

"Co-operation between Co-operatives"

Appendix

THE CASE FOR FORMING A CENTRAL ORGANISATION FOR CO-OPERATIVES IN THE UK

by

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Co-operatives in the United Kingdom are grouped together in a number of different economic sectors; with each sector there is constant and fairly close liaison; between the sectors there is, at present, practically none. The fact that the UK Co-operative Movement has managed so far without any machinery for consultation between its various parts suggests that the need for this cannot be vital. On the other hand, if such machinery were in existence, it would be used, and the Movement as a whole could be expected to derive a benefit from it which would more than compensate for the time and money expended. Neither of these costs need be heavy.

The different parts of the UK Co-operative Movement have widely different motivations, responsibilities and objectives. There are however a number of common interests, which would appear to be important enough to justify some form of regular liaison between them. As a basis for discussion, the following common interests are listed, not in any order of merit:

- i. Definition of what is to be regarded as a Co-operative or Co-operative-type body by the different sections, in order to establish the parameters of the area with which a central organisation of Co-operatives would be concerned.
- ii. Questions of the legal status of Co-operative or Co-operative-type bodies, including not only specifically Co-operative but also general (e.g. fiscal) legislation which created special problems for Co-operatives because of their constitutional form and method of operation.
- iii. Correlation of Co-operative statistics, this being linked with i and iv.
- iv. To the extent that it might be considered practicable, co-ordination of information services relating to the different sections.
- v. Help to emerging Co-operative sectors to become better established.

There is a special reason for supposing that questions arising under iv may demand more attention in the near future. The debate on the Mähr report on Co-operation in the Community which took place on April 13th, 1983, the events immediately preceding this debate, and the statement made during it on behalf of the European Commission, create the

impression of a policy change at high level which could be far-reaching. The Mihr report was commissioned following two resolutions adopted by the Parliament in 1980, in which members of various parliamentary groups had pointed out the economic and social importance of Co-operative undertakings and organisation. The results of the debate on the report were threefold.

First, it inspired the formation of a loosely-knit body of international Co-operative associations operating at Community level and representative of the following interests — agriculture; consumers; credit; housing (an association in process of formation); insurance; pharmacies; production; (food) retailing. This body is intended to supplement rather than supplant the contacts made by the individual associations with the appropriate offices of the European Community. It remains to be seen what will be the importance of this new body, but the fact that it has been brought into being suggests that it is time for similar developments at national level, and indeed this point was brought out at the Press Conference at which the new body was launched.

Secondly, the European Parliament appeared to be of one mind in thinking that it was time to pay attention to Co-operation, as distinct from Co-operatives, as possibly providing answers to some of the problems with which the Community was faced.

Thirdly, the responsible European Commissioner, Richard Burke, indicated in his reply to the debate that he was considering, in particular:

- an extension of studies already carried out by his Division into the role of Co-operation in different European countries.
- an examination of new legal arrangements which would help to remove the barriers to Co-operatives seeking venture capital.
- a re-opening of the question of harmonisation of Co-operative law, including the case for a Co-operative statute.

All of these are questions which affect the Co-operative Movement as a whole, as well as its separate parts, and may call for a collective response. Mr Burke seemed to welcome the establishment of the central body mentioned earlier, when he remarked that in future it would be possible for contacts to be made with a third body, and not merely with the individual associations.

These latest developments have clearly provided a further argument in favour of setting up a central organisation for UK Co-operatives. The form that such an organisation might take will be discussed in a separate paper.