



McFarlane on Co-operatives

Richard Macfarlane is the author of all three items for review in this issue.

The first is entitled **"Financial Planning and Control: a practical guide"**, (1986). Published by ICOM, price £4.95 for 128 pages, the book is intended for people working in small Co-operatives, community businesses and related support agencies. It is practical in approach and makes no assumptions about prior knowledge. Indeed the initial examples centre on household budgets simply in order to use material equally accessible to all readers. Wages calculations, a basic business budget, and cost estimation follow in quick succession. It soon becomes apparent that taxation in various forms, not to mention National Insurance, represents a growing burden on small Co-operative businesses when they increase their membership, turnover, and investment in premises, transport, etc.

The principal sections of the book are concerned with budgets and cash flow projections, obtaining finance, keeping records, preparing statements and an introduction to tax. This last brief section is inevitably superficial and the final sentence of the book refers the reader to five official guides from four different Government Offices. The volume of detailed information contained therein would no doubt test the seriousness of the most committed Co-operator, or curb the impatience of the greediest capitalist.

MacFarlane's contribution is a model of brevity and plain English. Although the material is appropriate for any small business operator, there are some useful guides directed chiefly at Co-operatives. For example we are warned of the danger that financial statements may emphasise divisions between office staff and "other members". he recommends that a financial

sub-group drawn from all sections of a Co-operative should develop a special knowledge of the relevant records and statements in order to spread trust through the organisation. The Appendices include a list, now already out-of-date, of local CDA's.

"Politics, Race and Co-operative Development: A Case Study of Brent CDA" engages McFarlane's talents across a wider front. Fortunately he is a sociologist as well as the owner of ten years' experience as a management accountant. Moreover, he worked for the CDA in question and so writes from the perspective of a "participant actor/observer".

The case study is Number 7 in the Open University/Co-operatives Research Unit series. Scattered throughout its 62 pages are candid criticisms of Brent CDA, some of which will make readers wince. For example:

- there were no successful trading Co-operatives established with young black people.
- Brent CDA did no significant amount of work with women's movement organisations
- the staff of the CDA failed to win the confidence of the Trades Council leadership or members
- an important split opened up between some staff and their Management Committee
- the staff collective did not work well.

Organisational and procedural remedies for some of the problems experienced at Brent CDA are suggested by the author. The internal issues revolve around the problems of commitment and change. On the one hand it is necessary to appoint people with experience of, and dedication to, their client groups. On the other hand a CDA needs flexibility in a rapidly changing environment. Consequently McFarlane suggests the appointment of staff on limited term contracts (perhaps two years). He also emphasises the importance of training for staff **and** the management committee, and the appointment of trainee staff who have their roots in local marginalised groups.

The Case Study concludes with more questions than answers: some of these begin to probe the degree to which Co-operatives and CDA's are

relevant to the problems facing inner cities. A close reading of this case study will leave the reader a sadder, wiser person.

"Collective Management Under Growth: A Case Study of Suma Wholefoods" tells, in some respects, a happier and healthier story. Again a product of McFarlane's authorship, the 109 page report is Number 8 in the Open University/CRU series.

As most readers already know SUMA undertakes the bulk buying of wholefoods on the commodity markets, from food processors or from other wholesalers. These purchases are stored in a warehouse and distributed to the customers which are predominately retail outlets. There are well over a thousand such customers. SUMA's members are its workers, and the turnover of the business is about £4 million.

The importance of this case study is that it demonstrates the strengths and limitations of an organisation which attempts to avoid hierarchy and to manage collectively. There are so few such examples in our society that their achievements merit a close analysis. Members of SUMA are expected to work long hours for no extra cash, but their rates of pay are, according to McFarlane, almost double Wage Council rates for certain categories of worker. Against this, many people in SUMA tackle a range of tasks broader than that in comparable capitalist concerns. Even in SUMA the mechanisms and problems of control are disliked, whereas "personal task control" and relationships with co-workers are the most frequently mentioned satisfactions.

McFarlane suggests that SUMA was "perhaps" institutionally sexist because it did not structure its operations in a way which enabled the active involvement of mothers. This is an important test, and it will be interesting to see if in future the collective wisdom of SUMA members is equal to the challenge.

Both the Brent CDA and SUMA Case Studies are written in a thorough and down-to-earth style. They have much in common with business consultancy reports. Functional improvements to the organisations concerned are proposed.

The author does not shrink from conflict identification and criticism of the organisations under investigation. There is scope, however, for further work in terms of theory-testing and content of a contemporary cultural kind.

Note of the Author

DR JONATHAN HILL is Director of Studies at the Co-operative College.