

CO-OPERATIVES RESEARCH - BODY OR SPIRIT?

by

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There appears to be a considerable and growing body of research into Co-operative organisations in Great Britain. The Open University's Co-operatives Research Unit (CRU) research directory¹ lists 45 individuals with an active research interest. Doubtless there are many others, particularly in Ireland, not yet listed. The range of organisations is considerable; quite a number of universities, several promotional organisations, other research bodies, the occasional business school and a miscellany of other bases.

A closer examination reveals a less rosy picture. Most researchers are new to the field; those who have been involved for even a few years are rare, although doubtless there are some researchers interested in consumer Co-operatives who have been involved much longer but are not included in CRU's directory. Only a third are involved in full-time Co-operative research. Of these over half are students. At least 40 publications have surfaced in the last year on Co-operatives but many of these have been descriptive or prescriptive. Few have satisfied the basic qualifications for genuine research - i.e. a rigorous analysis of evidence collected in a planned and

directed attempt to explore or subject to testing explicit hypotheses and/or theories.

There is no strong research corpus. This is true whether one thinks in terms of theoretical framework, methodology, well-evidenced findings or research institutions. Colleagues who have been to other non-communist countries suggest that much the same is so elsewhere, but it does mean that any attempt to review Co-operative research will take on the appearance of a list.

Focus of Research

At the moment most research interest is focussed on workers' Co-operatives. These are one of the growth areas in the Co-operative movement, although fewer than 5,000 members belong to them. One or two people have investigated housing Co-operatives, usually as a means of studying the formation and development of groups. A lot of work has been carried out on agricultural Co-operatives, primarily to develop better operational practices. Professor Banks and R. J. Mears of Leicester University are researching democratic participation in modern retail Co-operatives but on the whole the lessons learnt from the traditional movement are not being applied to the new branches of Co-operation. With the possible exception of Anna Whyatt's work based on the Federation of Northern Wholefood Co-operatives one area not much researched so far has been that of the 'alternative' Co-operatives and communes. More work has been done on these in the States (e.g. by Joyce Rothschild-Witt) where the alternative movement seems to have generated more experience.

Background on Researchers

Two thirds of British researchers are based in universities and colleges. The next largest group are employed in Co-operative promotional and training organisations. Quite a few of those involved in emergent Co-operatives have come from a community work background. Only a very few researchers write from this angle, however. There are occasional specialists in law and accounting and a handful of economists, including Martin Lockett (Imperial College) and Saul Estrin (Southampton University) who together are conducting an econometric analysis of United Kingdom workers' Co-operatives. Predominantly, however, researchers seem to approach the Co-operatives from the backgrounds of sociology and related studies, management and organisation theory, or political and economic history.

Orientation

A large proportion of researchers appear, themselves, to support Co-operatives and address themselves not so much to an objective analysis of their strengths and weaknesses but more to the discovery of ways to make them work 'better'. Others, including most members of the Open University Co-operatives Research Unit, (CRU), see Co-operatives as a significant and interesting organisational model from which much can be learnt about how organisations of all types function and how unemployment, alienation and other basic issues in modern industrial society might be tackled. A third group appear interested more in the nature of the social and political structure of our society as a whole. They concentrate on the potential of Co-operatives to

introduce macro change, or the restrictions imposed on Co-operatives by wider social forces.

Methodology

There are three main identifiable methodologies. At one end of the continuum there is 'pure' research. This takes two forms - book research and directed fieldwork which seems very much on the increase. This style of research seems the most common, but one of the biggest problems is gaining access to Co-operatives, particularly workers' Co-operatives. The number of them big enough, old enough and stable enough to accommodate researchers is still small and some of these are getting weary of the 'goldfish bowl' syndrome. At the other extreme is lower level research, aimed at improving operational practices and techniques of all kinds. A few years ago research was mostly of this type. In the middle is the elusive and difficult area of action-research. To my knowledge only Mike Fitter of the Medical Research Council in Leeds and most members of CRU subscribe to this style. What exactly it is has been the subject of whole books, but it involves a dynamic combination of active intervention and planned monitoring of changes. The difficulty, of course, is both conceptually and experimentally to disentangle the two. Research interest centres both on the consequences of changes introduced wittingly and unwittingly by the researcher, and on the effect of his-her specific style and techniques of intervention.

Findings to Date

What have been the tangible results of all this effort? So far, very little. Most research

has only recently started. Although many interesting reports appear to be on the way, there are only a few seminal works available at present. Whilst listing those which I see as significant, I am obviously being very subjective and am restricted to my own readings. I apologise to the authors of any works omitted.

Vanek's work² on the micro-economics of workers' Co-operatives, although not based on work in Britain is still influential and has prompted several attempts to test his basic hypothesis, that workers in conventionally structured Co-operatives behave like economic men to maximise personal incomes. As a consequence, they are neither optimally efficient as business units, nor grow as large as would a conventionally owned firm. Derek Jones³ has pursued this a little and has also produced an important analysis of the socio-economic performance of producer Co-operatives over time in both Britain and other industrialised western economies. One of his basic findings is that producer Co-operatives survive at least as well as conventionally owned businesses in the same industries. With so many new Co-operatives starting there is desperate need to follow this up with a survey of new Co-operatives to compare their survival rate in the first five years of life with that for conventional new businesses (estimated to be a mere 20%).

I am bound to include the works of several CRU members. Martin Lockett's research review⁴ synthesises the reported evidence from several researchers and CRU's own work into a number of different co-operatives during the last few years.

His main conclusions are that:-

- a) Worker satisfaction does not appear to be any higher as a consequence of participation in Co-operatives than it is in conventional businesses (a conclusion based on the Work Research Unit sponsored work of Lockett and Paton into two Midlands Co-operatives); however, it does seem that this is partly a consequence of higher expectations among Co-operative members and suggests that a much more sophisticated conceptualisation of worker satisfaction will be required in the future.
- b) Although Co-operative structures may increase the resources used in decision making, they may also increase organisational 'slack' through increased normative involvement which can lead to easier implementation of decisions or greater acceptance of reduced material benefits.
- c) The Co-operative structure is a necessary but not sufficient condition for democratisation - for there must also be a motivation to democratise. More particularly, democratisation is much more likely in small 'constructive' Co-operatives, where members are prepared to accept material rewards below market rates, than in defensive Co-operatives where reduced wages are usually imposed by market forces rather than chosen voluntarily, or in paternalistic Co-operatives (where there is usually little pressure for democratisation from the majority of the workers).

Lockett and Paton⁵ have also contributed a very useful conceptual framework for analysing decision making and the appropriate mechanisms for it in co-operatives. Relying essentially on five basic criteria (the importance of the issue to the Co-operative's long term future; its urgency; its complexity; whether it involves all members directly; and whether they are interested in it) it has been followed up by Thomas and Chaplin who applied it with a middle sized Co-operative in the Midlands. On a conceptual level, Carol Pateman's⁶ general work on democracy and the relatively unknown thesis by Mike Hill at Sussex University are other significant sources.

Jenny Thornley⁷ of the Centre for Environmental Studies has used a totally different approach. From a comparative survey of Co-operative movements in France, Italy and Britain she has identified common issues, both in problems faced by individual Co-operatives and in the economic role being played by the Co-operative movements. This is a rich vein which deserves to be mined much more. There is translated work available on Yugoslav Co-operatives and an increasing amount of published research coming from the States. Nor, obviously, should one exclude the classic work of G. H. D. Cole⁸ and other more recent historians of the traditional Co-operative movement. Nevertheless, the corpus of published research appears weak. This seems odd since the world Co-operative movement started in Britain and Co-operatives offer so much to the researcher. They provide new and different configurations of organisational objectives, new boundary problems for organisations, new conflicts between internal and external pressures and objectives, organisational attempts to satisfy new sets of multiple

objectives, the need to evaluate different criteria of organisational 'success', and a challenge to existing concepts (worker satisfaction being one example). Perhaps the weakness of the traditional movement is a factor. Perhaps the powerful intellectual criticism of the Webbs and the lukewarm interest shown by unions in Co-operatives are others. Whatever the reasons it appears to be an opportunity largely missed so far.

Institutions

Consistent with all the above is the scarcity of established institutions concerned with Co-operative research. Indeed, a cursory glance at the scene suggests that CRU and SCS are the two major bodies at the moment. SCS of course links individuals interested in Co-operatives but does not undertake research under its own name. Most of its "academic" members are engaged in research sporadically or minimally. The Co-operative Research Unit is much younger, having been formally constituted for just over a year, although some of its members have been full-time engaged in research since three years ago. It has a full membership of 8 to 10 from a wide variety of academic backgrounds and includes 2 full-time research assistants and 2 research students. The other members are lecturing staff working in C.R.U. for their spare-time research interests. C.R.U.'s own publication list stands at 5 at present, 3 monographs and 2 occasional papers, but is likely to increase to 10-15 within the year, including case studies and occasional papers. Based within the Open University's Systems Group it has so far concentrated on the internal dynamics and organisational design of individual Co-operatives. Recently,

it has begun to explore exchange theory in Co-operatives and the detailed effects of its own action-orientated interventions in Co-operatives. Now it is adding an interest in community Co-operatives.

The Plunkett Foundation has twice as many full-time workers as CRU although for the most part it acts as a servicing and information body rather than conducting research of its own, and concentrates on agricultural and overseas co-operatives. Tutors at the Co-operative Union's Stanford Hall frequently conduct research or consultancy during vacations, often overseas, but this has to remain for them a part-time occupation. Recently, they have been supplemented by the 2-man team in the Co-operative Liaison Education and Research Unit (CLEAR), but much of its time will be spent operating and servicing the consultancy service also aimed primarily at Co-operatives overseas.

Outside these 4 institutions the picture becomes even more one of promise rather than reality. A future base for research might be Warwick University's Industrial Relations Research Unit. Derek Jones worked there for a while, so did Tom Clarke when continuing his meticulous enquiry into the three Co-operatives established under Benn's patronage at the Department of Industry. At present, Dr. Eric Batsone is writing up a study of the social and economic performance of French co-operatives with evidence from 60 of them. The IRRU might undertake similar work on British Co-operatives in the future. With its specialist experience in industrial relations the IRRU could make a valuable input. Likewise,

Leicester University's Department of Sociology will probably extend its present research on retail societies (Banks and Mears) into other enquiries.

The Institute of Workers Control and the Socialist Environment and Resources Association both have shown interest in Co-operatives and might become sponsors of research in the future. This would be a healthy thing because of the links both with the established Labour Movement. ICOM has been trying for some time to gain funds to sponsor research. The Work Research Unit and the Rowntree Trust have each sponsored at least two pieces of Co-operative research in the recent past, and we hope that the Co-operative Development Association will soon stimulate more.

The Future

It all looks a hotch-potch, with lots of squares missing. The formal links between these individuals, institutions and projects are weak. Often they do not exist at all. The SCS was established 12 years ago to encourage such links but does not appear to meet all the needs. A number of other institutions and devices are rapidly appearing as a response.

I have mentioned CRU's directory of researchers. This is being reproduced next Spring with our help by the Plunkett Foundation. For the first time details of research into agricultural Co-operatives will be published together with those of research into other types. The directory will also give information about university and college courses dealing with co-operatives.

Secondly, and arising directly from CRU's directory, is the informal 'research cabal'. The first meeting in London in June 1979 attracted 23 people to hear a research review paper from Martin Lockett. The second one in Leicester was attended by 17 and heard a paper on Meriden Motorcycles Limited. A third was held in Oxford on April 11th 1980, when three papers were discussed. The 'cabal' already is becoming organised as a forum for the exchange of papers and the discussion of research issues. Significantly, some of those involved in the 'cabal', like myself, are members of SCS.

Arising out of the Leicester meeting the librarians of the various Co-operative research bodies have agreed occasionally to meet, to explore links and boundaries between the materials each stores, see how their respective catalogues might be cross-referenced with each other and jointly to approach third parties such as the British Library to tap into the services they could offer the field as a whole. The Co-operative Research Unit has itself recently set up a computerised index system for its own specialist small library. This permits instant searches, using any of 10 different search criteria, one of which is the use of content keywords. The flexibility and potential of this system is enormous. The main restriction on its immediate growth will be the shortage of staff time.

Parallel with these developments, and all have occurred within the last 9 months, the Co-operative Education Working Group has become established. A novel and powerful feature is the group's comprehensive outlook. Restricted to

organisations with a national impact its membership of 20 or so draws from all four home countries and from all the different sectors of Co-operation (housing, consumer, retail, workers, credit, agricultural). Already it has divided into 4 sub-groups, each with specific tasks. These are centred on:-

- (i) Producing and assessing a comprehensive list of training and education materials already available, exploring distribution systems, analysing gaps;
- (ii) Assessing adult and further education needs and opportunities in Co-operative education and training;
- (iii) Doing the same for other sectors of education;
- (iv) Planning and promoting broadcast courses on Co-operation.

All groups are looking at provision and needs in all Co-operative sectors, and where possible materials and services produced under the aegis of CEWG will be useful to at least more than one sector. This group is likely to **throw up** new research areas. One suggestion is that it might annually circularise all universities and research centres with projects or problems agreed to need research interest.

Proposal

Now seems an excellent time to link together in one organisation all those groups and

individuals interested in promotion, research, training and education for Co-operation. This new organisation could attract a much wider membership than SCS currently has, and should aim at a much wider audience than either the Bulletin or regional SCS meetings currently reach.

There are two main ways this could be done:-

- a) Establish specialist sub-groups - e.g. full-time researchers, co-operative trainers and educators, perhaps local Co-operative development agencies and their staff - all meeting separately but under the influential aegis of the same umbrella organisation.
- b) Produce a more attractive quarterly magazine to replace the SCS Bulletin. Of a more conventional and attractive A4 format the magazine could supplement Bulletin-type articles with research reports, Co-operative case studies, news items, book reviews, letters and round up of news about individual Co-operatives, especially births and deaths. I am sure there is a market for such a magazine, but it would need to be attractively presented, with photographs, and would probably require a full-time editor, although he-she could do other servicing functions for the new organisation as well.

There are many people in the country interested in Co-operatives, even conducting research into them, but remaining wastefully unaware of work already done or being conducted elsewhere. This single organisation and its magazine would

very quickly gell the disparate groups and create a powerful new dynamic. It would also be able to play the most direct research role of all - seeking funds and commissioning selected individuals to conduct research under its own name.

References

1. CRU Research Directory, available from Co-operatives Research Unit, Faculty of Technology, Open University, Walton Hall, Milton Keynes, MK7 6AA. (To cover costs we are obliged to charge 75p including postage).
2. J. Vanek has written several books and articles, the most notable being:-
 - a) "The Basic Theory of Financing of Participatory Firms", Working Paper No. 27, Cornell University, Department of Economics, July 1971, and
 - b) "The General Theory of Labour Managed Market Economies" Cornell University Press, 1970.
3. Derek C. Jones:-
 - a) "British Producer Co-operatives", Spokesman Books, 1976
 - b) "Producer Co-operatives in Industrialised Western Economics: An Overview", Annals of Public and Co-operative Economy, No. 2, 1978, pp 149-161.

4. Martin Lockett, "Some Implications of Workers' Co-operatives for Industrial Sociology and Organisation Theory", presented to co-operative research cabal, Imperial College, June 1979.
5. Martin Lockett and Rob Paton - much of their work is contained in confidential reports to members of a Co-operative, as is the follow-up by Chaplin and Thomas. The bones of the idea are contained in an exercise devised for Co-operative members - "How Shall We Settle This One?" - available from the Co-operatives Research Unit (address as above).
6. Carol Pateman - "Participation and Democratic Theory" Cambridge University Press, London, 1970.
7. Jenny Thornley, "The Product Dilemma for Workers' Co-operatives in Britain, France and Italy" - paper presented to Co-operatives Research Unit Seminar in October 1979 (available from CRU at above address, Occasional Paper No. 1, £1.00, including postage).
8. G.H.D. Cole, "A Century of Co-operation", Co-operative Union, Manchester, 1944.

Later Notes and Postscript

1. Two further meetings of the research cabal are being planned, one in the East Midlands (organised by the Co-operative Union's Education Department) and one in Oxford

jointly organised by Plunkett Foundation and the Society for Co-operative Studies. For further information contact Elise Bayley, Plunkett Foundation, 31 St. Giles, Oxford OX1 3LF.

2. This contribution was prepared without the benefit of advice from my colleagues from C.R.U. They have since made valuable comments, not least concerning the following significant omissions which definitely deserve consideration:-
 - a) Prof. Tony Eccles of London Business School has contributed a chapter "Control in the Democratised Enterprise: the Case of KME" to a book edited by J. Purcell and R. Smith "Control of Work" (1979). He is soon to have published a book on the story of KME.
 - b) Fred H. Blum offers a detailed discussion of the Scott Bader Commonwealth in "Work and Community" - London, Routledge and Kegan Paul, 1968.
 - c) Allan Flanders, R. Pomerantz and J. Woodward offer a parallel discussion of the John Lewis Partnership in "An Experiment in Industrial Democracy" - Faber, 1968.
 - d) Mavis Kirkham offers a comparison between three different types of producer co-operative in her M.A. Thesis "Industrial Producer Co-operation in Great Britain: 3 Case Studies" (Sheffield University, 1973).

- e) Roger Hadley had contributed a number of papers on Scott Bader and Rower Oillwyn and has a chapter in Vanek's reader "Self-Management".
- f) Roger Sawtwell has for many years been a leading member of both ICOM and ICOF and as well as occasional analytical articles has contributed valuable guides on registration and conversions for ICOM, ICOF, and the CDA.