

The Co-operative Independent Commission -RevisitedTHE COMMISSION AND MEMBER PARTICIPATION

by

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The twenty five years that have elapsed since the publication of the Report of the Independent Commission have been marked by two interrelated processes. The first is the dramatic reduction in the number of societies, and an increased scale of operations of the amalgamated Co-operatives; the second is the steady decline in the number of members prepared to participate in the government of the Co-operative Movement. From time to time the Movement has examined the recurring crises of democracy, exemplified by fewer meetings, uncontested elections and an ageing and increasingly 'unrepresentative' body of lay leaders. A recent report of a working party into the state of lay leadership concluded that one of the causes of the decline was the pace of society mergers and the creation of ever larger regional Co-operative societies. (1)

It was in this context that Professor Joe Banks began a modest investigation of the motivations of the men and women who give up so much of their spare time to voluntary activity, and to examine the relationship between lay leaders and professional management. (2) The report to the Social Science Research Council analysed the structural reforms undergone in the post-war period and it acknowledged the significance of the Gaitskell Report as a watershed in the recent history of the Co-operative Movement.

Amalgamations and Participation

Despite the fact that the terms of reference of the Independent Commission precluded any systematic investigation of the democratic government of retail societies, their proposals, presented to a Special Congress in 1958, triggered off a discussion which embraced much broader issues. Over the ensuing twenty five years concern about the role of lay leaders, the appropriate function of management and the 'ideal' size for Co-operative Societies dominated Congress debates.

Although the Commission's remit led them to make recommendations covering trading matters only, these were bound to have repercussions for the democratic government of societies. It is a central tenet of Co-operators that the quests for efficiency and democracy are quite compatible and the 1958 report repeated this axiom. In the light of subsequent events this assumption, so rarely explored, stands in need of further investigation. The leadership of the Movement have sought a series of remedies to trading problems, yet each seems to have had ramifications for the vitality of member participation.

While many of the Commission's proposals were relatively uncontentious, the specific proposals advocating mergers and a redefinition of the role of elected committees sparked off a debate that continued throughout the sixties and seventies. The call for the abolition of eight hundred independent societies and the demand for more clearly defined areas of professional control led to two outcomes. In 1958

the active membership were probably already aware that there was a long-term trend for rates of participation to fall as societies grew in size and scale. It became more difficult to attract people to meetings and get them to stand for election. Yet the Report of the Independent Commission asked thousands of lay leaders to acquiesce in the disappearance of these societies, while simultaneously recommending a series of changes that enhanced the rewards, prestige and control of professional management.

Opposition based on Co-operative Principle?

With hindsight it is not difficult to see what motivated opposition to these proposals. It was not mergers per se which provoked hostility, but what was perceived as the deleterious consequences for member involvement as societies grew larger and more remote. Once the Report came to be seen as part of a plan drastically to reduce the number of societies and centralise control in fewer hands, then opposition to these plans crystallised around the defence of the small and medium size societies.

For the supporters of the Commission's proposals the disappearance of the small society was a necessary step if the Movement was to rationalise its trading affairs and compete with its rivals. For those affected by these changes it was an attack on one of the basic principles of the Co-operative Movement. Even though the Special Congress of 1958 approved an Amalgamation Survey, and several documents since then continued to

advocate a policy of mergers, the actual course of society amalgamations occurred much more slowly, and in a more haphazard way, than the Gaitskell-inspired reformers would have wished. It took twenty years for the number of societies to fall to two hundred, and the time scale for the formation of regional societies has always been hopelessly over-optimistic.

In attempting to understand why such a gap occurs between the intentions of policy makers and the adoption and eventual implementation of their plans, it is important to acknowledge that the structure of the Co-operative Movement is influenced by deeply-ingrained notions of voluntarism and local control. The 'modernisers' discovered that they had to counter strong antipathy to anything that smacked of centralisation of decision-making and control.

Management and Lay Control

Up to the late nineteen fifties there existed a tradition in Co-operative Societies of internal promotion of employees into managerial posts. Those who joined a society as a butcher's apprentice or baker-boy had opportunities to study business administration and so on. The typical general manager had worked all his life in Co-operatives and had no ambition to work for private trade. The Gaitskell Commission challenged this pattern of internal recruitment and gave a major impetus to the 'professionalisation' of management. Boards of Directors were no longer to 'interfere' in management functions and managers were to be more handsomely rewarded, better qualified and more readily recruited from the Universities and private trade.

There is certainly evidence that many Co-operators believed that the power of professional management increased at their expense. At the same time the weakened commercial fortunes of the societies led to a greater reliance on management to solve the problems of inefficiency.

Voluntary participation in the affairs of Co-operative societies demands considerable devotion on the part of activists. They must struggle to understand, in order to control, what the Chief Executive and other senior officers do, and this requires very much more than a casual consideration of managerial tasks. It is indeed possible that the decline of the lay leadership is a consequence of the increased demands on them which large-scale organisation requires. It is also felt that the contribution of the 'amateur' became less highly valued and many activists came to feel that 'all the resources of jargon, of figure-reciting ... can be employed against them'. (3)

Drift to Employees' Control

The Movement, therefore, although it maintains no formal barriers against any member becoming an activist, and positively encourages the few who choose to take advantage of this opportunity, nevertheless, has become so massive in its operations that only those who gain their livelihood in its employment at a fairly senior level have both the motivation and the knowledge to find such activism congenial. For the remainder only a very strong commitment to Co-operative principles will suffice. This means that the Movement has drifted into the

position of developing into a special sort of employees' control, in which the people in the higher ranks of the organisation are expected by the majority to make the decisions on their behalf. There is, in principle, nothing to stop the rank-and-file member taking part in this process, but increasingly they are leaving it to others.

The distinction between policy making and management, which the Independent Commission asserted as a matter of fact is highly questionable. It is impossible in reality to draw any sharp line between the two, and, in practice, policy is often defined during the decision making process. (4) Given the changing composition of management and the weakened state of lay control, it comes as no surprise to find that the professional management are challenged on the extent of their commitment to the social goals of Co-operation.

Conclusion

It still remains necessary for activists to try to get ordinary members to understand the workings of Co-operative Societies. What is most needed now is more information about the day to day running of Co-operative Societies, especially at top management level, so that these activists will grasp the essentials of control without 'interfering' in its procedures. In brief, it is time for the Movement to undertake research into the very question which the Independent Commission regarded as unproblematic. Without this research top management will become more and more mysterious to the non-managerial member who is therefore more likely

to turn away from the Movement altogether and it will then be run by an almost self-perpetuating oligarchy.

The question of a national Co-operative society may well confront the Movement over the next twenty five years, but, whatever happens it is likely that future historians of the Movement will see the seeds of such developments in the proposals debated in 1958. Whatever the merits of the recommendations of the Independent Commission Report, it set in train a series of measures that had fundamental and unintended consequences for the course of Co-operation in Britain.

- 1 Working Party Report on Developing Lay Leadership Co-operative Union, Loughborough 1975.
- 2 J.A. Banks and R. Mears Democratic Participation in Consumer Co-operatives Report to the Social Science Research Council Grant no 4993/2 London 1980
- 3 William Pickard 'Democratic Leadership - Questions that need an answer' Co-operative Review February 1974 p 4
- 4 Desmond Keeling Management in Government London Allen and Unwin 1972 p 24

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