology. They manufacture logging equipment which tests the feasibility of sites for wind turbines. Their customers include government agencies in countries as far afield as the Seychelles and the Peoples' Republic of Mongolia.

(David Ralley, Chief Executive, ICOF, 12-14 Gold Street, Northampton NN1 1RS 0604 37563).

## **Living the Difference**

*Living the Difference* is an exciting and imaginative new film showing the living reality of the housing Co-operative ideal in the United Kingdom, Canada, the USA, Norway, Sweden, Poland and West Germany. The film is idealistic but that is one of its strengths. It is heartening to see people living up to their ideals in a time of world-wide political conservatism with its consequential attack on public housing, and living them so completely and so enthusiastically.

All the ideals of a comfortable life are portrayed vividly; a home of your own, an old chair lovely restored, a garden, a playground that is safe, estates where a new sense of community has been born.

The film tells us that 50 million people live in housing Co-ops world wide and have this control over their own lives. Here is the spur for a UK audience. There is so much still to achieve. Why is the housing market so polarised between owner occupation and rental, especially as, the film reminds us, the vast amount of subsidy goes to those who are already housed? This imbalance just causes problems for those who are not housed.

### *Ideals - and Dilemmas*

The film also looks at some classic Co-operative dilemmas. Size is one such issue examined. Small Co-ops may be in touch with their members, but the Committee has to run the business. If Co-ops are larger they can afford to hire well paid staff, but doesn't this just reduce participation?

Maintenance is a problem which dogs local authority tenants. Calway and Kennishead Co-ops in Glasgow are shown where tenants have found that they now have control of maintenance contracts and get jobs done quicker.

In Sweden, and a number of other European countries, the Right of Occupancy in a housing Co-op can be sold in the market place. Until recently the price was controlled and very long waiting lists occurred. Controls have now been lifted, but the high price has put Co-operative occupancy out of the reach of many.

In all, a provocative and worthwhile 50 minute film.

*Living the Difference* can be hired from David Rodgers, CDS Co-operative Housing, 140 Stockwell Road, LONDON SW99TQ Tel: 01-7373512 for five days - VHS colour video £125; 16mm colour film £50.

## **Building for Co-operative Living**

Lynn Pearson has written an enchanting book describing the philosophy of co-

operative living from an architectural point of view. The book traces the co-operative housekeeping movement of the nineteenth and early twentieth centuries. Co-operation is defined as living together with communal facilities.

Too often co-operative debate focuses on structures and democracy. Here is a book which takes those structures and focuses upon the co-operative activities and life-styles which are facilitated by that framework.

Fifteen co-operative projects are described, where architects and social reformers attempted to create a built environment which facilitated co-operative living. The aim was to liberate the woman from the drudgery of house work.

This activity had its influence on the development of communal canteens during the second world war and launderettes afterwards. But the book fails to notice that development of the idea continued within the housing Co-operative movement, most noticeably by John Hands and Student Co-operative Dwellings.

The Architectural and Social History of Co-operative Living by Lynn F Pearson. MacMillan Press. £35 hardback.

### **1992 and Co-operative Societies**

Slowly attention is turning towards the prospect of 1992 and what a Single European Market means to the United Kingdom. Britain is, however, lagging behind the other EEC nations in preparing for the removal of all trade barriers. From 1 January 1993 all goods, services, people and capital must be allowed free movement and things like tax rates, safety standards and health and veterinary legislation must be harmonised.

Euro-Coop, the European voice of the retail Co-operative movement, has made a study of the prospects for Co-operative retailing. It includes the following suggestions:

- 1 Co-ops must engage in renewal of membership. Gaining new members will strengthen consumer Co-operatives.
- 2 Co-op shops must be modern, have friendly service and be ahead in quality and price.
- 3 National Co-operative movements will only survive if they are more strongly integrated.

- 4 Greater flexibility in the market is necessary.
- 5 Decision making must be speeded up.
- 6 International co-operation between Co-operatives must be increased.

Commenting on the report at a meeting of the Friends of the Co-operative Ideal in the House of Commons, Albrecht Schone, the General Secretary of Euro-Coop said: "We have to admit that British consumer Co-operatives, like most of those on the continent, have too small a profitability and therefore weak capitalization. In Great Britain, turnover profit would have to be doubled from its present 2.5% in order to be able to effect the necessary investment, which has been declining for years.

"The discussions of a merger of CRS and CWS are good, but they must have a positive outcome quickly, so they know how to proceed." He went on: "Only strongly integrated enterprises will have a future in the Single European Market."

For further information: Albrecht Schone, Euro-Coop, Rue Archimede 17A - Bte no. 2, B 1040 Bruxelles, Belgium.

### **Sunday Trading**

In February a 'Super-Poll' of 7000 people conducted by MORI, NOP, Marplan, and Gallup is said to have revealed 63% of people wanted other shops to open beyond those currently able to do so.

Dr Michael Schluter, Director of Keep Sunday Special said:

"Nobody disputes that the 1950 Shops Act needs reform. It is misleading to claim that this poll supports draconian and sweeping deregulation. As a superficial snap-shot of people's preferences it does not reveal anything of real significance. It is time that the Shopping Hours Reform Council commissioned polls which start asking honest questions."

Dr. Schluter went on:

"When the public are asked to consider the implications of Sunday trading, they give very revealing results. The Institute of Fiscal Studies forecast that Sunday trading would lead to higher prices. When asked by the Oxford Street Traders Association in 1983 'Would you like seven-day trading if this meant higher prices?', 80% of respondents said 'No'. The Co-op asked its customers

in 1985 if they liked the streets to be quiet one day a week, 75% agreed they did; Harris Polls in 1986 asked 'Should Sunday shop-working be kept to a minimum?' and 70% said they believed it should. The same poll revealed that just 5% of respondents said they were 'inconvenienced a lot' by shops being closed on Sundays.

"Taken together, opinion polls seem merely to confirm that the wishes and wants of the public are mutually incompatible. It is time people were asked to choose between Sunday shopping and the kind of quiet and recreational Sunday they have at the moment. You cannot have your cake and eat it."

### **Co-ops Project for London Schools and Clubs**

Young people in schools and clubs in the greater London area are being invited to take part in a summer curriculum project designed to teach them, in practical terms, how a worker Co-op is structured and how it operates. The project is being jointly sponsored by the Co-operative Movement, the Co-operative Bank, CRS and the CRS Home Counties Education Committee, Thames TV's Help! programme and the Thames Telethon appeal.

The school Co-ops will be encouraged to make products such as jewellery or soft toys, or provide services such as desk-top publishing, window box planting, or entertainment for senior citizens. The school will decide on its own activity. By running a Co-operative, the pupils will learn about market research, design and production, selling and taking care of the finances and all of this will be done as a group, working together democratically in a true Co-operative fashion.

A Teen Co-op could be cross-curricular or developed within a single subject, e.g. business studies or food studies. It could also form a module in a Personal and Social Development programme; or "Co-operation" could form a theme to be applied across the whole curriculum.

Co-operative projects undertaken by schools will be assessed by a panel of advisers from the sponsoring organisations and a selection will be invited to take part in a Teen Co-operative Trade Fair to be held in London in the summer. A number will be featured on the Help! programme later in the year.

Schools applying to take part are being given a teaching pack on how to start a school Co-operative, a 'trigger' video, visits from experts in Co-operative education and advice on where to get money to finance their project. Each school Co-op will be allocated its own adviser to help both staff and students.

Teachers and advisers wanting to know more about the project were given the opportunity to attend one of two training days.

Further information from: "Teen Co-ops", Member Relations Department, Co-operative Retail Services Ltd., 78-102 The Broadway, Stratford, London, E15 1NL. Tel: 01-534 4201 Ext. 267.

### **The Author**

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