

A Single National Federation?

Co-operative Integration - Questions and Issues

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The aim of this paper is to raise a number of fundamental questions relating to the possible integration of the C.U. and the C.W.S. into a single national federation. The intention is not to provide an argument for or against integration, it is essentially exploratory.

The questions that need examination include:-

1. What would be the primary tasks of a single national federation?
2. Where, in the Movement, are these tasks being performed, if at all, at the present time? Why should their location be changed?
3. Given these tasks, are there alternative structures for performing them effectively without the establishment of a single national federation?
4. What would be the consequences of establishing a single national federation, or of reorganising the existing national organisations?

At the outset it should be made clear that the debate on the establishment of a single national federation raises fundamental issues about the balance of forces within the Co-operative Movement, especially between the social and business wings. It is not

sufficient to think in terms of restructuring the Movement without thinking about the underlying values and attitudes within it. What is evident is that if a single national federation was to be formed, its structure would reflect the emphasis to be placed on the business and social values of the Movement and would be crucial in determining its future nature.

More widely, the terms in which the integration is discussed and the manner in which, if it is accepted, it is brought about, will have a far-reaching impact on moves to integration in other sectors of the Movement.

Tasks of the single national federation.

It is not my intention to deal in detail with all the questions raised but rather to provide a possible framework for further discussion.

The starting point must be the question, what should be the primary tasks of a single national federation?

First, it might be argued that a primary task of such an organisation would be to provide a single centre from which would emerge national policies and programmes that had been democratically determined, and which would have all the resources of the Movement behind them. At the present time there are two national centres which develop national policies; there is the traditional division between the policy making and the general advisory services of the Co-operative Union on one hand, and the production and wholesaling activities of the Co-operative Wholesale Society on the other. To argue for a merging of these two centres for the purposes of policy making is to imply that the present arrangements are no longer appropriate. Why is this so? The answer would seem

to lie in the need for a united approach to national problems; for national planning of resources and action and for adequate consultation between the retail societies and the new national federation. It might further be held that at the present time the two national bodies make and implement national policy but find it difficult to achieve co-ordination.

This answer, however, needs further examination. It is true that both bodies are presently engaged in making national policy, but the question is, whether they are making policy in the same areas and whether the two areas of policy have implications the one for the other. Often the matters of policy under discussion are very different, but clearly there are areas where there is substantial overlap and where there is obvious need for some form of co-ordination to ensure that there is a national point of view. Whether a single national federation is necessary to achieve a unified national policy is a necessary point of discussion. There needs to be some consideration of the extent to which the national policy does impinge on the operational areas of the two bodies and whether it is possible to devise some mechanisms for achieving a single national policy, without establishing a single national federation.

Second, it can be argued that bringing the two national bodies together would improve the effectiveness and efficiency with which their present tasks are performed. Some of the activities which are at present split somewhat uncomfortably between the two bodies could be brought together and this would lead, hopefully, to a more efficient use of resources. Activities such as education and training, economic planning and research could be brought together with synergistic effects, i.e., the new body would be more effective than the sum of the two parts.

In addition there would be increased efficiency because the problems of achieving co-ordination would be removed. In the present arrangements there is always the possibility of delay and of inadequate consultation and it could be claimed that a single national federation would obviate these difficulties. Basically, it is assumed that the present arrangements are cumbersome and that the democratic process could be streamlined for greater effectiveness.

Thus emerges another main task for the single national federation, that of providing efficiently those activities which will enable the Movement to operate efficiently and effectively, as a social movement and as an economic organisation. The range of activities to be undertaken by the single national federation would be decided through the regular interchange of ideas between the retail societies and the national federation.

Third, another, primary task of the new organisation would be to plan for the future of the Movement in the light of social and economic change, the assumption being made that it is no longer possible for the two present organisations, but particularly the Co-operative Union, to undertake this activity on their own.

In relation to these last two tasks, it is necessary to ask whether a single national federation is the only answer. Is it not possible that a restructuring of activities could be achieved through a reorganisation of the existing bodies? Is it not possible that the effectiveness of the Co-operative Union could be increased if retail societies and the C.W.S. provided more resources? The difficulty for the Union would seem to arise in part from the ambivalence of retail societies towards it. On the one hand there is the cry from some that the Union should

give a lead, on the other hand when it does try there is a tendency for societies to fall back on local autonomy and reject Union leadership.

Given this ambivalence, there is the possibility that some would be ready to see the Union disappear as a separate body without them having fully considered the implications. The consequences of this would be the loss of an organisation which stands for retail society viewpoints and which provides a measure of countervailing power within the Movement. The existence of the C.W.S. and the C.U. provides two focal points and their existence might well be regarded as a guarantee of the special character of the Movement.

Fourth, it might be argued that the existence of two national bodies means the existence of divided loyalties and that a major task of the single national federation would be that of developing and maintaining loyalty to co-operative ideals and practice. The single structure would be seen as contributing to the development of a sense of common purpose in the Movement. Whether this would happen would depend upon the balance of values expressed in the new structure and upon the way in which it was operated.

Subsequent issues.

Given these tasks of the new federation and their translation into operations, a number of issues need to be considered in the light of the questions posed at the beginning.

First, the idea of a single national federation is not new and it is worth recalling Webb's views of this matter for they raise an issue of central importance to the discussion. Webb argued for the principle of parallelism of federation which he contended could only operate if there is a recognition that the work to be

done by the federal institutions of the Movement is not one job, but distinctly two and that neither side can properly be subordinated to the other. He went on to hold that the Boards of the Wholesale Societies (he was writing when there were two Wholesale Societies) are "absorbed in the affairs of the market place and could not conveniently undertake the educational and propagandist work that is vital to the Movement".

On this basis Webb argued for the maintenance of two distinct and parallel federations, one for the business transactions and the other for the educational and propagandist work. These two federal organisations would have to be recognised in theory and practice as independent of each other, co-equal in status and importance, and uniting on equal terms in joint committees for the management of joint departments. He rejected the view that the Co-operative Union should be the 'premier body' as it was clear to him that the C.W.S. wielded immeasurably the greater power and influence. Clearly since he wrote in 1923 there have been significant changes in the situation and one does not have to accept his structural position, but one point he makes does remain valid and that is that the two national bodies do undertake very different types of activity and because of this a basic question in any integration must be, how are these very different values and attitudes to be reconciled in a single national federation?

Second, but related to the first issue, there is the problem of democracy and efficiency. It is not to be assumed that democracy cannot be efficient, it is, however, argued that different parts of the Movement see democracy and efficiency from different standpoints and with differing emphases. These differences are important in any attempt to achieve a democratically controlled economic/social organisation. Some of the argument against the present arrangement of two national

bodies is that it is unwieldy and that the joint committee structure does not always produce co-ordinated national policies. To overcome this problem it could be argued that there is a need to streamline the democratic process to cope with the rapidly occurring economic and social changes in the wider community. At the same time it is recognised that a basic requirement of any new national organisation would be that of maintaining democratic control. Here, indeed, is a dilemma of the democratic process, that of ensuring adequate discussion and consultation while adapting effectively to change. This issue of democracy and change needs to be treated with caution; first, the number of occasions when immediate decisions are required are relatively limited, second, if democracy is accepted as an integral part of co-operation then it must be recognised that it is of the nature of involved democracy to be time-consuming and discursive. It is this aspect of democracy that some people, whose values are efficiency-oriented, find frustrating and wish to streamline. However, it is conceivable that these people have a mistaken view of efficiency and that their use of private enterprise decision-making as a yardstick is unfortunate. The basic problems of democratic control are not so much matters of time as of the quality of democratic discussion. In other words, the success of the democratic structure will depend upon the quality of those who participate and the extent to which they feel committed.

Third, the development of a single national federation might further contribute to a decline in democratic interest and involvement. It could raise fears that the political and educational aspects of the Movement would decline and that economic values would dominate the new organisation. The single federation could feed the fear that the Movement would be dominated by business values with the consequence that the existing democratic structures, supported and administered by the

Union, would be attenuated and that small and medium societies would find it difficult to obtain a forum for their views. These fears may be groundless but where they exist they are real for the people who hold them, and this will influence their attitude to a single national federation and to participation in its affairs. It could be a case of a self-fulfilling prophecy; people think the new organisation is in some sense undemocratic; they do not participate and in consequence it becomes undemocratic.

Fourth, it is possible that on the question of the location of tasks, some of the problems that it is hoped may be resolved by placing them in a single national federation, could be overcome without establishing such a body.

- A greater clarification of the objectives and tasks of the present national bodies could make a contribution to clarifying some of the present overlaps.

- There could be a re-distribution of some of the functions of the existing bodies with a parallel re-distribution of resources.

- Joint committees could be more effective if the roles of the parent bodies were clarified and if members of the committees could be more certain of which hat they should wear in different committees.

- The case for establishing joint departments could be examined. This type of development would not be easy but it could be explored.

Structural questions.

If the Movement decided, after weighing the benefits and losses of a single national federation, that such a body should be established, it would be necessary

to see that the structure developed for the federation reflected the multi-purpose nature of the Co-operative Movement and ensured an effective and realistic balance between its economic, political and social aspects. The choice of structure would be crucial in that it would indicate the values that are to be uppermost in the new organisation. On the question of structure the Movement has some choice but what has to be recognised by all parties is that all the present structures would need modification, there could be no straight addition of one body to another. It has also to be recognised that the relationship of retail societies to a new national federation would be subject to change.

Some possible structures for the single national federation are as follows:-

First, there could be a merger of the two national bodies in which there was some re-distribution of function and the establishment of a department to deal with those functions which especially relate to the educational, social and political facets of the Movement. The problem in this structure would be ensure that this department and the values for which it stood are seen as influential throughout the whole organisation. To ensure its general acceptance, those at the head of such a department would have to be represented on the general management team and on the committees which dealt with economic matters. It would also be necessary for the Board structure to be so designed that those who were primarily interested in 'Union' affairs were well represented and that there was an effective democratic support system external to the federation. It would mean that lay representation would have to be strong at the Board level if any semblance of representative democracy was to be maintained. These organisational arrangements would not remove some of the tensions that already arise out of

conflicting values. The heads of the 'Union' department would have to represent the social values and stress the non-trading values to the trading management and this would not be easy when the main thrust of the single national federation would be concerned with economic and trading matters. Similarly the lay representatives on the Board could be expected to bring a wide interest in social as well as economic values to the Board and this could create a measure of tension between the trading management and an effective lay Board. The divisions within the present structure of the Movement would not be removed, they would simply move within the single organisation.

If the 'Union' department was to be seen to be important within the single federation it would have to be provided with resources which would enable it to develop its functions on a substantial scale.

Second, there could be a federal structure in which the Co-operative Union would be federated in to a national federation and would be given a visible and viable measure of autonomy. Clearly tied with this federal arrangement would be the question of overall supervision and especially the composition of the federal Board. A crucial area of decision would be the financing of such a federal structure.

Third, which is an extension of the second, a new-styled organisation could be envisaged in which there was an extended federal structure, or rather a divisional structure, where a division could deal with 'Union' matters and other divisions could deal with specific functions of the C.W.S. These divisions would have a degree of autonomy lacking to the C.W.S. part of the federation envisaged under the second possibility. All these divisions would be responsible to an overall Board with a general management group performing a co-ordinating function for the separate divisions.

Each of these three alternatives needs much more development but they represent three possible structures and highlight some of the problems that have to be faced.

It can be argued that effective democracy will only be maintained by the development of effective pluralism within the Movement, either through the maintenance of the present separate national bodies or through a single federated national organisation. If these possibilities are rejected, there will have to be built-in mechanisms in the single unitary national organisation (a total merger of the existing national bodies) to maintain democracy and the democratic values that are regarded as the distinguishing feature of the Movement. This will not be easy to maintain in the unitary organisation, given the essential emphasis that would be placed on business matters.

It is assumed that as a result of the establishment of a single national federation there will be prompt and unified approaches to national problems. It has to be repeated that this is by no means assured when there are different values operating within the new organisation. In other words many of the problems that now exist in the fragmented structure of the Movement will simply be transferred within the new organisation. These problems will only be got rid of if one set of values, that is, those of business and efficiency, become so dominant that in effect all other values will be wholly subservient. If this should occur then the end product will be a different type of Co-operative Movement. If this dominance does not occur, if some balance is achieved between the differing values, then conflict will inevitably occur within the national organisation. To believe that the establishment of a single national federation will bring about a united Movement, is to fail to take into account questions of power and of values within the Movement or within any organisation seeking to combine differing

values. The ideology which unites the Movement is often weaker than the issues that divide it, and one thing certain is that, in any democratic society, democracy cannot be easily structured and planned and conflict-free. Indeed conflict is a necessary fact of; democratic life and is not to be deplored, it can be constructive.

Conclusion.

Earlier I said that a fundamental question, arising out of the discussion of the structure of a single national federation, is that involving the problem of achieving efficiency while maintaining democratic control. As remarked earlier, it is not impossible to bring the two together, but it requires changes of attitude of considerable magnitude. What can be said with certainty is that a single national federation will bring some of the gains claimed for it and will effectively perform some of the tasks required of it, but it will not achieve everything and it will not always be as efficient as hoped for. No organisation or structure is perfect and the Movement will have to choose between differing degrees of imperfection. It would be a great mistake for the Movement to think that it is choosing between an imperfect system and a perfect one, or indeed that the choice will finally determine the economic effectiveness of the Movement. It will also be necessary to consider whether integration at this time is sound; integration of any form will create some major disturbances and the Movement will have to decide whether these will divert attention from the basic questions of Co-operative survival. What we can be sure about is that the decision on integration will shape the future nature of the Movement for many years to come.