

# Consumer Co-operative Societies: Why Should People Participate?

R. Johnston Birchall

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A superficial treatment of the problem of member participation in co-operative 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-operatives and building societies; the Consumers' Association and the average co-operative society; and 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 (see Whitely, 1983, chapter 3); and the co-operative societies have 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-operative 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-operative'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-operative. 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-operative'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, and 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-operative 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-operative 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-operative'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 in the *Bulletin* we could move from diagnosis of the problem, to prognosis (1981, p. 43). 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 (1974) has summarised a set of generalisations which assume that people will make a rational economic choice between alternatives, maximising pay-offs or rewards. 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-operative 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 (1981) says of the Oxford and Swindon Society’s experiments in this direction, “if we give away something for nothing, we get a response” (p. 71). 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 has 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* (Homans, 1974, p. 16).

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, or similar action, now* (Homans, 1974, pp. 22-23). This explains the nostalgia and organisational

conservatism of co-operative 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 [provided] 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 (sic) action, the more likely he is to perform the action* (Homans, 1974, p. 25). 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-operative 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, and 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-operative Youth Movement, and then their respective fortunes.<sup>1</sup> A better image for the co-operative 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, V, of the result multiplied by the probability, P, of getting the result, is greater* (Homans, 1974, p. 43). This is the calculation which leads so many nominal members and not a few activists to shop at the multiples rather than the co-operative, 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, 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: intensity, extensity, duration, purity, and adequacy (1954, p. 15).

Extensity 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-operative's age, nor seemingly about the trend towards larger societies; new members will find it unattractive on both counts.

Adequacy refers to the ability of the co-operative 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-displacement, diverting their energies into the fight for organisational survival. In both cases the co-operative will be seen as inadequate; the lower the adequacy, the lower the participation.

Intensity concerns 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-operative, 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. Ostergaard and Halsey (1965) found that 69 per cent of activists had parents brought up in the co-operative; 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". 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 purity can refer to the commitment to, and knowledge of co-operative principles and practices; of the co-operative 'difference'. In relation to nominal members there is here a massive problem; Ostergaard and Halsey (1965) 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-operative 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 Ostergaard and Halsey's study (and on the recommendations of the Independent Commission), have taken increasing control of co-operatives' direction. As Robert Mears (1983) 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" (p. 76). Out of the sense of 'purity', activists are often at odds with managers over the co-operative'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-operative 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-operatives, and could be equally applicable to consumer co-operatives (or for that matter, the other arms of the labour movement).

There is however one other way in which member participation can be effected. Ostergaard and Halsey (1965) 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 National 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.

## References

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## Notes

1. The Co-operative Youth Movement had three sections: Junior (aged 7-10 years), Pathfinders (11-14 years) and Pathfinder youth clubs (15-21 years). The clubs were sponsored and organised by local co-operative societies “to assist in the progressive development of young citizens and future co-operators ... Club programmes include quiz and public speaking contests and a great deal of co-operative instruction which in a number of cases culminates in a written examination” (Co-operative Union, 1969/70, pp. 7-8).  
Woodcraft Folk also had three age-related groupings — elfins (under 6 to 9 years), pioneers (10-13 years) and venturers (14-17 years) with a focus on active education and learning and internationalism: “its education is education for social change and it tries to instil in its members [through outdoor pursuits and camping, drama, and co-operative games] the will to undertake community service in the broadest sense ... to cultivate a world outlook ... (assembling) more than 2000 campers at a time from a number of countries” (p. 10). 2025 will be a centenary year for Woodcraft Folk — for more information on aims and activities see — <https://woodcraft.org.uk/>  
Reference: Co-operative Union Education Department (1969/70). *Auxiliaries' National Programme Theme: A Charter for Children*. <https://heritage.woodcraft.org.uk/>
2. Republished in 2020 as part of the Routledge Library Editions: The Labour Movement series (vol. 43) — chapter 3 focuses on the post 1983 election and the membership crisis arising from the loss of more than 11,000 individual members per year on average since 1945.