

THE ROLE OF THE C.D.A.

by

GEORGE B. JONES

The attitudes towards Co-operatives which are accepted by all who work for the Co-operative Development Agency — in effect our “creed” — can be summarised in the following way:—

1. We are partisan in our support of Co-operatives.
2. We support all types of Co-operatives.
3. We are apolitical.
4. We will concentrate on development of workers Co-operatives.
5. We will strive to improve commercial viability amongst Co-operatives.
6. We work with and through other organisations.

We do not employ anyone who does not agree to follow this creed in performing his or her work.

In addition we realize that Co-operatives are made by Co-operators and that our function is to help them wherever possible.

Helping Workers Co-operatives

Over the past three years a significant infrastructure of local Co-operative development support bodies has arisen — they now number 80 or 90 in total, with about 40 funded by local authorities for their staffing, premises and day-to-day operations. Our main task is to operate through these local agencies by providing for example, expertise in various business disciplines, links to central government, and appropriate models and structures which have had an adequate testing.

We also provide a first contact point nationally for many of those people showing an interest in Co-operatives. We have about 50 enquiries on average each week and we are able to act as a sign-post operation, providing guidance on appropriate models for given circumstances and creating the link with local support agencies, where they exist. If there is a gap in the network, we take on the role of “hand-holder” to see through the nucleus of, hopefully, a successful Co-operative to its launch and beyond.

The increased business orientation wished on us by the Government in 1981 has been met by the introduction of business expertise from outside. Staff with experience in all aspects of marketing, training, finance and accounting have been recruited — sometimes on secondment from within the Co-operative Movement — and the result has been a well-balanced

and enthusiastic team committed to making the Agency a success.

Some measure of this success can be judged from the recent enthusiasm of the Small Firms Minister, David Trippier, for our cause.

Working with Other Central Organisations

Within the Agency we see no need for conflict between the various national Co-operative sponsoring and supporting bodies. We are complementary to one another and we see one of our main tasks as ensuring that a full range of possible alternative models is made available.

The Agency has always had useful and friendly relations with the Co-operative Union — indeed when we wanted to set up a Manchester office, in 1982, our first approach was to Lloyd Wilkinson. Now well established in Holyoake House, I feel that with our colleagues from Greater Manchester CDA who are also in the building we have brought a useful insight into how the Movement as a whole is developing.

Our links with ICOM have also grown much more friendly and constructive over the past couple of years. Ralph Woolf (CDA Chairman) and I have had quarterly meetings with Paul Westlake and Mike Campbell which have proven to be enlightening on both sides. There is no rivalry between the two camps — we are quite happy to recommend ICOM's approach to suitable groups and they, I feel sure, do the same for groups not suited to the common ownership structure. There are lots of areas where we can work together for mutual benefit avoiding duplication and with our strictly limited resources on both sides this is eminently desirable.

Job Ownership Limited (JOL) represents the other national body; again relations are first class as you might expect from two CDA staff being on the JOL Board. The JOL interpretation of work-force ownership of businesses has its basis in the Mondragon model and has been shown to be successful in those circumstances.

Our position in Britain today is vastly different but we feel there are considerable opportunities for this type of approach. One of the largest conversions to a worker ownership structure is underway at Baxi Fireplaces at the moment and it has all the signs of being most successful — ~~thanks in~~ no small part to the help and support provided by JOL.

For our part we help all these national organisations whenever we can, especially in providing a quick way in to central government. Also by setting up regular meetings of a forum nature, we are able to bring representatives from all sectors and points of view round the table. These can prove particularly rewarding.

Achievements

Let us be clear that Co-operatives are made by the Co-operators within them. No government-funded 'quango' can create a worker Co-operative

sector if the will does not exist. Our achievements are in helping to create an awareness that a Co-operative structure for businesses is a realistic possibility. This awareness task is only really just getting under way. We are working hard in trying to convince the professions, especially the accountants, of the possibilities of the Co-operative alternative but there is much still to be done to break down the barriers of doubt and suspicion.

As I mentioned earlier enquiries reaching our Agency are now averaging 10 per day – more when we have had a recent write-up in the press. And we have been involved in various initiatives which can only serve to strengthen the cause. I am thinking particularly of our recent training initiatives in assisted areas in Britain and in Northern Ireland, where the welcome for our approach has been overwhelming. Also our support for February's 'Co-op Fair' at Kensington Town Hall has helped to put Co-operatives on the map.

Future Activities

In the broad sphere of Co-operation we see the CDA task as providing a neutral and objective forum for exchange of views within the Movement, whilst concentrating our specific efforts on promoting the "Worker Co-operative" as a viable third option within the UK economy. The man on the street has only a vague conception of what constitutes a worker Co-operative.

How we achieve this will depend largely on following the same line of approach as in the past couple of years but with increased vigour in the knowledge of our continued existence. Thus, we will be looking to encourage the creation of a further 20 or so local development agencies to fill the more obvious gaps on the map. An effective infrastructure of this nature could well lead to an even swifter acceleration in the overall growth in numbers of Co-operatives – a total of 10,000 Co-operatives within a decade is not out of the question.

Also the enhanced powers proposed for the Agency in the areas of commercial activity, training, and the provision of grants and loans, create possibilities for strengthening the support we can give to the Movement.

There is a steadily increasing wealth of experience in operating worker Co-operative businesses around the country and the CDA can probably act as a 'clearing house' in the dissemination of this knowledge.

Our view in the longer term is to ease the dependence of the Movement on public funds. We feel that within our current life span we must make significant advances towards the creation of a national support organisation funded by the Co-operatives themselves and responsible to them. The task of a Government-funded CDA has always been to act as an innovator and catalyst – by the late 'eighties we expect that role to have been satisfied.

Impediments

Our task in promoting the word about Co-operatives will not be helped by the limitations on our budget, although the provision of extra people resources through secondments and our ability to tap into European Community and other public and private sources of funds will obviously bolster our resources.

One of our major problems will be in gaining general acceptance for the concept of Co-operation as a "third option". Without a substantial promotions budget, this implies we have to sell ourselves and influence the media people in an extremely cost-effective way.

We feel that fiscal and legal inequities relating to Co-operatives can be rectified, given time and a little patience. Financing problems, particularly in relation to major conversions or work-force buy-outs, remain unsolved but we have made progress in this area and remain optimistic. Once the financial institutions realise that Co-operatives are a useful (and profitable) alternative form of business we can expect their support.

We wish to avoid being seen as a political football. The Agency was established by a Labour Government, but with all party support, and we have seen in the past few months that a Conservative administration can also be supportive. A General Election will be held before we next come up for review; our aim must be to be regarded with favour by all parties and to be allowed to continue with our support role for as long as the Movement needs us.

Note of the Author

GEORGE JONES was seconded from Unilever as Director of the Co-operative Development Agency in March 1982. He was previously Director of BOCM Silcock Ltd., the largest animal feedstuffs company in western Europe, and Chairman of Unitrition International Ltd., a company making feedstuffs from waste straw, both of which were Unilever subsidiaries.