

Consumer Co-operative Societies

WHY SHOULD PEOPLE PARTICIPATE?

by

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A superficial treatment of the problem of member participation in Co-op societies might begin by noting that it is one shared by all three arms of the labour movement, and in fact by all voluntary associations. Yet this would obscure as much as it reveals. First, voluntary organisations vary enormously in their ability to attract and keep members; contrast for example, housing Co-ops and building societies, the Consumers' Association and the average Co-op society, CND and the Labour Party. Secondly, though all three arms of the labour movement have experienced a decline in membership, the causes of this are distinct; trade unions have lost members through massive redundancies, the Labour Party through (though the causes are hotly debated) a falling away of mainly working class members disillusioned with the record of Labour in office (1), and the Co-op has lost members through a variety of causes; ceasing to pay dividend, society mergers, failure of its youth movement, and so on.

The effects are also distinct; the unions and the Party have lost crucial revenues, organising ability and political 'muscle'. The Co-op has had little direct financial loss other than a decline in share capital, has lost little in organising ability (since it is run largely by its managers) and its economic decline is due to changes in trading conditions, of which membership decline is itself an effect. What then are the consequences of membership decline in Co-op societies, and are they important? Or to put the questions the other way round, *why* should people participate in them?

To Serve the Co-operative Ends?

If the Co-op's main aim is to stay in business, then all it needs to ensure survival is a board of directors and a quorum at an annual shareholders' meeting, or failing this, a change of rules and a smooth transition to management control and a workers' Co-op. A large membership might bring customer loyalty, but there are other ways of producing the same effect. This is in marked contrast to the unions and Labour Party, which would collapse without a much higher level of participation. Of course, the Co-op's ends also include consumer control, for which participation on the board and at general meetings are necessary but not sufficient conditions: an informed membership, a board responsive to their wishes, a management competent to carry these out, are also needed. The auxiliaries then come in, as guarantors not only of the quantitative level of participation required, but also of its quality.

Further aims then come in for consideration, such as the education of the public in Co-operative principles and practices, and in wider social and political concerns, but in these it should be noted, other agencies are also involved (such as Co-op Development Agencies, or the Labour Party) which are also in need of member participation. If these other agencies are more effective, then from the point of view of achieving these goals, participants in specifically consumer Co-op based activities may not be necessary.

The other two arms of the labour movement have clear goals; the defence of employee interests, and the election of a Labour government (to put them at their most mundane), and without member participation, they will certainly fail. The Co-op's defence of consumer interests is much less clear-cut. Supposing participation does decline to the level where consumer representation is no more than nominal; would anyone outside the Movement, (and more decisively), would consumers, care? And would they be worse off? For lack of participation to be a problem there has to be a prior assumption that higher participation will better enable the organisation promoting it to achieve aims that people want realised, and thus that they *ought* to join in.

What Motivation in Members?

Put a different stress on the question; why *should* people participate? This shifts the focus to the members, and their motivation for joining in. If we knew what attracted them, we could plan to increase member participation with some certainty of success, or as Dr Houlton suggests in an earlier paper (2) we could move from diagnosis of the problem, to prognosis. We begin by detaching from the question "what makes people participate?" the prior question "what makes people?", that is, in what does human nature consist? This is a question to take the breath away, but fortunately it boils down to two options; are people essentially egoistic, self-centred, or are they altruistic, other-directed? If the former, behaviourist theory can be applied, if the latter, altruistic theory. Let us choose to be agnostic, and use both types of theory. First, George Homans has summarised a set of generalisations which assume that people will make a rational economic choice between alternatives, maximising pay-offs or *rewards* (3). There are clearly two types of participant: **nominal members** who hold a share in order to qualify for credit facilities or other benefits, and **activist members** who make up the board of directors, member relations or education committee, attend the guilds, Co-op Party, and members' meetings. Rewards will differ in each case. Nominals will want material benefits; free credit, bonus stamps, free gifts, members' sales brochures or cash vouchers. Tactics based on this assumption tend to be successful; as S.J. Wallace says of the Oxford and Swindon Society's experiments in this direction, "if we give away something for nothing, we get a response" (4). Activists may be moved by material incentives (cynics would see the expenses paid trip to conference at a sea-side resort in this

light), but are more moved by psychic rewards such as the status gained from holding office, the enjoyment of exercising power, the self-satisfaction which comes from "doing one's duty" and so on. All of these psychic rewards depend on a general appreciation of the worth of the offices held, and in a Movement which is declining both in economic and social status, one must assume that they have undergone continual devaluation. Also, the opportunity-costs of such participation have risen; more hedonistic leisure pursuits have become available, and instant gratification of desires become more socially acceptable. It follows that in order to ensure participation, we will have to offer incentives; free wine or shopping discounts after members' meetings, fee-paying directorships, subsidised outings for guild members and so on.

Some Behaviourist Propositions

Behaviourist propositions may shed more light on members' motivations. First, the **success proposition**; *"For all actions taken by persons the more often a particular action is rewarded, the more likely the person is to perform that action"*. Rewards must be regular if participation is to be sustained; for nominal members, the original attraction must be reinforced by further offers, and for activists, there must be a continual feeling of "getting somewhere".

Secondly, the **stimulus proposition**; *"If in the past the occurrence of a particular stimulus or set of stimuli, has been the occasion on which a person's action has been rewarded, then the more similar the present stimuli are to past ones, the more likely the person is to perform the action now"*. This explains the nostalgia and organisational conservatism of Co-op activists; they grew up at a time when the Movement had a favourable image, when holding office brought social status, and membership of an auxiliary great psychic benefits. In repeating the traditional member activities, such as annual conferences (when biennial ones would do), Co-operators' Day celebrations (though embarrassingly outmoded), weekly board meetings (when fewer, better prepared ones would be more effective) and so on, older Co-operators are participating out of habit, and remembrance of past glories.

Thirdly, the **value proposition**; *"The more valuable to a person is the result of his action, the more likely he is to perform the action"*. How valuable are the rewards from membership? Value is measured in relation to the scarcity of the product. In the past, dividend was valued because money was scarce. In these days of cheap credit and relatively higher wages, many people cannot even be bothered to collect Co-op stamps. Of course value can change again; a dividend to unemployed or elderly members might attract interest. New facilities such as in-store credit cards and instant computer statements, card-operated petrol pumps, computer literacy courses, and other ideas offered by the more innovative societies are highly valuable. For activists, membership of the Co-op Party is probably

not as valuable as that of the Labour Party, of education committees as that of the local community or social service council, of the guilds as that of the Townswomen's Guild, because with these alternatives go higher social status and political influence. It may only be a matter of 'image', but this is nevertheless a powerful source of value; compare for example the images of the Woodcraft Folk and the Co-op Youth Movement, and then their respective fortunes (5). A better image for the Co-op would increase the value of participation, but then poor societies will still drag down the rest in this respect.

Fourthly, the rationality proposition; *"In choosing between alternative actions, a person will choose that one for which, as perceived by him at the time, the value of the result multiplied by the probability of getting it, is greater"*. This is the calculation which leads so many nominal members and not a few activists to shop at the multiples rather than the Co-op, because in general prices are cheaper, food is fresher, styles more modern and so on. Individual brands, stores, societies may be out-performing the competitors, but there are opportunity-costs in finding this out; again the total image is important. Activists may also make this calculation, and in their case it subverts democracy and leads straight to oligarchy; the decline in member participation leads to uncontested elections, and it is in the interests of individuals who hold offices they find rewarding, *not* to encourage participation, since this will decrease the probability of being re-elected (even though in the long-run other people's apathy will reduce the value of the office held).

If only individual reward was the motive force, the prognosis for participation would be gloomy.

And Some Altruist Propositions

Altruistic theory, in the shape of a little known social philosopher called Sorokin (6), provides another set of propositions which assume that the main motivation stems from people's social bonds rather than from their individual desires. There are five variables.

The first two, **extensivity and duration** vary inversely with participation, that is, in general, the larger and older the organisation, the less people will participate in it. We cannot do anything about the Co-op's age, nor seemingly about the trend towards larger societies; new members will find it unattractive on both counts.

The third variable, **adequacy** refers to the ability of the Co-op to achieve its aims. As we have seen, these are far from clear, and have to be made much clearer before members can even tell if their participation is having an effect. Nominal members are involved in a vicious circle; they will want the consumer benefits which come from a successful business, yet without their loyalty the business may not be able to thrive. Activists will want to advance consumer interests and spread the 'gospel' of Co-operation, yet the overwhelming business difficulties produce goal-displace-

ment, diverting their energies into the fight for organisational survival. In both cases the Co-op will be seen as inadequate; the lower the adequacy, the lower the participation.

The fourth variable is intensity, the extent to which membership produces social bonds, expressive of a sense of community. New members are often invited to social events designed to introduce them to the Co-op, but it is difficult to see how a sense of community can be fostered round the modern self-service store, whose attraction is in its quick and impersonal service. But member relations commentators are right, though, when they insist that the store has to be rooted much more strongly in the local community; the greater the intensity, the greater the participation. Activists do have a strong sense of community; Halsey and Ostergaard found that 69 per cent of activists had parents brought up in the Co-op, 44 per cent had married other members, 41 per cent had relatives who were employees and so on; they are "loosely knit cliques based on relations of family and friendship ties" (7). This above all else one suspects, is what keeps them active. Yet new members may experience the other side of the "clique"; not being known, how are they going to get themselves elected to committees? Communities have boundaries, which can exclude as well as incorporate the newcomer.

Lastly there is purity, the commitment to, and knowledge of Co-op principles and practices, of the Co-op 'difference'. In relation to nominal members there is here a massive problem; Halsey and Ostergaard found that 89 per cent did not know who the Rochdale Pioneers were, and 91 per cent did not know any of their directors' names. While 100 per cent of nominals had an "instrumental" attitude, 55 per cent of activists had an ideological commitment, they were well-informed (60 per cent read Co-op News), and their beliefs tended to overlap with those of the wider labour movement; 96 per cent were left-wing, and 63 per cent were trade-union members. Yet their values are not shared by the managers, who since Halsey's study (and on the recommendations of the Independent Commission), have taken increasing control of the Co-op's direction. As Robert Mears points out, the managers do have the motivation to participate (if only out of self-interest), while "for the remainder only a very strong commitment to Co-operative principles will suffice" (8). Out of the sense of 'purity', activists are often at odds with managers over the Co-op's aims, or in terms of this theory, over the definition of 'adequacy'. Their purity is not able to find active expression, and so it is dissipated; the lower the purity, the lower the participation.

Any Way Forward?

In summary then, on both theories of what motivates members to participate the Co-op is obviously in trouble, but with a coherent strategy it can build on the strengths that are there, particularly in the intensity and purity of its activists. It is the job specifically of member relations committees, backed up by the board and management, to answer the two sides

of the question why people should participate; what is the role of members, their specific contribution to making the society successful, and then how can people be motivated to fill that role?

The answer to the first question may be simply the advocacy of consumer interests through Co-operation, (rather than wider issues such as peace, adult education or community development) and that this needs to be understood and operationalised much more thoroughly. On the second question, member relations experience has a host of tactics to offer, but these need to be ordered into a coherent strategy whereby members are attracted, potential activists identified, and several stages of involvement planned for. The strategy needs to identify and take into account the social psychological motives of the two main types of member, nominals and activists, and for this to happen we need a full-scale research study; the theories outlined so sketchily above have been elaborated in great detail in relation to housing Co-ops, and could be equally applicable to consumer Co-ops (or for that matter, the other arms of the labour movement).

There is however one other way in which member participation can be effected. Halsey and Ostergaard noticed that it was highest in those societies which attracted pressure group or party organisation. It is difficult to see how party lines can be drawn within a movement which has its own specific philosophy and policy issues, but pressure groups such as the Federation of Progressive Co-operators may provide a quick and effective way of organising activist membership and giving it purpose and direction. In this it draws not only on the latent commitment of traditional co-operators, but also draws in new members from the wider labour movement. Ironically, the most effective way of boosting member participation in the third arm of the labour movement seems to be by poaching active members from the other two.

Notes

1. See Paul Whiteley, *The Labour Party in Crisis*, Methuen, London 1983, Ch3.
2. Dr R Houlton, "Participation and the Social Sciences", *Society for Co-operative Studies Bulletin* No.42, August 1981, p43.
3. See George C Homans, *Social Behaviour, Its Elementary Forms*, Harcourt, Bruce, Jovanovich, New York 1974.
4. S J Wallace, "Member Participation Locally", *SCS Bulletin* No.42, p68.
5. See the National Co-operative Education Association Annual Report 1983 for relevant statistics.
6. See P A Sorokin, *The Way and Power of Love*, Beacon Press, Boston 1954.

7. G N Ostergaard and A H Halsey, *Power in Co-operatives*, Blackwell, Oxford 1965.

8. Robert Mears, "The Commission and Member Participation", *SCS Bulletin* No.49, December 1983, p76.

Note of the Author

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