

NEWSLETTER

This first item deals not with the 'seven year itch' but with the 'five year jitters'.

In the last Newsletter we noted the effect of legislation on housing Co-operatives. On this occasion let us look at two other examples which affect industrial and service Co-operatives. Two important acts were passed in the 1970's. One was the Industrial and Common Ownership Act of 1976. It had two main provisions. One was the setting up of a loan fund for workers' Co-operatives. It was to be administered by the Industrial Common Ownership Finance Ltd., which began life as the financial arm of the Industrial Common Ownership Movement and was originally financed by existing industrial Co-operatives such as Scott Bader Ltd. The other main provision of the 1976 Act was to make grants to organisations involved in developing industrial and service Co-operatives. Two bodies received such grants. They were the Industrial Common Ownership Movement and the Scottish Co-operatives' Development Committee. The Act was set to operate for five years which means that its provisions could have been renewed this year. The government has, however, decided against doing this and the repercussions on ICOM, ICOF Ltd., and SCDC could be sombre.

The second important Act was that which established the Co-operative Development Agency. This was passed in 1978 and also provided for five years' operation but the initial funding was for only three years. Ever since the present government came into power in 1979, payment of a second tranche of money allowed for in the

CDA Act has been in doubt. If Parliament does not vote it, the Agency will close in the coming August.

At the time of writing we do not know whether the Agency will receive the second tranche or not. This uncertainty and that surrounding the future of other organisations involved in Co-operative development illustrates once again the influence which legislation can have on the movement.

### Relations among Co-operatives?

Despite this, however, new Co-operatives are coming into being at what continues to be a most encouraging rate. And with them come a number of questions. What will be their relations to each other? Will they learn from Co-operative history the desirability of establishing secondary societies? Will trading links be developed between different kinds of Co-operatives? And, of course, there is the question of their relationship with existing federal bodies such as the Co-operative Union. In that connection how encouraging it is to learn that the Credit Union League of Great Britain has applied for membership of the Union. As far as industrial and service Co-operatives are concerned, the Union has taken into membership the remaining societies of the Co-operative Productive Federation as well as a few of the more recent Co-operatives. The role of the Union's proposed productive board could be significant but the interesting time will come when industrial and service Co-operatives enter into debates at the Union's Congress.

### Co-operative Housing

It may be recalled that the last Labour Government set up the Co-operative Housing Agency -

and also abolished it after three years. Its functions were absorbed into the Housing Corporation but, with the announcement that the Corporation has to reduce its staff by 20%, there must be some doubt about how many of those functions will survive. We understand that positions in the Co-operative Services Unit of the Corporation are among those to go, as are those of various Co-operative officers in its regions.

Such news is likely to give greater urgency to the idea of a National Federation for Housing Co-operatives which was reported in an earlier Newsletter. A steering committee, set up to look into the need for such a body, has produced a discussion paper. This has been circulated to housing Co-operatives in England and Wales and they have been invited to submit their views on these and also resolutions for a 'Founding Conference' which is to be held on 20th June.

The steering committee's discussion paper traces the rapid decline in Housing Corporation support for funding housing Co-operatives and argues that Co-ops need to campaign much more effectively for public support.

#### Aims for a Federation?

It suggests that the aims and objectives of a National Federation should be:

- to be an effective pressure group representing Co-op. interests to the Department of the Environment and the Housing Corporation and in creating an effective Parliamentary lobby
- to promote an information and news service to Co-operatives so as to alert them to

Government policies and actions which might affect them

- to provide an advisory service for new and existing groups, possibly in conjunction with a growing number of secondary housing associations
- to promote a Code of Conduct for fully mutual housing Co-operatives (mentioned in the last newsletter)
- to prepare a Co-operative Housing Bill to replace the existing 'mish-mash' of legislation governing Co-operatives and to put them on a separate legal and financial basis from housing associations
- to form links with other types of Co-operatives
- to promote the formation of more secondary Co-operatives
- to promote the formation of local federations of Co-operatives
- to promote new sets of model rules.

Members of the Society will watch these developments with great interest. What is particularly encouraging is the way that housing Co-operatives, like consumer Co-operatives before them, have appreciated the value of secondary societies; and also their recognition of the desirability of developing links with other kinds of Co-operative. These will obviously take a number of forms but it is heartening to see that a number of housing Co-operatives are already thinking about creating jobs for their members by

forming workers' Co-operatives or in providing premises for industrial or service Co-operatives. There are examples of such help in Liverpool, Cardiff and London. Links, and particularly trading links, between Co-operatives and the federation of societies are ways in which co-operatives can strengthen their own sector and achieve greater independence from the state, and the provisions it might make to help co-operatives.

### Co-operative Education

Members of the Society for Co-operative Studies will be pleased to hear of a new Certificate in Co-operative Studies. It will be awarded by the New University of Ulster and the course leading to the Certificate will be offered at the University in Coleraine and at the College of Business Studies, Belfast this coming autumn. We understand that the demand for the course is such that it might also be offered at other centres in Northern Ireland. The certificate course is designed for Co-operative managers and directors. To enable them to combine their studies with their work, the course will be on a part-time basis.

In the proposal to establish the Certificate course the following interesting figures were given. In 1978 there were 52 agricultural Co-operatives (in Northern Ireland) with over 25,000 members. Combined turnover was in excess of £55 millions. The two consumer Co-operatives had a membership of 133,000 and sales of £30 millions. In the same year there were just under a hundred credit Co-operatives, with 90,000 members, and a total shareholding of just over £18 millions. A small but growing number of industrial Co-operatives were also in exist-

ence, as well as some miscellaneous societies.

And there will also be interest in the new Policy Studies Course which the Co-operative College is offering at Stanford Hall from January 1982. More of that later, we hope.

### Mondragon Saga

In 1979 the delegation of enquiry from the Royal Arsenal Society to Mondragon included Society member Mrs. Sue Watson, who opened the Metropolitan and Southern Region's programme last autumn by speaking about the Basque Co-operatives and illustrated her talk with slides. She was also among the 150 who attended a CDA meeting at the House of Commons which showed the Horizon film on Mondragon. This attracted an unusually high audience when it was first shown last November and the BBC have had many enquiries about its availability through purchase or hire. Moreover, a good number of further education colleges taped the programme and it is now being used in various classes.

Sue Watson was also at a seminar on Mondragon organised by the Co-operatives Research Unit at the Open University in March when one of the speakers was another Society member, Alan Oberman. Education Officer with RACS. The venue for that seminar had to be changed from a tutorial room to a lecture theatre when it was realised that around seventy-five people would be attending. On top of everything else that can be said about Mondragon, it must be admitted that it is a crowd puller.

Part of the interest in the Open University seminar was hearing of the plans the Welsh TUC have to try and create a Welsh version of Mondragon. Truly, the Co-operative scene has not been so interesting as it now is for decades.

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Note on the Author

Rita Rhodes is Education/Liaison Officer of the Co-operative Development Agency. Has been student of the Co-operative College, lecturer in Industrial Relations in further education and Education Officer of the Scottish Section of the Co-operative Union.