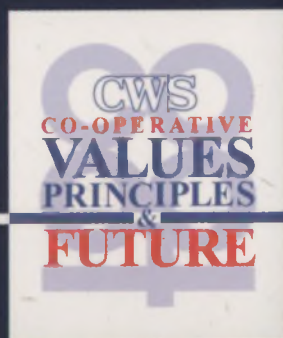
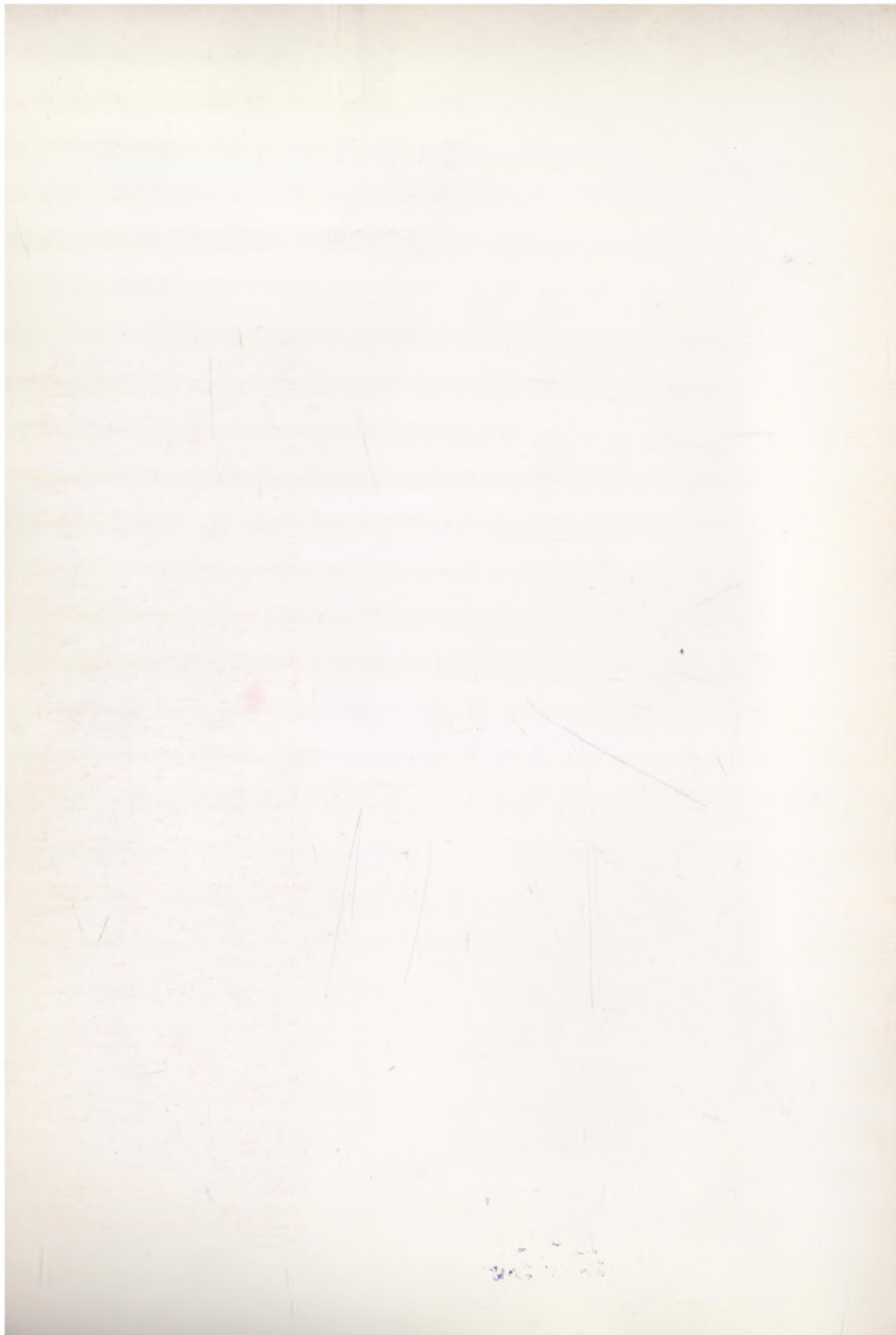


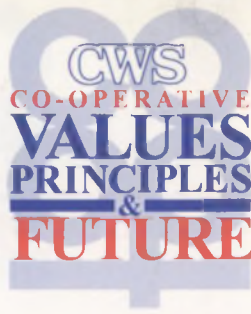
IMPROVING
THE BUSINESS
for
TOMORROW



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CWS

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OUR AIMS

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To strive for the highest professional standards and business performance

~

To act openly and responsibly

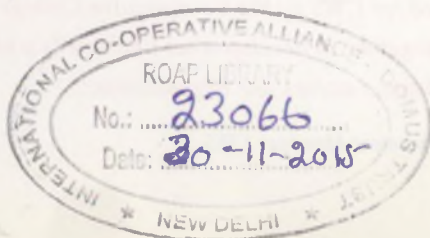
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To put Co-operative values into everyday practice

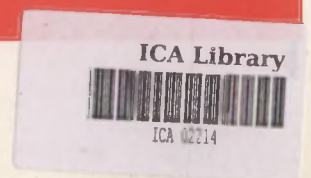
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To work for the long term success of the co-operative sector

334
CWS



334 CWS





DAY COURSE

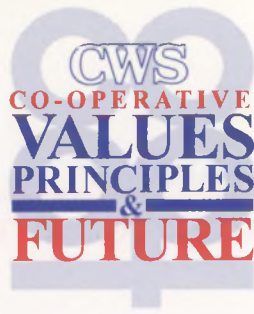
THE CO-OPERATIVE DIFFERENCE

Outline Programme

9.45 am		Welcome and Introductions <i>Video - Graham Melmoth, Chief Executive</i>
10.00	Session 1	Co-operation and Its Values <i>How are we Different?</i> <i>What is a Co-operative Society?</i>
10.30	Session 2	Applying Our Co-operative Values <i>The Importance of Membership</i> <i>Membership and Democracy in CWS</i>
11.15		<i>Break for Tea / Coffee</i>
11.30	Session 3	Values in Business
11.45	Session 4	Our Distinctive Co-operative Values <i>The Values that Comprise the Co-operative Difference</i>
12.45 pm		<i>Break for Lunch</i>
1.30	Session 5	How we Have Used Our Co-operative Values <i>Communicating Our Co-operative Difference</i>
2.00	Session 6	Applying Our Co-operative Values Today <i>Background Information - The Development of Responsible Retailing</i> <i>- Social Responsibility in CWS</i> <i>Exercise - How We Are Using the Co-operative Difference</i>
2.45		<i>Break for Tea / Coffee</i>
3.00	Session 7	Applying Our Values Today and Tomorrow <i>How We Can Promote the Co-operative Difference</i>
4.00	Session 8	Making Our Staff Aware of the Co-operative Difference <i>Taking the Programme Out</i>
4.30		Review and Evaluation
4.45 (approx)		<i>Programme Ends</i>

This programme has been developed for CWS by the Co-operative College along with CWS Managers. We have worked together to develop what I believe is a highly significant programme which will impact across our organisation...

Adrian Egglestone Training and Development Manager CWS



“I am anxious that our members and our employees in particular understand why we are in business, what we stand for, what is different about being a Co-operative, what we are trying to do and where we are going.**”**

GRAHAM MELMOTH,
CWS, CHIEF EXECUTIVE, November 1996

“From their beginnings more than 100 years ago, co-operatives have been based on values and principles which differentiate them from other kinds of enterprises. They must continue to maintain their distinctive identity in the future.**”**

FROM THE RESOLUTIONS ON THE ICA STATEMENT ON CO-OPERATIVE IDENTITY, THE DECLARATION ON CO-OPERATIVES TOWARDS THE 21ST CENTURY APPROVED AT THE ICA CENTENNIAL CONGRESS MANCHESTER, 1995

COMMENTS *on the* PROGRAMME

from MEMBERS *of the* TRADING COMMITTEE

“**P**articipants should return to work having benefited from the course and fully focused on how they can make a difference, how can they help the Trading Committee find a clear, easily communicated, unique selling point, differentiating Co-operative businesses from those of our competitors, enabling us to improve our trading performance.”

NEIL ARNOLD January 1997

“**T**he course should examine the commercial value that can be gained from pursuing actively our Values and Principles without implying it as the panacea for success. It should stress that the Values and Principles need not be “excess baggage” as in the past, they can at worst pay for themselves and very definitely give some commercial benefit. Our job is to ensure they do. Other actions and initiatives will make us a successful business but working for and with our Values and Principles will make us a successful Co-operative Business.”

JOHN OWEN January 1997

“**T**he clear priority in 1997 is to improve our profits and return on capital, to generate cash, and to invest this profitability. Today's course is not directly about this, it is a first important step towards a more open style of management and improved communication, examining how values fit logically into the Co-operative inheritance.

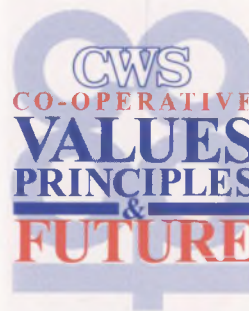
Putting them into practice will not by itself solve our problem, but without applying them genuinely in practice, we are unlikely to build a sustainable recovery.”

ALAN PRESCOTT January 1997

PROGRAMME AIMS:

To ensure employees understand the distinctive nature of a co-operative and our co-operative values and principles.

To give employees the tools to apply co-operative values and principles to their work to assist in improving performance and the achievement of the CWS aims.



LEARNING OBJECTIVES:

- 1** To provide participants with an opportunity to develop an understanding of the distinctive nature of co-operatives, and the values on which they are based.
- 2** To give participants an understanding of the Co-operative Movement in the UK, its membership structures, organisation and its evolution to today's CWS model of democratic control and involvement.
- 3** To understand the importance of values to business both in helping develop a clear identity for the organisations, and in providing guidance and motivation of staff.
- 4** To provide examples of how the CWS acts in a way true to its co-operative identity i.e. Responsible Retailer, CWS Agriculture and The Co-operative Bank.
- 5** To identify ways in which participants can apply the values in their work and how this will help ensure we are a successful co-operative business.

COMMENTS ON THE ...

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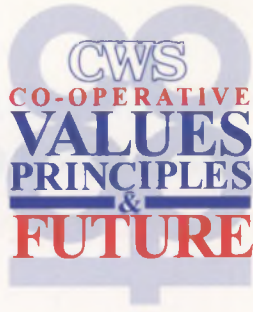
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Session One

CO-OPERATION *and* ITS VALUES

*How are we
Different ?*

*What is a
Co-operative
Society ?*

“**P**eople in nearly every country around the globe have benefited from co-operatives. They have done so under all kinds of governments, within every kind of economy, and amid all the divisions - gender, race, religion, politics, and culture - that typify the human condition. Indeed, there are few limits to what people can accomplish when they work together for mutual benefit. The past accomplishments of the international co-operative movement demonstrate that simple truth. The present strength of co-operatives around the world further affirms it; the future needs of the human family demand its reconfirmation.”

PRODUCE A DEFINITION of a CO-OPERATIVE
in not more than TWO SENTENCES:

Group
Exercises

A *co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically controlled enterprise.*

ICA STATEMENT OF CO-OPERATIVE IDENTITY September 1995

T *he essential characteristic of a co-operative is that it is a democratic organisation engaged in the market place, providing goods and services. It is nevertheless based on people, not on capital or government direction. In its essence it can never escape, even if it wanted to, the capacity of members to exercise control whenever they wish to do so.*

THE CO-OPERATIVE IDENTITY IN THE TWENTY-FIRST CENTURY

BY DR IAN MACPHERSON ICA - Review of International Co-operation 4/94

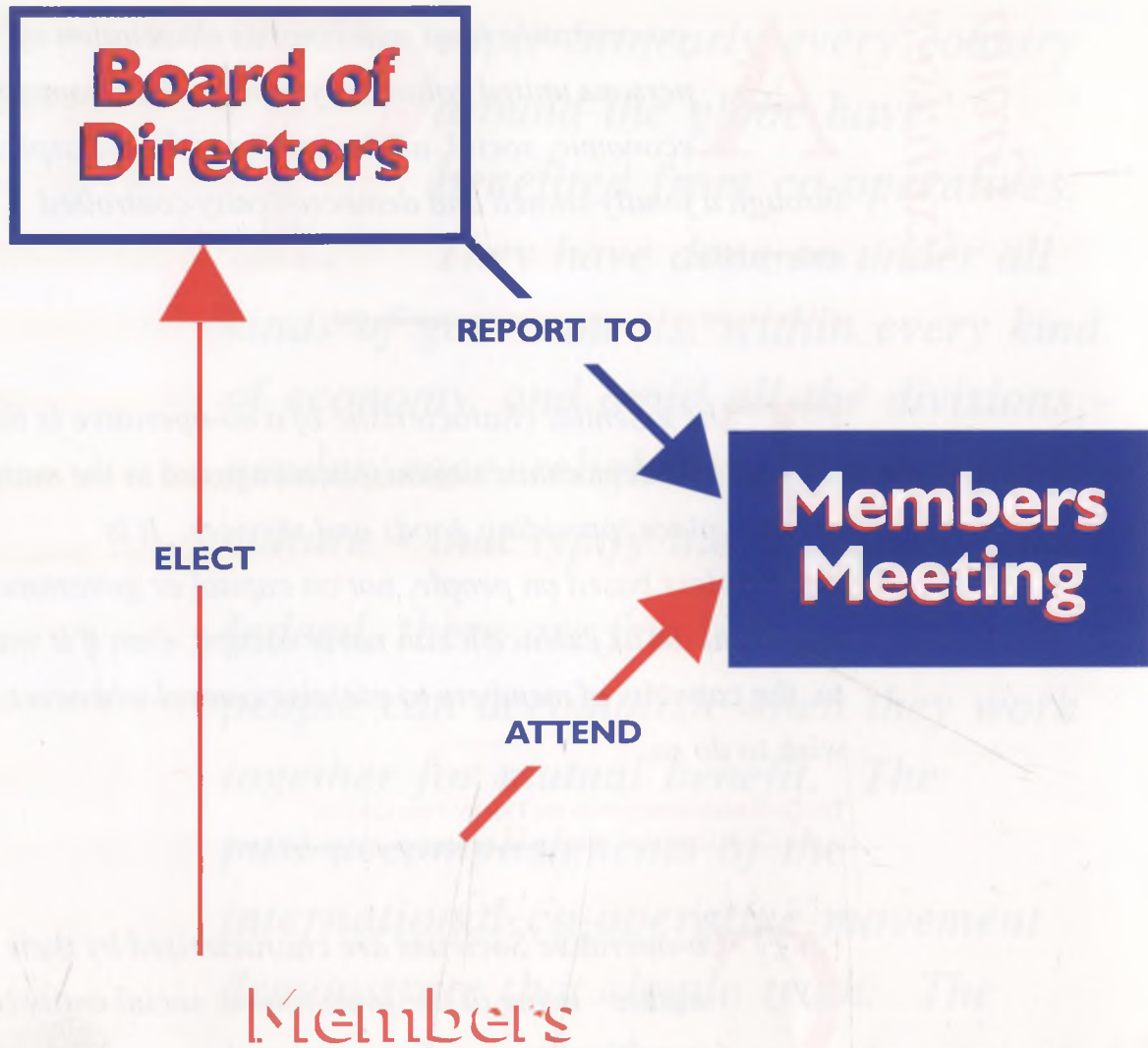
C *o-operative Societies are characterised by their dual nature - being at the same time a social entity (an organised group of persons) and an economic unit (a jointly financed, managed and controlled enterprise) used by the members as a means to provide goods and services which they need and which they cannot obtain individually at similarly favourable conditions, or at all.*

A POSSIBLE ICA DEVELOPMENT STRATEGY FOR THE NEXT DECADE

BY PROFESSOR HANS-H MÜNKNER - Review of International Co-operation 1/92

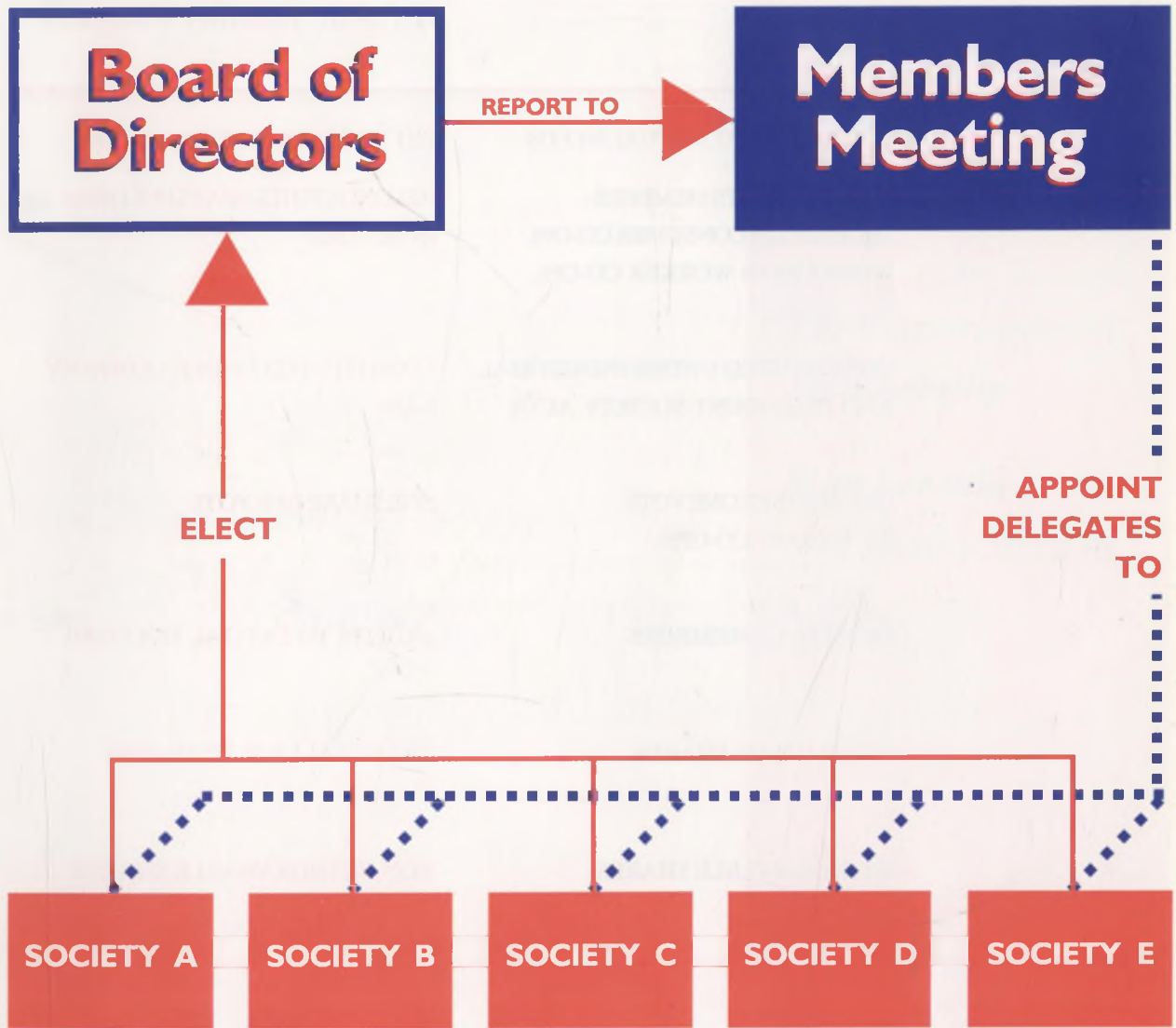
PRIMARY CO-OPERATIVE SOCIETY

TYPICAL STRUCURE



SECONDARY CO-OPERATIVE SOCIETY

TYPICAL STRUCTURE



ie : It is the Co-operative Societies themselves that are the members of a secondary Co-operative Society

A Co-OP is a different type
of BUSINESS ORGANISATION

Summary

A Co-op

A Public Liability Company

SET UP TO MEET MUTUAL NEEDS

SET UP TO PROFIT FROM A NEED

BELONGS TO ITS MEMBERS -
SHOPPERS IN CONSUMER CO-OPs,
WORKERS IN WORKER CO-OPs.

BELONGS TO ITS SHAREHOLDERS/ eg.
INVESTORS

CONSTITUTED UNDER INDUSTRIAL
AND PROVIDENT SOCIETY ACTS

CONSTITUTED UNDER COMPANY
LAW

ONE MEMBER ONE VOTE
(IN PRIMARY CO-OPS)

ONE SHARE ONE VOTE

PROFITS TO MEMBERS

PROFITS TO CAPITAL HOLDERS

FIXED VALUE SHARES

SHARE VALUE FLUCTUATES

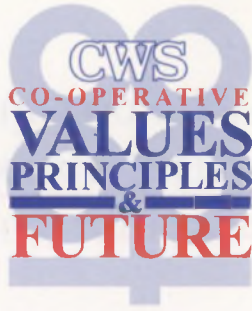
WITHDRAWABLE SHARES

NON-WITHDRAWABLE SHARES

“**B**usinesses run ostensibly in the name of Co-operation, with no active relationship with their customers as members, are a threat to the whole Co-operative family”

GRAHAM MELMOTH, ICA VICE-PRESIDENT EUROPE

JOURNAL OF CO-OPERATIVE STUDIES No 82 December 1994



Session Two

APPLYING *our* CO-OPERATIVE VALUES

*The Importance of
Membership*

*Membership
and Democracy in
CWS*

APPLYING *our* CO-OPERATIVE VALUES and PRINCIPLES

Membership and Democracy

Why do Co-ops need members?

- they are the basis of the organisation
- they can be a source of capital
- member loyalty can be a trading asset
- active members are essential for good governance

What do members want from Co-ops?

- benefits derived from collective actions
- benefits derived from membership
- active members share its wider vision

Why do customers join Co-ops today?

- membership drives linked to member benefits eg. CWS calendar & vouchers.
- dividend or other card schemes for members
- some share values and aspirations eg. Responsible Retailing

Have reasons for joining changed at all?

Key reasons in earlier years would include:-

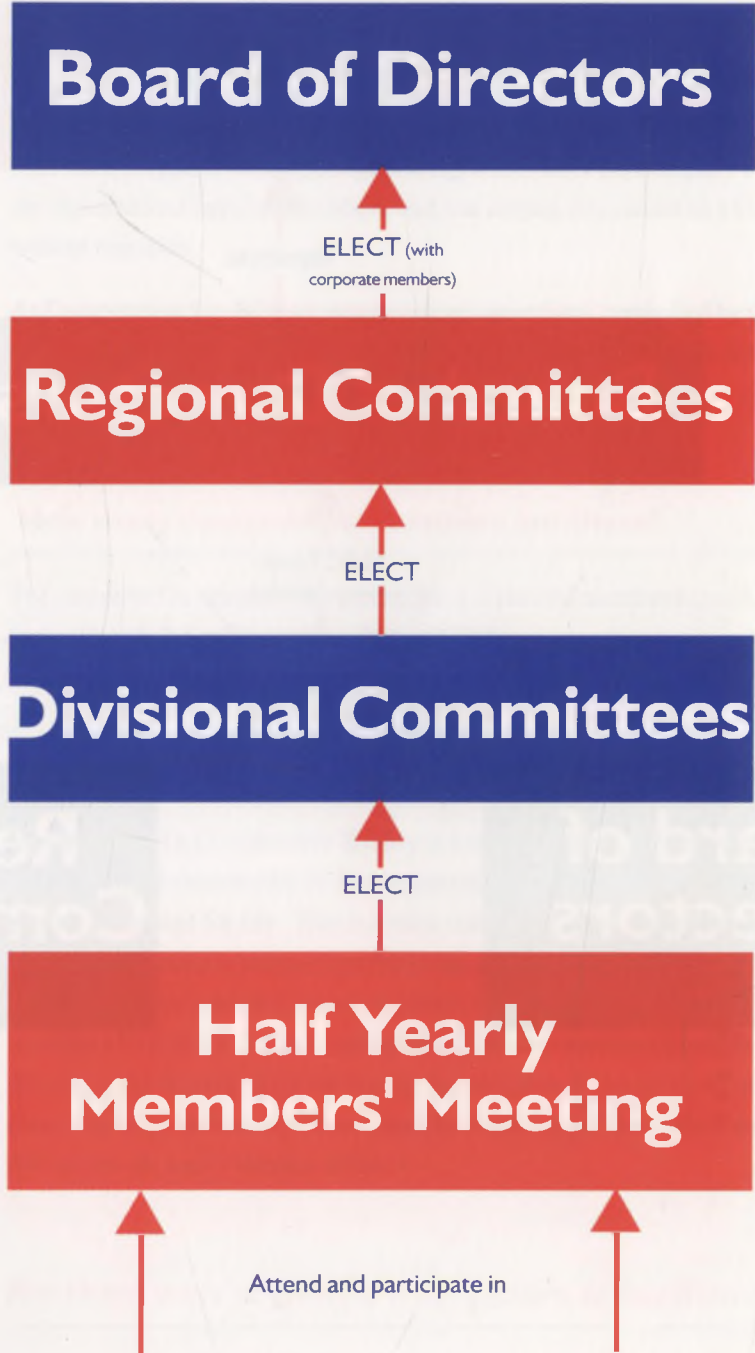
- benefits of dividend
- family and community loyalty
- access to credit facilities - i.e. mutuality clubs
- cultural expectations
- some shared its mission - to peacefully co-operate capitalism out of existence

How can members get involved in the Society

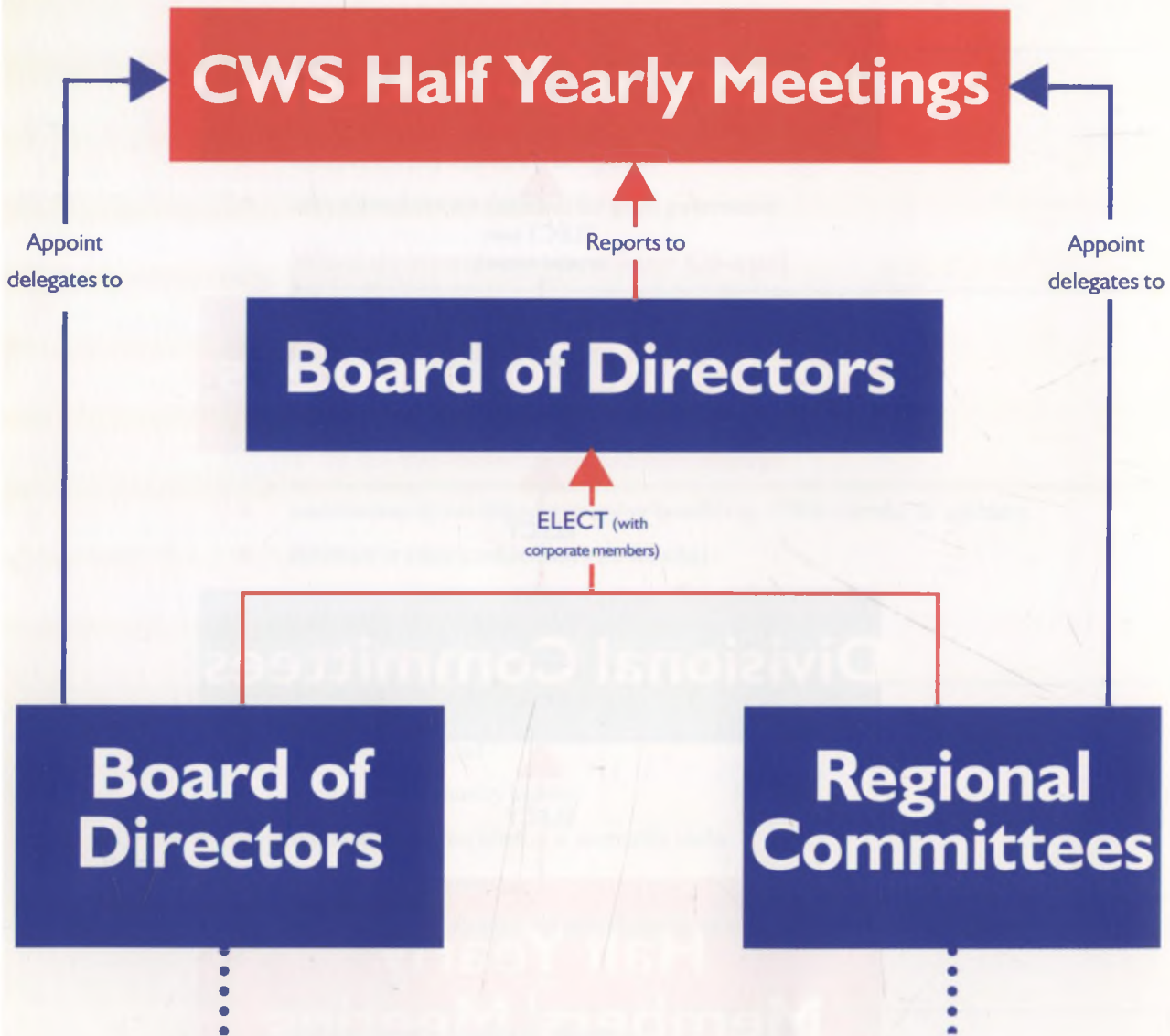
- attendance at a Members' Meeting
- election to a Divisional Committee
- election to a Regional Committee
- election to represent Regional/Divisional Committees at:
 - CWS half-yearly meeting
 - Co-operative Congress
 - Education Convention
- election to one of the Supervisory Boards (Funeral and Travelcare)
- election to the Board of Directors

CWS DEMOCRATIC STRUCTURE

HOW *an* INDIVIDUAL MEMBER *can* PARTICIPATE



CWS DEMOCRATIC STRUCTURE



QUESTIONS *and* ANSWERS on CO-OPERATIVE MEMBERSHIP *and* INVOLVEMENT

Background Information

1 **Why do co-operatives need members?**

The purpose of a Co-operative Society is to serve the needs of its members. Co-operatives are registered under the Industrial & Provident Society's Act, a legal structure significantly different from public liability companies registered under the Company's Act. Co-operatives are organisations based on members, and, put simply, you cannot be a Co-operative Society without members.

As Co-operative Societies are democratic organisations, controlled by their members, they need to recruit and renew that membership base if they are to survive in the long-term as co-operatives.

2 **How many co-operative members are there?**

The consumer Co-operative Movement has a combined membership of 8.2 million, of which approximately 2.4 million are members of CWS.

3 **How realistic are these figures?**

Membership of a Co-operative Society is a complex issue. When you join the Co-op you become a legal shareholder of that organisation. Unless you withdraw from membership you are a member for life. This is a stark contrast to other voluntary organisations where, unless membership is renewed periodically, you will be deleted from the membership list. As most member's stake in their Societies is very small (over 76% of Co-op members have less than £10 in share capital), most do not close their accounts when they move away from the area, and it is unusual for the Society to be informed to close an account when a member dies. Unless substantial efforts are made by Societies to "clean" their membership records, the figures can easily become inflated.

4 **Are there ways of giving a truer picture of our membership?**

A number of Societies, including CWS, made efforts to explore the question of cleaning their membership. Their experience was that the historic records were so badly out of date, that they needed to establish a list of current members that they could communicate with and seek to involve in the affairs of the Society. Today this core membership list has approximately 250,000 members, and is growing rapidly following the introduction of the Dividend Card in some trading regions.

5

What proportion of our customers are members?

The simple answer is that, today, we do not know. At the height of the Movement's economic power, it had 12 million members, and claimed to have a member in approximately half of the households in Britain. Research undertaken three years ago indicates that the percentage of customers being members has dropped dramatically, and it would vary sharply from Society to Society dependent upon the extent to which they actively promoted membership. With the introduction of the Dividend Card the proportion of our customers in membership is likely to grow significantly.

6

Why do people join co-ops?

Most people join the Co-op for the distinct benefits of being a member, and the way that it is packaged. For many years, following the introduction of dividend stamps in the early 70s, the distinction between being a member and just a customer was virtually indistinguishable. Rates of member recruitment to Societies, a most critical indicator of membership trends, collapsed and it has only been the introduction of member benefit schemes in recent years that has addressed this. CWS has rebuilt its core membership largely through the promotion of its calendar based member benefits featuring coupons, special offers and prize draws, and this is now growing quickly as it extends the Dividend Card.

7

How was the Movement's mass membership built in the past?

Dividend was key to the development of the Movement's mass membership. Prior to the abolition of resale price maintenance in 1964, customers would pay the same price for branded goods wherever they purchased them, with the manufacturer setting the retail price. There was clearly a significant benefit in being a member of the Co-op in those circumstances, especially as the dividend was frequently in the region of 5 - 10% on purchases, distributed half-yearly.

The advent of price cutting following the abolition of RPM, severely affected margins, particularly in food retailing, and Co-ops simply could not afford to meet the expectations of their members in terms of the dividend. That was the key reason for the introduction of dividend stamps.

Family loyalty and community attitudes to the Co-op, especially in industrial areas where membership of a trades union and local Co-op were assumed as part of "coming of age" were also important aspects of a culture that supported membership that have now disappeared.

8

You say members own the Society, how do they own and control it?

Members are shareholders in the Society, but unlike companies in the plc sector, their shareholding is based on the principle of one member one vote. In CWS this is complicated because of the involvement of corporate members, other Co-operative Societies, whose voting is based on the proportion of trade they undertake with the Society.

9 **Can you clarify the terms “individual member” and “corporate member” in CWS?**

Corporate members are other co-operatives (usually primary societies or overseas secondary co-operatives) who are members of the CWS. They may be very small, with only one vote (e.g. Isle of Man Farmers Ltd, or Co-chomunn Bhatersaidh), or they may be very large, with thousands of votes, since voting, is in proportion to participation in CWS trade.

Individual members of the CWS are, historically, members of independent societies which have been amalgamated with CWS or new members who have joined since such amalgamation. In some cases their societies have been grouped together to form the current regions (as in Scotland). In other cases the regions represent former large regional societies which transferred to CWS as a whole (for example the North East or Nottingham).

The general pattern is that members elect representatives to Divisional Committees, who elect representatives to Regional Committees, who elect representatives to the CWS Board. Thus democracy is representative, with several stages between the individual member and the CWS Board.

10 **How do individual members get involved in the Society’s democracy?**

Members have a right to attend the members’ meetings held in each of the regions on a half-yearly or yearly basis. They can vote for the primary tier of democracy, the Divisional Committee, which is responsible for reviewing trading activities in their area, promoting co-operative activities in their area, and strengthening links between the Society, the community and the members it serves.

11 **Are there any special qualifications to stand for election to the Committees?**

Each Society has its own rules that determine qualifications for office. These are designed to ensure that those representing members in the democratic structures are genuine trading members.

In CWS qualifications for standing for election to a Divisional Committee varies from region to region, and will cover:

- residence (by post code) in the area served by the Divisional Committee
- not to be directly involved in a similar business to that of the Society, other than as an employee
- not to be a serving Board or Regional Committee member of another Co-operative Society
- length of membership (usually at least one year)
- share capital requirement

12

What are the next steps once you are on a Divisional Committee?

Divisional Committees in turn appoint members to the Regional Committees and nominate and vote in elections to the Board of Directors. Through this process all members can participate in the democratic process at the primary level, whilst their elected representatives in turn elect higher bodies.

13

How is the CWS Board of Directors comprised?

In accordance with established co-operative principles, the 30 strong CWS Board is directly representative of its customer base, being made up of representatives nominated by independent Co-operative Societies in membership of CWS and the CWS Retail Regions.

Elections are conducted on the basis of nominations from four geographical sections - Scottish, Northern, Midland and Southern. The number of directors eligible to be elected from each section depends upon the total sales of the CWS within each section, calculated at five-yearly intervals, known as "the quinquennial".

Every member Society or CWS Retail Region is entitled to nominate a candidate in the Board elections. Elections then take place with votes being aggregated nationally. Every member has one vote by virtue of being a member and additional votes according to the trade undertaken by that member with CWS in the previous year. In this way, votes are geared directly to trade, so that the Board can be representative of the Society's current customer base and reflect all active trading partners in the Co-operative Movement. Directors are elected for three year terms.

At present the CWS Retail Regions are limited to a maximum of 14 of the 30 seats on the CWS Board.

The Board meets every month (except August) and is sovereign in deciding matters of policy, with the guidance and advice of the Chief Executive and Executive management team who attend Board meetings.

The Board has three Standing Committees which each meet four times a year to examine specific aspects of Society business in greater detail.

The Board appoints CWS Directors to serve on the Co-operative Union Central Executive, on the Boards of the wholly owned subsidiaries, the Co-operative Bank and CIS, and on the Boards of Shoefayre and National Co-operative Chemists, national federals in which the CWS is the major shareholder.

14

Can employees participate in the Co-op's democratic structures?

Employees have no special rights as employees. They are, however, encouraged to be members of the Society and can stand for election to Divisional Committees, and from then on to other tiers in the democratic structure. There are restrictions as to the number of employees that may serve on any one to ensure that the Society is not controlled by employees.

15

Why is membership now being promoted so actively now?

In the early 90s there were a series of financial and governance scandals affecting a number of major Co-operative Societies in the UK. This led the Co-operative Union to set up a working party to review all aspects of the Movement's Corporate Governance, to produce, in effect, a Co-operative Movement version of what the Cadbury Report had done for the City. Its key conclusion was that the development of an active and informed membership was absolutely critical to good governance in the co-operative sector. By then, many Societies, including the CWS, had started to act in terms of rebuilding membership and involvement in their Societies. It is a clear recognition by Societies of their responsibilities to members, as the owners of the business, and equally recognition that membership had not been adequately promoted in the recent past.

16

Do many people participate?

Although CWS, like many other Societies, have been making efforts to rebuild their democratic structure, levels of participation remain low. It is a major priority for the Society in the coming period to raise awareness of membership amongst all staff and its customer base, and to explore ways of strengthening democratic life in the Society.

17

Were there periods previously when democratic involvement was higher?

It was much easier to involve people when Co-operative Societies had a distinct local base. Democracy always became more problematic as Societies became regional, and local members felt a sense of alienation. Despite that, the evidence from the past is that the overwhelming majority of members were always passive, shopping with the Society regularly, but only turning up to meetings if something was wrong, usually if there were proposals to reduce the dividend.

18

Are there other ways that members can get involved?

In addition to direct involvement through the Society's democratic structure, members have always had the opportunity to be involved through various co-operative member organisations and other activities promoted through the Member Relations Departments. Traditionally the Co-operative "auxiliaries" were an important way through which members could be involved on a regular basis.

The Co-operative Women's Guild, founded in 1883, was a pioneering campaigning women's organisation. It sought to secure a woman on every Board, thus ensuring that women's views were reflected through Co-operative Societies' democratic structures. Sadly the Guild Movement declined steadily in the post-war period as it failed to adapt to changes in working women's lives. Today the Guild is largely an elderly organisation, and realistically not one on which the future of the Movement can be built. In 1935 there were over 130,000 members of the various Co-operative Guilds, compared to about 6,000 now.

The Woodcraft Folk, a children's and youth organisation closely linked with the Co-operative Movement, is developing, and strong Districts exist within most of the regions of CWS.

One of the key future priorities in terms of involving members is to extend opportunities for members to learn more about the Movement, and become closely associated with it, in addition to those directly involved in its formal democratic process. This work can be summarised as having two vital aspects:

- i work to instil co-operative ideas and values into a new generation, e.g. work with Woodcraft Folk as the co-operative youth auxiliary, work with schools on projects designed to teach and reinforce core co-operative values in areas where the Society has a strong trading presence, and other projects for young members and employees.
- ii projects designed to raise understanding of the Co-operative Movement and its values amongst members, to seek ways of involving them on an on-going basis, as a step towards involvement in the democratic process. This will increasingly require the co-operation of trading Managers, developing in-store events, consumer groups and other initiatives that actively engage members with the business.

19

How do you join the Society today?

By completing a simple form available in every store. It still costs just £1 to have a full share in the Society and have all the rights of membership.

Note

Throughout the notes the terms Region, Regional Committee and Divisional Committee have been used to describe the elements of CWS Retail's democratic structure. These terms are currently being introduced across the Society, and it is intended that they will eventually replace terms of Retail Branches and Branch Committees currently in use in some parts of the organisation.

THE CORPORATE MEMBERS of CWS

CWS today has several hundred corporate members.

The following are examples of the types of organisation that comprise the corporate members.

Retail Co-operative Societies

Anglia Regional Co-operative Society Limited

CRS (Co-operative Retail Services Limited, consisting of the CRS regions)

East Anglia Federal Co-operative Society Limited

Lothian and Borders Co-operative Society Limited

Midlands Co-operative Society Limited (a federal society)

Oxford, Swindon and Gloucester Co-operative Society Limited

Scottish Midland Co-operative Society Limited

Sheffield Co-operative Society Limited

United Norwest Co-operative Society Limited (a federal society)

West Midlands Co-operative Society Limited

CWS Branches

Cumbria

Greater Nottingham

Kent

North Eastern

Northern Ireland

South Midlands

South London

Scottish - Eastern
Northern
Southern
Western

Surrey and Berkshire

Sussex

Other Corporate Members include

Agricultural Co-operatives

eg. Agricultural Central Trading Limited

Clynderwen & Cardiganshire Farmers Limited

Community Co-operatives

eg. Barra Community Co-operative Society Limited

Eday Community Enterprises

Overseas Co-operatives

eg. Nicosia Consumer Co-operative Society Limited

Grand Falls Co-operative Society Limited

Other Federals

eg. Shoefayre Limited

National Co-operative Chemists Limited

Producer Co-operatives

eg. Queen Eleanor Limited

Northern Clubs Federation Brewery Limited

18

THE COURSE OF HISTORY

The course of history is a complex and multifaceted phenomenon that has shaped the world we live in today. It is a process that is constantly evolving and changing, influenced by a wide range of factors including social, economic, and political conditions.

One of the key factors in the course of history is the human condition. Our actions and decisions, both as individuals and as a collective, have a profound impact on the course of events. The choices we make, the values we hold, and the goals we pursue all contribute to the shaping of our world.

Another important factor is the environment. The natural world, with its resources and challenges, has always played a significant role in the course of history. The availability of land, water, and other resources has influenced the development of civilizations and the course of human progress.

Technology is also a major factor in the course of history. The invention of new tools, weapons, and modes of transportation have all had a profound impact on the course of events. The Industrial Revolution, for example, transformed the world and set the stage for the modern era.

Finally, the course of history is also shaped by the actions of individuals. Great leaders, thinkers, and innovators have all played a significant role in the course of events. Their ideas, their actions, and their legacies have all shaped the world we live in today.

In conclusion, the course of history is a complex and multifaceted phenomenon that is shaped by a wide range of factors. It is a process that is constantly evolving and changing, influenced by the human condition, the environment, technology, and the actions of individuals. Understanding the course of history is essential for understanding the world we live in today.

VALUES *in*
BUSINESS

THE POWER OF VALUES

WHAT ARE VALUES?

Values are the fundamental beliefs by which people relate to each other. Values stimulate behaviour, influence conduct and promote change.

Values help you answer the question -
"Is it OK to do this?"

WHAT ARE PRINCIPLES?

Pinciples are guidelines by which we put our values into practice

THE CHARACTERISTICS OF VALUES

- They focus on the fundamentals of the business
- They are universal - they apply to everyone
- They focus on what is right for us
- They are few in number
- They are memorable
- They make a difference

TYPES OF VALUES

- *Corporate values*
- *Management values*
- *Personal values*
- *Product and service values*

These may be expressed in "hard" - objective terms or "soft" - subjective terms.

EXAMPLES OF VALUES

Hard, Objective Value

To manage the business effectively and efficiently, attracting investment and maintaining sufficient surplus funds within the business to ensure the continued development of the Group.

Soft, Subjective Value

To act at all times with honesty and integrity and within legislative and regulatory requirements.

The Co-operative Bank

HARD AND SOFT VALUES IN CWS

Hard, Objective Value

Aiming to maintain and improve our existing market share.

Soft, Subjective Value

Developing and maintaining teamwork at all levels within the organisation.

Co-operative Funeral Service

COMPARATIVE VALUES

The Five Most Common Business Beliefs:-

- *Being the best in the field*
- *The importance of our people*
- *Open communications*
- *Economic growth and profits*
- *Superior quality of products and services*

BEING THE BEST IN THE FIELD

To strive for the highest professional standards
and business performance

CWS

THE IMPORTANCE OF OUR PEOPLE

By investing in our employees, involving them in the business, expecting the best of them, and rewarding them fairly.

CWS - Managing Change Through People

OPEN COMMUNICATIONS

The Co-op will lead the retail industry by having a “Right to Know” policy which commits it to helping consumers make informed purchasing choices.

CWS - Responsible Retailing

ECONOMIC GROWTH AND PROFITS

It is no secret that profitability is the number one priority for CWS Agriculture, but experience shows that environmental care and profitability need not be mutually exclusive. Every CWS Agriculture manager is committed to good agricultural practice and actively involved in conservation management.

CWS Agriculture - 100 Years of Farming

SUPERIOR QUALITY OF PRODUCTS AND SERVICES

To offer all our customers consistent high quality and good value services and strive for excellence in all we do.

The Co-operative Bank

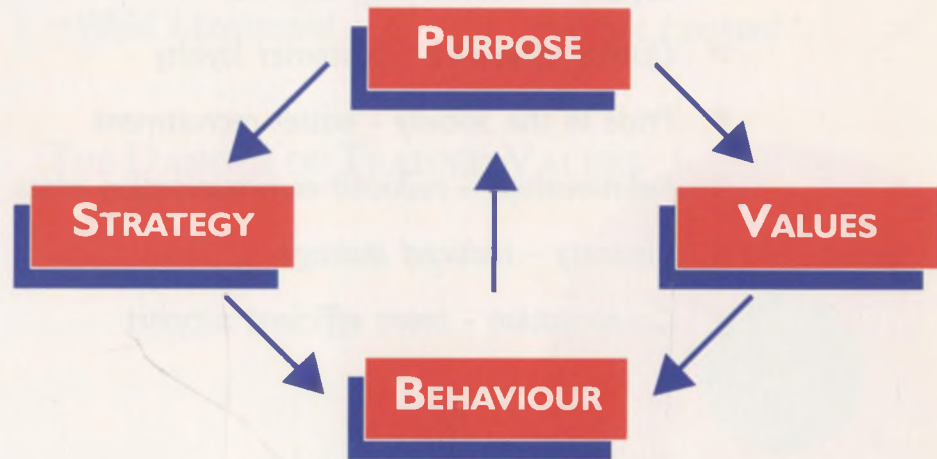
VALUES AND BUSINESS

Values are not an optional extra in business, they are an integral part of our business purpose and business strategy - they underpin all we do.

VALUES IN CONTEXT

- **Business Purpose**
Why we exist. Our greater goal.
- **Business Strategy**
How we will achieve our greater goal.
- **Business Values**
The beliefs which we use to guide our decision-making on the basis of commercial and moral rightness
- **Business Behaviour**
What we do, our priorities, standards and performance.

VALUES IN THE BUSINESS CONTEXT



THE POWER OF VALUES TO.....

- *Motivate staff*
- *Attract customers*
- *Support the business strategy*
- *Impact on the bottom line*

VALUES MOTIVATE STAFF

- *Sense of Identity*
- *Sense of Pride*
- *Sense of Achievement*
- *Sense of Belonging*
- *Sense of Responsibility*

VALUES HELP US GET THINGS RIGHT

INTERNALLY

- *The business result - bottom line*
- *Loyalty - reduced staff turnover*
- *Quality of service - customer loyalty*
- *Pride in the Society - easier recruitment*
- *Relationships - reduced communication costs*
- *Honesty - reduced leakage*
- *Co-operation - more efficient support*

VALUES HELP US GET THINGS RIGHT

EXTERNALLY

- *Reducing supply costs*
- *Enhancing public image*
- *Keeping ahead of our competitors*
- *Avoiding litigation*
- *Attracting future staff*
- *Being leaders in our market place*

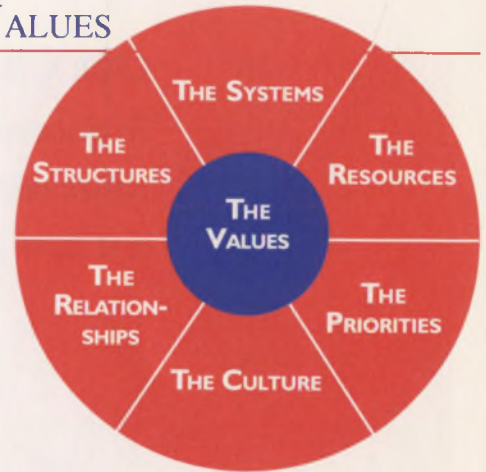
DEFINITIONS

- *Espoused Values are what I say I believe in, just listen to what I say!*
- *Operant Values are the real beliefs that actually determine what I do, just look at how I behave!*

SPOT THE DIFFERENCE

- *Espoused Beliefs*
 - ~What I say
 - ~What I preach
 - ~What I commend
- *Operant Beliefs*
 - ~What I do
 - ~What I practice
 - ~What I reward

THE DANGER OF TRAPPED VALUES



GETTING THE MESSAGE ACROSS

COMPANIES WITH STRONG VALUES

- *British Airways*
- *Cadburys*
- *B&Q*
- *John Lewis*
- *Marks & Spencer*

OUR CO-OPERATIVE INHERITANCE

- *Self-help*
- *Self-responsibility*
- *Democracy*
- *Equality*
- *Equity*
- *Solidarity*
- *Honesty, Openness, Social responsibility & Caring for others*

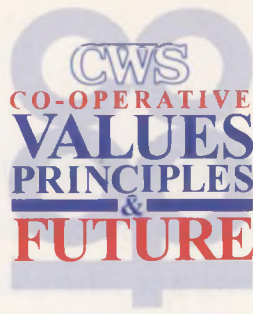
WARNING!

Neglect of your values can seriously damage your business - and you!

(Ask any Ratner, Saunders, Maxwell, Baring, or Hambros)

OUR CHALLENGE

To discover how to make our Co-operative values and principles count more effectively in the market place and have greater positive impact on the bottom line.



Session Four

**OUR
Distinctive
CO-OPERATIVE
VALUES**

*The Values
that Comprise the
Co-operative
Difference*

STATEMENT ON CO-OPERATIVE IDENTITY

*Co-operative statement of identity and principles as approved
at the ICA Congress, Manchester, September 1995*

DEFINITION A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically controlled enterprise.

VALUES Co-operatives are based on the values of **self-help, self-responsibility, democracy, equality, equity and solidarity**. In the tradition of their founders, co-operative members believe in the ethical values of **honesty, openness, social responsibility, and caring for others**.

PRINCIPLES The co-operative principles are guidelines by which co-operatives put their values into practice.

1ST PRINCIPLE: VOLUNTARY AND OPEN MEMBERSHIP

Co-operatives are voluntary organisations, open to all persons able to use their services and willing to accept responsibilities of membership, without gender, social, racial, political, or religious discrimination.

2ND PRINCIPLE: DEMOCRATIC MEMBER CONTROL

Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote), and co-operatives at other levels are also organised in a democratic manner.

3RD PRINCIPLE: MEMBER ECONOMIC PARTICIPATION

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

STATEMENT ON CO-OPERATIVE IDENTITY

Co-operative statement of identity and principles as approved at the ICA Congress, Manchester, September 1995

4TH PRINCIPLE: AUTONOMY AND INDEPENDENCE

Co-operatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

5TH PRINCIPLE: EDUCATION, TRAINING AND INFORMATION

Co-operatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.

6TH PRINCIPLE: CO-OPERATION AMONG CO-OPERATIVES

Co-operatives serve their members most effectively and strengthen the Co-operative Movement by working together through local, national, regional and international structures.

7TH PRINCIPLE: CONCERN FOR COMMUNITY

Co-operatives work for the sustainable development of their communities through policies approved by their members.

WHERE *do our* CONTEMPORARY CO-OPERATIVE VALUES *come from?*

Background

The Co-operative Movement has no single point of origin, neither do our values, ideals and principles. Throughout history human kind has sought to work together to achieve mutual goals, and in many parts of the world, self-help and primitive co-operation were the foundation of society. Co-operatives have consequently developed within a vast array of belief systems which have greatly influenced co-operators. Consequently, co-operators around the world have developed and expressed views of what is good, desirable and worth striving for to improve human living conditions.

In the introduction to "Consumers Co-operation in Great Britain" published in 1938 it states

"The Co-operative ideal is as old as human society. It is the idea of conflict and competition as a principle of economic progress that is new. The development of the ideal of co-operation in the 19th century can best be understood as an attempt to make explicit a principle which is inherent in the constitution of society, but which had been forgotten in the turmoil and disintegration a rapid economic change. It is against the background of the industrial revolution and the dislocation which accompanied it, that the early ideas of co-operation and the origins of the Co-operative Movement must be judged."

Values and principles were at the heart of the emerging co-operative movement, and were influenced by the enlightened reformers of Victorian Society, who, like Owen previously, were looking for ways of alleviating the extremes of poverty that arose from the industrial revolution. Christian Socialists, and the emerging Co-operative Societies themselves all made distinctive contributions to the core values and principles upon which the movement was built.

The 1995 Revision and Consultation Process

In 1988 Lars Marcus, then President of the International Co-operative Alliance, challenged the International Movement to re-examine its basic values and to provide a clear picture of the Movement's purpose. Four year's later, the ICA at the Tokyo Congress considered the work on Co-operative Values by Sven Åke Bööck of Sweden.

In 1995 Ian MacPherson presented documents to the ICA Centennial Congress in Manchester, which built upon Bööck's work on values.

The final "Statement on the Co-operative Identity" had undertaken a wide consultation. This consisted of a questionnaire distributed across the world, the formation of a primary reference group of six people, an Advisory Panel of fifty people with various drafts sent to co-operators around the world who met and discussed how the Principles should be changed.

Macpherson was “humbled by the immensity of the task of understanding the International Movement”, as there was so much to understand. He stated “I am a middle aged, Northern, privileged male, whose belief systems and characteristic attitudes have been shaped by that background, a background with much potential good in it but also severe limitations of understanding”. For him, the revision task had been an important learning process in his life, in which the power and dignity of the Movement had been deepened.

The Identity Statement, therefore, does not belong to anyone specifically but rather is owned by the World Co-operative Movement.

Values

MacPherson stresses that the reference to values is profoundly significant. It was challenging to summarise values when there were so many to be included.

The values of **self-help**, **self-responsibility**, **democracy**, **equality**, **equity** and **solidarity** are particularly important because they directly underline the organisational structure of a co-operative. The resultant principles are manifestations of that particular list of values. The relationship is striking and powerful.

The second list of values, **honesty**, **openness**, **social responsibility** and **caring for others** reflect the commitments that co-operators have traditionally tried to bring to their organisations.

Principles

The principles specified are intended to apply to all kinds of co-operatives in all kinds of situations and have an inherent flexibility. Viewed as a totality, these principles, linked to their sustaining values, indicate what is unique about co-operatives regardless of where they exist. Each principle demands a form of minimal behaviour from every co-operative. MacPherson states that, “the principles are only guidelines that indicate minimal standards of organisational behaviour and continually suggest further possible actions; they are not just commandments”. He urges co-operators to think of the principles as “active catalysts and not just as regulatory maxims far from being a constraint on what we do, the principles will give us the insights and dynamism required to become even more valuable in the future to the human family around the world”.

The Distinct Co-operative Values

Co-operatives are based on the values of **self-help**, **self-responsibility**, **democracy**, **equality**, **equity**, and **solidarity**.

“**Self-help**” is based on the belief that all people can and should strive to control their own destiny. Co-operators believe that full individual development can take place only in association with others. As an individual, one is limited in what one can try to do, what one can achieve. Through joint action and mutual responsibility, one can achieve more, especially by increasing one’s collective influence in the market and before governments.

Individuals also develop through co-operative action by the skills they learn in facilitating the growth of their co-operative; by the understanding they gain of their fellow-

members; by the insights they gain about the wider society of which they are a part. In those respects, co-operatives are institutions that foster the continuing education and development of all those involved with them.

“Self-responsibility” means that members assume responsibility for their co-operative - for its establishment and its continuing vitality. Further, members have the responsibility of promoting their co-operative among their families, friends and acquaintances. Finally, **“self-responsibility”** means that members are responsible for ensuring that their co-operative remains independent from other public or private organisations.

“Democracy” is a complex word. It can usefully be thought of as a listing of rights; indeed, the struggle for democratic rights on a political level is a common theme of the history of the last two centuries.

Within co-operatives, **“democracy”** includes considerations of right and responsibilities. It means fostering the spirit of democracy within co-operatives, a never-ending, difficult, valuable, even essential, task..

Co-operatives are based on **“equality”**. The basic unit of the co-operative is the member, who is either a human being or a grouping of human beings. This basis in human personality is one of the main features distinguishing a co-operative from firms controlled primarily in the interests of capital. Members have rights of participation, a right to be informed, a right to be heard, and a right to be involved in making decisions. Members should be associated in a way that is as equal as possible, sometimes a difficult challenge in large co-operatives or in federations of co-operatives. In fact, concern for achieving and maintaining equality is a continuing challenge for all co-operatives. In the final analysis, it is as much a way of trying to conduct business as it is a simple statement of rules.

“Equity” refers, first of all, to how members are treated within a co-operative. They should be treated equitably in how they are rewarded for their participation in the co-operative, normally through patronage dividends, allocations to capital reserves in their name, or reductions in charges.

“Solidarity” means that co-operators and co-operatives stand together. Members have the collective responsibility for the collective interest of the co-operative’s members. They aspire to the creation of a united Co-operative Movement, locally, nationally, regionally, and internationally. They co-operate in every practical way to provide members with the best quality goods and services at the lowest prices. They work together to present a common face to the public and to governments. They accept that there is a commonality among all co-operatives, regardless of their diverse purposes and their different contexts.

Solidarity is the very cause and consequence of self-help and mutual help, two of the fundamental concepts at the heart of co-operative philosophy, which distinguishes co-operatives from other forms of economic organisation.

Distinct Ethical Values for Co-operatives

The second values sentence reads: “In the tradition of their founders, Co-operative members believe in the ethical values of **honesty, openness, social responsibility, and caring for others**”.

It can be argued rightly that the ethical values to which Co-operatives aspire influence the activities of some capital-controlled and some government-owned organisations. These ethical values can be found in many forms of organisation, but they are particularly cogent and undeniable within Co-operative enterprises. (MacPherson) Co-operatives distinguish themselves in the market place by honest measurement, high quality and fair prices. Many have prospered through the commitment to high quality, honestly labelled produce. Internally, they strive for honest systems of open management, and this bias towards openness, as public organisations, necessarily demands regular information on their activity to members and the public.

Co-operatives invariably have special relationships with their communities to which their members belong, and therefore strive to be socially responsible in their activities. Many co-operatives extend this responsibility to a capacity to care for others within their financial constraints and make significant human and financial contributions to communities at home and abroad.

Source: Co-operative Principles for the 21st Century by Ian MacPherson, ICA

OUR VALUES SUMMARISED

SELF-HELP

Reasons for inclusion:

- Encourages initiative
- Collective responsibility
- Fosters and encourages independence of thought
- Promotes ideas
- Develops team spirit/bonding/motivation
- Encourages employee involvement in democratic process
- Importance of individual contribution to organisation
- Sharing experience/expertise
- Agree common aims and objectives

Notice Board: We recognise the personal development and interaction of individuals as an important element in achieving a well motivated, focused and efficient organisation.

Examples:

- Employee suggestion scheme
- Co-operation across Societies - CRTG
- Marketing initiatives across all CWS businesses
- Investors in People (IIP)

SELF RESPONSIBILITY

Reasons for inclusion:

- Necessary for members to recognise their own self responsibility by playing their part in making their co-operative and the movement successful.

Notice Board: The Co-operative Value of self responsibility is asking you as an employee to conduct your part in the organisation in such a way as to ensure the financial viability of the organisation which will secure your future employment and that of your colleagues.

Examples:

- Promoting membership of the Co-op.
- Trading with the Co-op.
- Participating in members meetings.
- Giving good service to members/customers.
- Providing goods/services at reasonable prices.
- Employees operating in their role to their best ability.

DEMOCRACY

Reasons for Inclusion:

- Encourages contribution by all.
- Expands ideas for business success.
- Encourages participants to take ownership and can increase commitment.
- Encourages open debate without retribution - promotes a feeling of openness and fairness.
- Fundamental backbone of co-operation.
- Promotes and guarantees equality (one member - one vote).
- It enshrines the right of individuals to be heard, participate, influence and contribute.

Notice Board: CWS (Retail) welcomes your views, ideas and contribution which will improve the way in which the business is managed.
Democracy is the means by which the rights and responsibilities of individual members/employees are protected and developed.

Examples: This is demonstrated by -

- Management style
- Membership of Society Committees
- Staff Joint Consultative Committees
- Suggestion schemes
- Enlightened training policies
- Fair and open representation.
- Clear statement of members rights and responsibilities -

Attendance at meetings

Access to information

Equal voting rights

Ability to question managers.

EQUALITY

Reasons for inclusion:

- Encourage involvement in the co-operative.
- Equality ensures that all members have the opportunity and responsibility to participate in decision making without which there wouldn't be a democracy.
- Each member of the Co-op has an equal vote as opposed to a capital driven company where the number of votes depends on the number of shares held.

Notice Board: One of the Co-op Principles is that all members are equal. Each employee has an equal right to participate, be informed, be heard and be included in decision making.

The society believes that all employees are entitled to be treated fairly regardless of sex, race, religion or disability. The detailed policy is published on notice boards and in your induction packs.

Examples:

- The CWS equal opportunities policy is acted on.
- Works Council
- Can be demonstrated in employment policy.

EQUITY

Reasons for inclusion:

- Encourages participation and loyalty by giving a fair distribution of surplus.
- Co-operatives are based on the principle of shared ownership, responsibility and reward.

Notice Board: A co-operative is a business based on a group of people working to achieve common aims. We believe that these people should be fairly rewarded for the work they do in achieving these aims.

It does not matter who you are or what you do the benefits are the same.

Examples:

- Dividend
- Profit Related Pay
- Enhanced interest on capital
- Members benefits (shopping discounts etc.)
- CWS Staff discount scheme

SOLIDARITY

Reasons for inclusion:

- The concept and spirit of co-operation is a belief and way of life that goes beyond the individual or enterprise. Shared aims and beliefs will enable co-operatives to move forward and progress together.

Notice Board: Solidarity means that co-operatives throughout the world believe in the same ethical and business values and principles and are working together to achieve success throughout the Co-operative Movement.

Examples:

- CRTG - Societies have given up their own buying and marketing independence for the good of the Movement.
- CWS perpetuating co-operation at cost/risk to itself i.e. ailing societies.

HONESTY

Reason for Inclusion:

- Fundamental requirement of any business is to be trusted
- Important at a time when corrupt practice was rife
- Credibility is built upon trust, honesty and reliability
- Traditional Co-op Values - Rochdale
- Recognised by all aspects of society as a good way to behave - civil/legal/religion
- Could not operate 'long-term' in business without it.
- Identifies the CWS aim of acting openly and responsibly.
- No leadership without it.

Notice Board: **Honesty is the best practice because:**

- Our reputation depends upon what we say and do!
- Our customer must be able to rely on the products and services that we provide
- We must be able to trust each other throughout the organisation
- We will provide value for money
- Look out for your customer/member, treat them fair, treat them square.
- Look out for your colleagues, don't hesitate to keep them straight.
- Look out for Society assets, don't be funny with Society money!

Examples:

- Adequate information to customers to enable them to make an informed choice and valuable judgement about their purchases.
- Handing in found items
- Declare overpayment error on payslip
- Giving unbiased advice to customers

OPENNESS

Reasons for inclusion:

- It is a democratic organisation - members have the RIGHT to full disclosure.
- This promotes member involvement and improve teamwork in the organisation.
- It improves business efficiency by clarifying the goals, and facilitates better decision making.

Notice Board: Openness is a way of operating which means you no longer have to ask "why are they doing that?"

Openness means having the questions you ask answered.

Examples:

- Sharing Information
- Team Briefings
- Listening to each other
- Working together
- Agenda/Scene
- Keeping all employees informed - this empowers them to act in the best interests of CWS

SOCIAL RESPONSIBILITY

Reasons for inclusion:

- A Co-op sees itself as a social and economic part of Society therefore, social responsibility is part of its reason for being. The Movement was borne out of social conditions, so social responsibility is again its original driving force.

Notice Board: The founders of the Co-operative Movement worked and invested in a business which provided help to its members. This is still relevant to the Co-ops work today. We must work to avoid or minimise any damage we do to the community and the environment, and use some of our surplus to support our members and their communities.

Examples:

- Recycling initiatives
- CFC - free refrigeration
- Banning hunting
- Leading fight against animal testing
- Being prepared to break the law to provide for an honest consumer information

CARING FOR OTHERS

Reason for inclusion:

- Goes back to 'pioneers', when individual traders believed that by joint action they could provide goods/services to the working classes. This was expanded into Care in the Community - Women's' Guilds; Woodcraft Folk, etc. They also introduced training for the under-privileged.
- The value is included in the statement in order to emphasise the mutual basis of a co-operative, as opposed to acting individually.
- Historically, it differentiates Co-op enterprise from other business.
- Long tradition of community support that translates into caring for others.

Notice Board: The Co-operative Movement has a responsibility to care for its members and staff in both their financial and social context. By caring we promote the welfare of the business, its environment and the future.

Don't forget - this business is for you, your colleagues, your members, your customers and your community.

Think about the needs of every member of our community - our members, our customers, potential customers, our colleagues, our neighbours. Do we meet them?

Can you do more?

Caring is good for business.

Examples:

- Launch of Scottish Carers Magazine, which linked up all the caring professions
- Co-op Care grants
- Commitment to return profits to the community through project work
- Work with disabled in the community - providing special beds, wheelchairs etc.
- Collecting money for charity (especially local).
- Responsible Retailing - product quality and information.
- Good store access and facilities.

Session Five

**COMMUNICATING
Our
CO-OPERATIVE
DIFFERENCE**

*How we Have Used
Our Co-operative
Values Through TV
and Cinema
Advertisements*

TELEVISION *and* FILM ADVERTISEMENTS

.....

CO-OPERATIVE VALUES *and* PRINCIPLES

Values Represented	The Machine is Mastered (1942)	It's All Yours (1955)	Come Co-op Shopping c 1962	Divi Stamp Ad 1967	Your Caring Sharing Co-op 1977	Community Ad 1995	Italian Co-op Mov't Ad 1996
Self-Help							
Self-Responsibility							
Democracy							
Equality							
Equity							
Solidarity							
Ethical Values							
Honesty							
Openness							
Caring for Others							
Social Responsibility							
Principles							
Member Economic Participation							
Voluntary and Open Membership							
Democratic Member Control							
Education, Training and Information							
Autonomy and Independence							
Co-operation between Co-operatives							
Concern for the Community							



Session Six

APPLYING *our* CO-OPERATIVE VALUES TODAY

*Background
Information -*

*The Development
of Responsible
Retailing*

*Social
Responsibility in
CWS*

*Exercise -
How we are Using
the Co-operative
Difference*

THE DEVELOPMENT OF RESPONSIBLE RETAILING

1

The Rochdale Pioneers establish Quality as a Principle.

- i. Point 1 of the Rules and Methods of the Rochdale Society of Equitable Pioneers says, “to sell goods at prevailing local prices”, but does not say anything about quality.
 - ii. In 1850, the Society took a leading part in establishing the Rochdale Cornmill and thereafter sold flour milled under their own control.
 - iii. In 1852, the Management Committee resolved that flour sold by the Society should be pure and unadulterated - in answer to member complaints that the flour was not as white as that sold by rivals.
 - iv. In 1860, the Society’s Almanac states the Principle of “pure and unadulterated goods” in a clear form.
- This is the first evidence we have of the development of “responsible retailer” policies.



2

Manufacturer Standardisation and Consistent Quality.

- i. In 1855, the process of evaporating milk, sterilising it with sugar and canning it was developed in Switzerland. After this time, mass-market tinned food became a part of the grocer's stock.
 - ii. Milk treated in this way was free of tuberculosis and free from adulteration, therefore safe to drink. This led to tea becoming the standard daily drink of working men, instead of beer, and, indirectly, led to the replacement of China by Indian teas.
 - iii. By 1950, the widespread availability of pre-packaged standardised goods led to the development of the self-service store.
- Now the manufacturer joins the Responsible Retailer in producing standardised, quality controlled goods.

36 THE AGRICULTURAL ECONOMIST. [JAN. 1, 1894.]

SPECIAL NOTICE TO CO-OPERATIVE SOCIETIES AND MEMBERS OF
THE AGRICULTURAL AND HORTICULTURAL ASSOCIATION.

THE SWISS DAIRY CO.'S
(UTTWYL, SWITZERLAND),
PURE UNSWEETENED CONDENSED MILK.

BABY BRAND.



REGISTERED TRADE MARK

PREPARED WITHOUT SUGAR, WITHOUT ACIDS, WITHOUT CHEMICALS, OR ANY
OTHER FOREIGN INGREDIENT WHATEVER.

ABSOLUTE PURITY OF QUALITY AND TASTE.

Keeps good for any length of time in the tins, and
when opened for a whole week.

EVERY TIN PRODUCES 2½ IMPERIAL PINTS OF MILK
Equal to the Creamy Fresh Milk of Swiss Cows,
And of a Purity and Richness unattained by any other Brand.

The Tins are NOT Soldered, but closed by a Patent process.

GUARANTEED ANALYSES AND ALL PARTICULARS ON APPLICATION TO US.

SOLE AGENT AND CONSIGNEE: MESSRS. E. BUSCH & SONS,
W^M. MÜLLER, MELLOR'S BUILDINGS,
15, ABCHURCH LANE, LONDON, E.C. EXCHANGE STREET EAST, LIVERPOOL.

3

Legislation sets Quality Standards.

- i. The 1875 Public Health Act was the first piece of legislation which made retailers and manufacturers open to prosecution for “nuisances”, such as slaughtering cattle, or stabling cattle or asses at the rear of butchers’ or dairy shops.
 - ii. In 1895, Great and Little Bolton Co-operative Society was prosecuted for boiling tripe in the town centre.
 - iii. This led to the establishment of Co-op dairy depots, abbatoirs and bakeries on the edges of towns, often close to the railway or the wholesale market.
 - iv. The displacement of these functions from the stores facilitated the development of doorstep delivery services - the great growth point for Co-ops for the next 50 years.
 - v. During World War II, the government intervened very directly into standards and quality issues through their promotion and support for the “Utility” ranges of furniture, bedding, clothing, etc..
- Now we have a three-sided game, with the State joining retailers and manufacturers in setting and maintaining standards.



4

Organised Consumers Monitor Quality Standards.

The creation of the Consumers' Association in 1957, following initiatives in the USA by campaigners like Ralph Nader, gave an independent and very potent voice to consumers who used "Which?" magazine as a reliable, impartial testing agency, giving guidance on price, safety, fitness for function and consumer satisfaction.

- i. The Co-operative movement was the first to give consumers a voice in stock range and quality issues, a century before the Consumers' Association. The manufacturers and the State all contribute hugely to the maintenance of standards, but there is still a vital job for retailing organisations to do.
 - ii. Today the retailer does not frequently manufacture the products, since it is more effective to shop around and use techniques like contract compliance and market power to set standards and implement values and principles.
- The organised consumer is the fourth influence of retail standards.



5

The Co-op in the 90s - the Development of Responsible Retailing

The Co-op has spoken out on numerous consumer issues and has taken action to safeguard consumers' rights through its retail policies. In the nineties it has led the industry in the following ways:

Co-op Brand Initiatives

Consumer Initiatives

Freephone Careline: ** The first retailer to make it easy for customers to contact us by putting a freephone number and freepost address on Co-op Brand products. 1994

Comments/Questions/Complaints invited and welcomed.

Double Guarantee: Introduction of double refund policy across all the food products stocked by CWS & CRTG societies. 1994

Right to Know: **Introduction of policy that consumers have the right to know all the information they need to make informed choices: the bad news, as well as the good. 1995

Based on the US Freedom of Information Act, the Co-op undertakes to answer all except those few questions governed by commercial confidentiality, eg. we will tell you who produces our Own Brand products, if you want to boycott a particular manufacturer.

Delivered in 3 ways:
Labels
Leaflets
Letters

Alcopops: **The Co-op was the first retailer to announce a ban on alcopops. June 1997

Salt Assault / Fat Attack: **Challenging suppliers to reduce the amount of fat and salt in Co-op products to help achieve Nutrition Task Force targets. 1995

The Right to Know

A Commitment to provide the information people need to make an informed choice. Three forms: on Labels, in Leaflets, in response to individual letters and phone calls.

Labelling

Health

Nutrition Labelling: **Calories/Fat on front of pack per serving and grams of salt on reverse. June '95

**Daily fat guidelines detailed on pack where space permits, for Men and Women. Oct '95

**High, Medium and Low indicators introduced. 1986

	New High, Medium, Low scheme based on proportion of food energy devised by the Coronary Prevention Group.	1992
	** Trans Fatty Acid labelling on fats, biscuits, meat products, (where information is available).	Feb '95
	**Approx Salt content per serving labelled prominently beneath the Nutrition panel.	June '95
	Adoption of ' Balance of Good Health ' plate on some Co-op Brand Cereals. (Cornflakes/Bran Flakes/Fruit & Fibre).	Spring '96
Health Issues:	** Folic Acid advice for pregnant woman. Could be regarded as illegal because a medicinal claim is implied, therefore no one else does this. The advice is included on Co-op Brand Cereals because it is very important to take additional Folic Acid before pregnancy and in the early stages, before visiting a doctor. Although strictly illegal, the step was taken because it is based on authoritative advice and is in consumers' interest.	Mid '93
	** Advice to pregnant women not to eat Liver because it contains very high levels of Vitamin A. Incorporated onto Liver packaging and Liver Pate.	Jan '95
	** Advice to women not to eat a lot of nuts when pregnant or breast feeding, if their family has a history of allergy or asthma, to help prevent nut allergy. To be detailed on products containing 25% or more nuts, and all products containing nuts eaten daily, or marketed at children.	
Sweeteners:	**The words "with sweeteners" featured on the front of products containing sweeteners, because many people do not realise how widespread their use has become. In the information panel, we show the amount of saccharin per serving and plan to highlight in leaflets the acceptable daily intake level so customers can control their intake.	From Spring '96
Dental Care:	**We detail dental advice on sweets because we also include on our packs information which is not necessarily "good news" for the product.	1985?
Soft Drinks:	**Extension of advice to Soft Drinks and Fruit Juice, warning about frequent consumption leading to tooth decay.	From Spring '96
	<i>Advice to Parents</i> Frequent drinking of sugary drinks and fruit juices may lead to tooth decay and poor nutrition. Try to restrict these drinks to meal times and replace them with sugar free drinks or water. Avoid giving sugary drinks or fruit juices to babies. Remember it is important to brush teeth regularly.	
	**Advice to use half the quantity of concentrate for small children.	From Spring '96

Alcohol Units: To help people **control their intake**, alcohol units are detailed on Wines and Spirits

**Sensible drinking guidelines on back for men and women, including advice on not drinking and driving/ drinking in pregnancy/illegality of sale to under 18 year olds.

Nov '96

Clear Labelling:

**Clear Descriptions/
Responsible Claims:**

Always **qualifying the use of the word "Light"** to ensure reason for use is understood.

1995

Adoption of **FAC guidelines** as criteria for nutrition claims.

% Ingredient Labelling:

Introduction of **% inclusion rate for **key ingredients** within ingredients list, before legally required.

1995

***Country of Origin:**

Declared on all Co-op Brand products, although not required by law.

1987?

In the case of commodity products eg. Cheese **produced** in one country, but **packed** in another, both will now be indicated.

1995

Non Food Ingredients:

The first retailer to declare **ingredients listings.

1987

Use of **plain English** words, rather than official ingredient names (eg. Water no Aqua). This will be technically **illegal** when the amendments to the EC Cosmetics Directive are adopted into UK law, but again is in the **consumers' interest**.

1995

**Non Food First Aid
Instructions:**

All **non food products carry instructions on what to do eg. **if swallowed**.

1987

**Non Food Animal
Testing &
Ingredients:**

Co-op non foods labelled **not tested on animals**.

1990

** **Revised** wording introduced to **explain policy more clearly**: Product and Ingredients not tested on animals, by us or our suppliers, since 1985.

1995

*****Presence of animal ingredients**, as well as absence, indicated on pack.

Jan '96

***Suitable for Vegans:**

Introduction of '**Suitable for Vegans**' labelling on appropriate products.

1995

**Legibility and
Openability:**

New requirements for packaging introduced.

1995

***Suitability for
Freezing:**

Guidelines introduced across a **comprehensive range** of foods advising on whether or not suitable for freezing.

1995

Microwave Guidelines:

More comprehensive guidelines (4 options on Ready Meals, 2 on other products) introduced.

Environment, Ethical and Animal Welfare

Labelling

		Date:
Eco Labelling:	**Co-op Recycled Bathroom Tissue and Kitchen Towels are the first retailer own brands to be awarded the EU Eco label, the only independently judged ecolabelling scheme .	
Labelling 'Intensively Produced' eggs:	**Battery eggs labelled ' Intensively Produced '. A technically illegal step, but one in the consumer interest, which led, within the space of months, to a change in the law, allowing eggs to be labelled "From Caged Hens". Co-op egg packs have now changed to this wording and several other retailers have followed suit.	June '95
Freedom Foods:	**Joining with the RSPCA's independently monitored scheme to produce Freedom Food Bacon, Eggs, Chicken.	1994
Genetic Modification:	** Labelling foods produced using genetic modification <ul style="list-style-type: none">● Vegetarian Cheese● Quiche etc containing Vegetarian Cheese	1994
High Cone:	Introduction of advice on disposal to minimise risk to wildlife.	1995
Sanpro:	Introduction of revised guidelines advising disposal in refuse or incinerator rather than flushing down toilet.	1995
Pesticides:	Information on Integrated Crop Management and crop protocols detailed on various Frozen Veg. packs.	1994
Packaging:	Recyclable symbol, recycled content detailed on pack. Materials named on packaging.	1988 1996

SAFETY

Toxic Shock Warning:	**Detailed on Tampons , because of the risk, especially to young girls due to lack of widespread awareness of the disease or its symptoms.	1992
Kidscape:	** Advice on Cereal packs on how to act if approached by a stranger. Back up to major fundraising initiative for Kidscape charity.	1993
Allergies:	Introduction of: <ul style="list-style-type: none">● prominent labelling of all products containing nuts or sesame seeds/oil using the words "CONTAINS NUTS" under the ingredients list.	1994

- **allergy advice** on those products where there is a risk, no matter how slight, of **minute nut particle accidentally** entering the product in manufacture. The words "Allergy Advice: May contain minute traces of nuts/ sesame seeds" are used.
- 'Contains Gluten' indicated on appropriate products.

Honey: Advice to parents, (based on latest Dept. of Health advice) that we do **not recommend Honey for babies** under 12 months. Mid '96

Meat & Poultry: Specific food safety advice detailed on meat and poultry packaging (where space permits): Mid '96

CAUTION

- 1) **To reduce the risk of food poisoning, always cook (meat) (poultry), until the juices run clear.**
- 2) **Do not let (raw meat) (poultry) or the juices from them touch or drip onto any other foods.**
- 3) **Always (defrost) (keep) (meat) (poultry) covered, on a plate, at the bottom of the refrigerator.**
- 4) **Keep your fridge temperature below 5°C.**
- 5) **Always wash your hands before and after preparing food.**

Environment

Product Policy: To **reduce** the Environmental **impact** of Co-op Brand products where we can do so without affecting **performance or price**.
To provide **factual information** to enable customers to make informed choices.

Environment Care Range: eg. Paper Products made from **recycled** materials. 1988

Recycling: Incorporate **recycled material** into as much packaging as possible to provide a market for recycled materials. 1988
Use **glues and labels** which are **compatible** with the main material for recycling.
Use the **recycling symbol** on pack.
Extend recycling facilities as retail outlets.

Environments Audit: **First retailer to conduct a **product audit** using **David Bellamy**.

Children's Awareness: Neat Street Range and promotion.

Pesticides: **Our unique position as **retailer and farmer** enabled us to pioneer a **pesticide policy** on peas grown on CWS farms and retailed under Co-op Brand. 1991

The Co-op has joined with other retailers to produce guidelines for farmers to help **minimise pesticide** usage. Although there is less opportunity for publicity for us, it is important to have a real effect on the Environment that **everyone** participates.

CFCs: **The Co-op was the first retailer to remove CFC's from aerosols and packaging. 1990

Ethical

Animal Testing: Co-op Brand Policy requires that products are **not tested on animals** and contain **ingredients** not tested since **1985**. 1990

Wherever possible **animal ingredients** have been replaced with non animal alternatives.

Animal Welfare: Freedom Food initiative. We have joined with the **RSPCA** to produce products (initially bacon and eggs) under conditions which ensure animals enjoy the '**Five Freedoms**'. 1994

Labelling battery eggs "Intensively Produced".

Gene Technology: There is **consumer concern** that unacceptable practices may be used on products.

We were the first retailer or manufacturer to have a policy on this issue.

Endangered Species: We specifically avoid products or ingredients from endangered species.

We banned ivory products long before legislation, also crocodile snake, lizard leather goods, shells/coral from the sea bed, cosmetics containing whale products or animal furs.

**We sponsored a research project to design special acoustic reflectors to attach fishing nets to give dolphins a natural early warning of danger ahead. 1991

We specify that drift netting or setting on must not be used to catch Co-op Tuna. 1991

Fair Trade: **We were the first retailer to list Cafe Direct Coffee and now stock a range of fair traded coffees, teas and chocolate. 1992

We have joined with the Fair Trade Foundation to develop and audit programme to deliver fair and reasonable working conditions for workers in factories producing Co-op goods around the world. 1996

The CWS Responsible Retailer Policies (extracts)

- We will always aim scrupulously to adhere to laws designed to protect the consumer and to describe the goods and services we offer accurately, giving as much information as we can. We will campaign to secure further legal safeguards whenever we believe that the consumer is vulnerable, in order to raise the standard of protection for us all.
- Sometimes the food industry may decide to close ranks rather than put the consumer first. On these occasions acting responsibly may involve the Co-op breaking ranks with the Industry.
- One in three respondents (in a Gallup poll of 30,000 people conducted by CWS amongst members) reported that they had boycotted a shop or products in the past. Nearly double that number - 60% - are now ready to do so, and over half -57%- the survey sample said they are more concerned about ethical issues now than five years ago.
- Seven in ten people -71%- think retailers have a responsibility to animals. Sixty-six per cent believe it is very important for the food industry to make sure that animals are treated humanely and for 59% it is very important that retailers support products which do not cause undue harm to wildlife (for instance "dolphin-friendly" tuna). 66% say that retailers should ensure that the cosmetics and toiletries stocked on their shelves are not tested on animals.

Other points from the Gallup survey:

- 70% expressed concern for environmental protection.
- 62% want labels to be clear and informative.
- 63% are concerned about access for disabled and elderly customers, and for mothers with babies.
- More than any other retailer, the Co-op is able to claim genuinely that "caring" is the basis of its trading philosophy.

APPLYING OUR CO-OPERATIVE VALUES

Social Responsibility in CWS Today

How does your part of the business demonstrate social responsibility?

Identify recent initiatives by your part of the business that demonstrate social responsibility

-
-
-
-
-

CWS EYE-CARE

Provision of Eye-tests at Half-price for People of Pensionable Age.

Since the removal of the right to free eye-testing under the National Health Service, there has been a concern about optical health, especially in relation to older people. Aside from the safety hazards of poor vision, optometry has provided a major benefit in identifying, glaucoma, diabetes and other potentially dangerous and damaging health conditions at an early stage.

In the past few months, it was reported to CWS Optical that there was an early-day motion coming before the House of Commons proposing the re-introduction of free eye-testing for pensioners. In advance of this possible change and in a direct response to the Co-operative Values, Principles and the Future seminar programme, the general Manager of Eye-Care decided that, with immediate effect, all sight-tests for people of pensionable age should be charged at half-price (currently around £6.00.)

Values

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- 1 Self-help
- 2 Self-responsibility
- 3 Democracy
- 4 Equality
- 5 Equity
- 6 Solidarity

ETHICAL VALUES:

- 1 Honesty
- 2 Openness
- 3 Social Responsibility
- 4 Caring for Others

Principles

- 1 Voluntary and open membership
- 2 Democratic member control
- 3 Member economic participation
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- 6 Co-operation among co-operatives
- 7 Concern for the community

Values Demonstrated Self-responsibility Caring for others Social responsibility	Evidence Manager took the initiative Care for health of old people Accepting reduced profits
Principles Demonstrated Education, training and information	Evidence Telling people about health risks

WORKING *with the* DEMOCRATIC MOVEMENT

Tillicoultry.

Tillicoultry, in Clackmannanshire, had a long-established local society which transferred its engagements in the early 1970's. It has retained an active membership base and a strong Scottish Co-operative Women's Guild branch, although the store became run-down and members began to go further afield to do their shopping at the Co-op store in Alloway, five miles away.

The store was threatened with closure but the local Divisional Committee was convinced that there was a strong case for up-grading it, since there was still strong co-operative loyalty in the area. The committee made representations to the Regional Committee and put pressure on their Area Manager, and one of their members took the matter to the Scottish Board.

Management re-evaluated the position, and found a very good site which could be cleared for a 2,800 sq. ft. new-build store with carpark, surrounded by new housing. The effect has been wholly positive. That end of the High Street has been up-graded. The new store has brought back Co-op customers, and recruited many new ones from Safeway and elsewhere. Turnover has increased over 100 percent since the opening at the end of 1996.

During the rebuilding, a plaque was found on the old store commemorating the opening of the original Tillicoultry store and listing the original committee members - from 1839!

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Values Demonstrated	Evidence
Principles Demonstrated	Evidence

Investing in People.

Several years ago CWS Optical took the first steps towards achieving Investors in People status. Along with Agriculture it became one of the first CWS Divisions to do so.

The process has involved a prolonged period of reflecting on the nature of the business - its goals and objectives - and the nature of its relationship with staff at all levels. Its impact has been mainly on style and behaviour - an overall cultural change which is bringing great and growing benefits.

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Results so far suggest that:

- i. Staff at all levels identify more closely with the objectives of the business, and understand their contribution.
- ii. Members of staff are more likely to reflect on their own contribution and to suggest improvements and efficiencies.
- iii. IIP has been a medium for introducing change in working practises - allowing the business to grow and develop.
- iv. There has been an improved communication process - both upwards and downwards.
- v. People derive more job satisfaction.
- vi. IIP takes people development out of middle management and makes it a strategic management tool.
- vii. Training is consistently linked to national standards and certification, becoming truly "portable" so that staff can see a personal benefit in upgrading their skills.

Overall, IIP, which was at first seen cynically in the context of fifteen years of chopping and changing training and personnel development schemes, has become institutionalised in these two CWS Divisions and seen at all levels as a valuable tool for constructive change.

The Investors in People programme is now being implemented throughout CWS as a major development priority. An indication of its importance is that the Chief executive, Graham Melmoth is himself chairing the working-party on IIP; the first such sub-committee to be chaired by a CEO.

Values Demonstrated	Evidence
Principles Demonstrated	Evidence

The membership structure of the CWS North East is based upon seven Divisional Committees comprising a possible 100 people if all places were filled. These committees elect members of the Regional Board, and they possess considerable and wide-ranging influence within the society in the North-East. The task of the Member Relations office is to encourage participation in these committees, and to help them develop their influence.

During the past two years, a sustained effort has been made to encourage new people to put themselves forward for election to the committees. Flyers explaining the process and inviting enquiries have been sent out during distribution of member benefits, supported by in-store advertising, and around seventy new people have enquired each year. Many of these drop out, but the end result has been that, in two years, 20 new committee members have been elected, or filled uncontested vacancies. In one area - Whitby - where there was a large store but no democratic participation, there are now two active committee members.

Most of these new committee member have been retired people in early middle age with professional skills and experience which makes them able to make a very useful input, especially after an intensive training input. All committee members - new and old are given training which helps them develop their skills and become more effective as a sounding-board for management and representing the wider membership of their area.

This process has gone hand-in-hand with an attempt to brighten up and sharpen up the committee meetings. When the present round of in-depth training began in January 1996, 36 existing district committee members attended over 2 weekends. The Officers noted criticisms - 17 suggestions for change - and implemented 16 of them.

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Values Demonstrated	Evidence
Principles Demonstrated	Evidence

CWS AGRICULTURE

Opening up the Countryside to Urban Children.

In an increasingly urban society - and one which is becoming socially more and more polarised - it is important for urban children to experience the countryside and to see farming at first hand - rather than from tv and books.

For this reason, CWS Agriculture has concentrated its charitable giving upon one organisation - The Country Trust - whose mission is to bring children from inner-urban homes - often in areas of social deprivation - onto working farms for day visits so that they can see that milk comes from cows - not cartons!

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These visits take place at many CWS farms - but one farm in particular - at Stoughton, Leicestershire, is organised as Farmworld - with visits and visitors as the major part of its work. It is a working dairy-farm, but it has a range of activities and points of interest for visitors, such as rare breeds, nature walks, a children's farmyard and a wide range of play facilities.

In all, over 130,000 people a year visit Stoughton and other CWS farms, learning and understanding more about rural life and work. CWS Agriculture division sees this work as its unique contribution to social education,

"We see this work as playing an important part as the public face of the CWS's high standards in husbandry and environmental care".



Values Demonstrated	Evidence
Principles Demonstrated	Evidence

“Safe Sun Profit Free Zone” - Suncare Offer

Research within CWS Retail showed that although Skin Cancer was a growing risk - with over 40,000 new cases a year - it was one of which most people were totally unaware. It was therefore seen as completely within the Responsible Retailer framework to sell all branded suncare products - including brand leaders Ambre Solaire and Piz Buin at cost price in all stores, supported by a point-of sales and press campaign to attract consumer attention.

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This policy was adopted for the Summer of 1997. Whilst it is too early to evaluate its impact on in-store sales of sun products, it is absolutely clear that the campaign has raised the profile of the CWS within the community as a whole. In addition, in response to the question, “Which stores have good offers on SunCare?”, the Co-op was cited much more frequently than any other retailer - a clear rise in public awareness.

An important factor in this offer has been the close co-operation between Retail and Travelcare, who produced “Safe Sun” leaflets which emphasised the dangers of over-exposure to the Sun, and included them in all this Summer’s holiday travel documents.



Values Demonstrated	Evidence
Principles Demonstrated	Evidence

CWS FUNERALS

A Counselling Scheme for Employees and Their Families.

The Funeral service is built upon providing sympathetic, sensitive and unobtrusive support at a time of bereavement. The need is for funeral service staff to be calm, solid and reassuring at these difficult times. However, sometimes the work is deeply disturbing and harrowing, and workers can come under acute stress when dealing with tragic circumstances.

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To help staff in these circumstances, CWS Funeral Service provides a free counselling service for staff and their family members, throughout the UK, through an independent counselling service specialising in employee support programmes. The service begins with a call on the 24-hour freephone counselling phonenumber, which can lead to off-site, face-to-face counselling sessions with trained and qualified staff at need. The service guarantees client confidentiality with no reports back to the employer without prior consent.

So far the programme has not been heavily used, but its presence provides a valuable support to workers in a service sector whose jobs are often stressful.

The CWS is the first co-operative society to provide a counselling service for funeral staff, and it is believed to be a first within the UK Funeral sector.

Values Demonstrated	Evidence
Principles Demonstrated	Evidence

CWS FUNERALS

Carers' Magazine

In 1996 Funeral Group launched a new magazine aimed at carers, whether workers in care institutions - nursing or residential homes, hospitals or care agencies - or individual carers looking after a partner or relative at home. The aim was to create a voice for carers themselves, so that agencies could tell interested people about their work and the services they offered, alongside advice and help articles on issues such as Safety in the Home, bright, newsy, well-illustrated articles such as "Day in the Life of a Paramedic", or a photo-feature about a day-trip to New Lanark, plus games and competitions.

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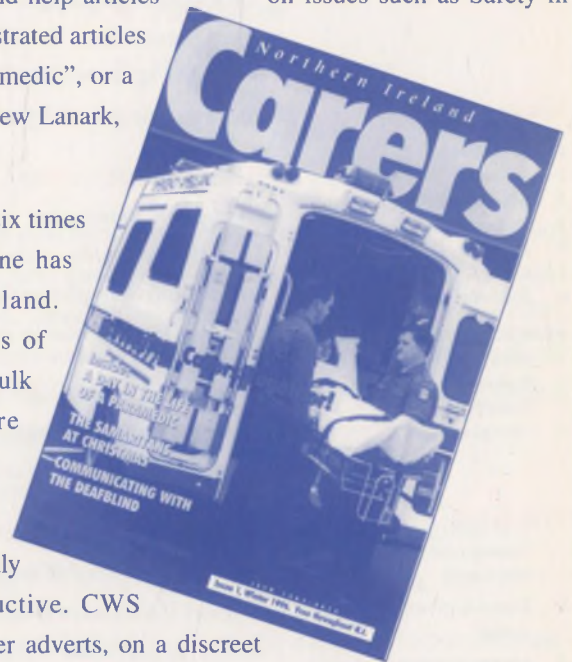
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The magazine has so far appeared six times in Scotland, and a sister magazine has appeared twice in Northern Ireland. Distribution is free to the homes of people on the mailing list, plus bulk deliveries to hospitals and care institutions.

This is deliberately not a hard sell for Funeral Group - that would be totally inappropriate and counter-productive. CWS Funerals advertises, alongside other adverts, on a discreet quarter-page, and the overwhelming impact is of a magazine well-targeted at carers, and written by them.



Values Demonstrated	Evidence
Principles Demonstrated	Evidence

CWS TRAVELCARE

Campaign Information About the Problem of Child Prostitution Placed in Outlets for Customer Information.

Joint campaign with Coalition for Child Prostitution and Tourism.

At a time when the UK was the only country in the European Union which did not prosecute UK citizens at home for offences against children committed overseas, CWS Travelcare joined with the campaigning group the Coalition for Child prostitution and Tourism to put pressure on the UK government, and generally to inform tourists going to countries where child prostitution was common. In response to a faxed press release from ECPAT, CWS Travelcare approached them and a joint leaflet was produced, sponsored by Travelcare, which was placed in Travelcare outlets for information, and possible action by customers.

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Helen Veitch, European Coalition for Child Prostitution and Tourism commented:

"Although many tour operators have given verbal support to our campaign, Co-op Travelcare is the only tour operator to have taken direct action by producing a collaborative leaflet with us. This leaflet was, therefore, the most significant direct action taken by the UK tourist industry in the campaign to introduce extra-terrestrial legislation to the UK".

Shortly after this campaign was launched, the new Labour Government brought in legal changes to make child sexual exploitation overseas punishable in UK courts.

A spokesperson for Travelcare commented:

"We were pleased to help because we felt that this was a campaign our customers would support if they were made aware of the issue - our role was to create an awareness - to inform people and tell them what they could do to help".



Values Demonstrated	Evidence
Principles Demonstrated	Evidence

THE CO-OPERATIVE BANK

An Evolving Mission

At the end of the 1980's, the Co-operative Bank began the process of re-positioning itself in the banking sector. It began by looking back at Co-operative Principles and the movement's roots, and reviewing its present activities and customer base. Out of this process came its Mission Statement. This document contained 8 main points:

- Quality and excellence
- Freedom of Association
- Co-operation
- Retentions
- Participation
- Education and training
- Quality of Life
- Integrity.

The second point, Participation, led directly to a process of consultation with customers and other stake-holder groups, who have contributed directly to all the successive stages of the Bank's evolving ethical stance. Three major consultations, in 1991, 1994 and 1997, have contributed directly to the contents and direction of the ethical and ecological policies at present in place. In the 1997 Consultation process, ballot forms were sent to 1.2 million customer households, and 98,000 replies were returned.

Successive stages of this development have been:

- the Mission Statement
- the Ecological Mission Statement
- the Ethical Investment Programme
- the Partnership Approach.

The partnership approach defines seven Partners to whom the Bank has responsibilities:

- Customers
- Suppliers
- Staff and their families
- Local communities
- Past and future generations.
- Shareholders
- Society

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In keeping with the value of participation, the Partnership Document (1997) ends with the following invitation:

We would like to hear your views on our Partnership Approach.

Please write to our Managing Director at the address below:

The Managing Director, the Co-operative Bank PLC, 1 Balloon Street, Manchester M60 4EP.

Values Demonstrated	Evidence
Principles Demonstrated	Evidence

The Geometry of the Triangle

Introduction: The triangle is one of the most fundamental shapes in geometry. It has three sides and three angles. The study of triangles is essential for understanding more complex geometric figures.

Classification of Triangles:

- Equilateral Triangle:** All three sides are equal, and all three angles are equal (each 60 degrees).
- Isosceles Triangle:** Two sides are equal, and the angles opposite these sides are also equal.
- Scalene Triangle:** All three sides are of different lengths, and all three angles are of different measures.

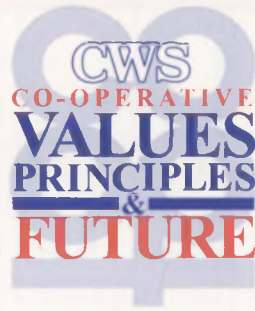
Properties of Triangles:

- The sum of the interior angles of a triangle is always 180 degrees.
- The exterior angle of a triangle is equal to the sum of the two non-adjacent interior angles.
- In a right-angled triangle, the square of the hypotenuse is equal to the sum of the squares of the other two sides (Pythagorean Theorem).

Similar Triangles: Two triangles are similar if their corresponding angles are equal and their corresponding sides are in the same ratio. Similar triangles have many important properties, such as the fact that their areas are in the ratio of the squares of their corresponding sides.

Area of a Triangle: The area of a triangle can be calculated using the formula: $\text{Area} = \frac{1}{2} \times \text{base} \times \text{height}$. This formula is derived from the fact that a triangle is half of a parallelogram with the same base and height.

Conclusion: The geometry of the triangle is a rich and fascinating field of study. It provides a foundation for understanding more advanced topics in geometry and trigonometry. The properties and relationships of triangles are fundamental to many areas of science and engineering.



Session Seven

APPLYING *our*
CO-OPERATIVE
VALUES TODAY
and
TOMORROW

How we can
Promote the
Co-operative
Difference

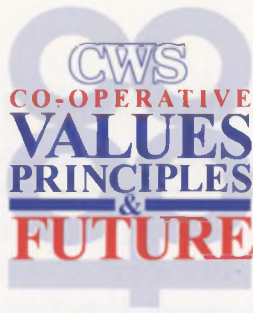
Functions	Future Actions	Values Represented
Relationships with customers/suppliers	Point of sale, promotion of no-profit sales of sun-care products	Openness Honesty Concern for Community
Relationships with staff	Regular briefings with staff to update them on performance and current developments e.g. Lamica. Ensure <u>all</u> staff informed.	Honesty Openness Equity Democracy
Management style	Reduce dependence on very short contracts for part-time staff. Phasing out contracts shorter than six hours a week. Introduce I.P.	Caring for others Equity Democracy
Links with membership	Posters in visible positions in store for elections to District Committee. Staff briefed to explain membership to Dividend Card applicants.	Democratic member participation Member economic benefit equity
Customers' special needs	Sweets and toys removed from check out area to reduce 'pester power' pressure on parents	Concern for the community Caring for others
Links with our community	Music for schools promotion - Cave Grants and Community Dividend	Concern for the community Caring for others
Links with the wider co-operative movement	Promotion of Freedom Foods. Goods sourced from co-operatives in poorer countries.	Co-operation between co-operatives
Links with the Divisional Committee	Elections held in-store. Performance information made available to Committee	Member democratic control
Links with other parts of CWS	Non-food and travel vouchers sent out with dividend vouchers	Member economic participation

Functions	Future Actions	Values Represented
Relationships with customers/ suppliers		
Relationships with staff		
Management style		
Links with membership		
Customers' special needs		
Links with our community		
Links with the wider co-operative movement		
Links with the Divisional Committee		
Links with other parts of CWS		

Functions	Future Actions	Values Represented	Others involved in the Initiative
Relationships with customers/suppliers			
Relationships with staff	Make more effort to communicate with staff about the development of the business and future directions and priorities.	Openness Solidarity Equity	All Supervisors Area Managers
Management style			
Links with membership	Use the store more effectively to promote membership. Focus more on membership in staff training. Investigate offering incentives for member recruitment.	Member democratic participation openness	All staff and supervisors
Customers' special needs			
Links with our community			
Links with the wider co-operative movement			
Links with the Divisional Committee			
Links with other parts of CWS	Improve links with supply chain - build better communication and feedback.	Solidarity Equity	Supply Chain, Area Managers, staff (feedback)
Summary: key recommendations in the application of values in your work:			
In my work place I will ...	Improve communication with staff, members and my counterparts in supply chain.		Timescale Begin now but will take time
I will work with my staff to develop ...	a greater sense of solidarity and trust.		Begin now but will take time
I will ask my Division to consider developing ...	a better information flow on performance and events		slow!!
I would like the Society to ...	consider rewarding staff for recruiting members.		

Functions	Future Actions	Values Represented	Others involved in the Initiative
Relationships with customers/suppliers			
Relationships with staff			
Management style			
Links with membership			
Customers' special needs			
Links with our community			
Links with the wider co-operative movement			
Links with the Divisional Committee			
Links with other parts of CWS			
Summary: key recommendations in the application of values in your work:			
In my work place I will ...			Timescale
I will work with my staff to develop ...			
I will ask my Division to consider developing ...			
I would like the Society to ...			

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QUESTIONS AND ANSWERS ON THE CO-OPERATIVE MOVEMENT

Background Information

1

When did the Co-operative Movement begin?

Retail and worker co-operatives have a long history, and some of each were formed as early as the middle of the Eighteenth century (around 1750). There is a big difference between a scattering of co-operative stores, workshops and cornmills and a movement. The person who first brought them together and gave them a common identity was Robert Owen, a successful mill-owner who gradually adopted a socialist philosophy. Around Owen, Dr. William King, editor of *The Co-operator* and other leaders grew up a lively debate on how co-operative action could counter and cure the worst ills brought about by the Industrial revolution. In the 1830's a number of Co-operative Congresses were held, at which several hundred of these early co-operatives were represented.

This could be called the beginning of the first co-operative movement, but the co-ops themselves were often unstable and poorly managed, and most failed within a year or so. However, by the early 1840's, we can identify around fifty retail societies which were strong and vigorous.

2

Why were the Rochdale Pioneers so important in Co-operative history?

The Rochdale Society of Equitable Pioneers, founded in 1844, was the model for old and new co-operatives alike. Even stores which had been running successfully for a generation, like Sheerness, re-formed themselves using the Rochdale rules, and, by the early 1850's any group of members wanting to start a co-op would use the Rochdale rules as a basis. The Rochdale Pioneers Society was important because:

- it was founded by a group of people who combined Owenite social philosophy with business acumen.
- it was the first large, financially successful society.
- its use of individual dividend on purchases built member commitment, and a strong capital base.
- its principle of cash trading gave financial stability.
- it began its business at a time when real incomes were starting to rise after a long period of depression.
- the CWS, the Co-operative Union, the CIS, the Co-operative Building Society and many other initiatives were led by members of the Rochdale Pioneers.
- the Rochdale Principles, published in the society's Almanac in 1860, became the moral and constitutional guidelines for the whole national and international movement.

3

How did a local co-op come into existence?

A co-operative was a way for poor people to achieve a purpose, such as obtaining supplies of food, for themselves, by starting a business under their own control. They started small and simple, with capital which they saved up themselves.

Take the case of Colchester Co-op. It was started in 1861 by ten men, who registered a set of rules (based on the Rochdale Pioneers) and rented a small shop. Their first stock was simply loaves of bread bought wholesale from the local baker, and the shop was at first run, in the evenings, by members of the committee. They expanded slowly and cautiously as their confidence grew. Not long afterwards they had their own bakery, and sold a whole range of foods, plus some non-foods and coal.

4

What sort of people formed co-ops?

Although the lists of founders of co-operative societies seldom include any women, both men and women became members of early co-operatives. In many cases women were active in getting the store off the ground. Most co-ops were formed by groups of working-class men, with a small but significant number of middle-class supporters, sometimes including clergy and local employers. One very prominent group was railwaymen. Miners and textile workers were also very important. Most of the early co-operators were probably politically active, with Owenites and Chartists prominent among them, and there was a significant group of people from religious, especially non-conformist, sects. These people brought organisational and business skills, although by no means all of them were literate and numerate.

5

Who supported the development of the Co-operative Movement?

Among the people who gave strong support to the Co-operative movement, some of the strongest were the remaining Owenite socialists, such as G.J. Holyoake, Lloyd Jones, William Pare and James Hole, who saw the new movement as carrying on in the same tradition. Holyoake's contribution was so important that, shortly after his death, the new headquarters of the Co-operative Union was built as a memorial to him.

Many people from the upper and middle classes saw co-operation as a powerful force for improvement for working people, and one which did not seem to have the disturbing characteristics associated with socialism or trade unionism. One very strong group of supporters were a group called the Christian Socialists, and the leadership of the movement was, for some time, in the hands of members of this group, such as Thomas Hughes (the co-op's attorney), Edward Vansittart Neale, secretary of the Co-operative Union, and Edward Owen Greening, a manufacturer who set an example by giving his business to its workers.

Besides these active, engaged supporters, great Victorians such as Florence Nightingale and John Stuart Mill sent letters of greeting to the first Co-operative Congress, and Queen Victoria sent her best wishes. (It might be worth noting that when the co-operative movement got strong enough to be a threat to private businesses, this goodwill faded significantly).

6

Why were co-ops democratic?

The members of co-ops were (and are) shareholders, and a one-pound share represented a very considerable investment to a poor family. Members felt that they were entitled to protect their capital, and have a say in how the business was run. Unlike shareholders in a private business, they wanted to admit any new members on equal terms, so as not to create any barriers to growth. Since almost all were holding very small amounts of capital, it seemed fairest to give one vote per member, instead of votes proportionate to share-capital. In the last resort, co-operative democracy was a chance to stop the directors from taking actions the members disliked.

7

How was a co-operative society managed?

A typical retail society was run by a committee of management, elected by the members in open meetings (sometimes by secret ballot). The committee would appoint sub-committees for grocery, drapery, coal etc. which would supervise every aspect of their sectors. Frequently staff appointments would be confirmed by quarterly members' meeting.

The most important item of business at the quarterly members' meeting was the declaration of dividend. The Committee of Management would publish and discuss the balance sheet and announce the amount of dividend to be distributed and the appropriation to reserve. Members could react to this announcement, and, in the last resort, move an amendment.

The society would usually have a chief officer, usually a Managing Secretary, who was responsible for implementing the decisions of the Committee. Under him, responsible officials would often report directly to the sub-committee chairs, who were responsible to the Management Committee. This structure remained largely intact until the 1960's, when it was swept away by a set of managerial reforms.

8

Why were co-operative societies so successful in the early decades?

They were successful, first and foremost, because they served genuine needs of their members. Members wanted good quality goods at acceptable prices, and they wanted to earn a dividend which they could either save or spend. In addition, co-ops grew because they were efficient traders. Some specific points:

- a local retail society had the advantage of local knowledge and responsiveness to the local market.
- It could gain access to the economies of purchasing from CWS, the largest wholesaler of its time.
- its capital base grew rapidly, as members tended to leave their dividends with the society as long-term savings.
- member loyalty was maintained by education, cultural events, social gatherings and holiday visits. All this made a co-operative more than just a business.

9

Why was the CWS formed.

By the early 1860's there were about five hundred retail co-ops, mostly in Lancashire and Yorkshire, and about a hundred worker co-ops. They felt the need for an organisation which would:

- give them continuity of supplies of goods
- procure them goods of consistent quality
- help them to expand their stock-range and avoid the mistakes which came from inexperience and lack of capital.
- distribute the products of worker co-ops to retail co-ops.

Being co-operators themselves, it seemed natural that their wholesaler should be a co-operative too, with the primary co-ops as members. That way they could exercise control and share in the profits.

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How was the CWS controlled in its early days?

The CWS was started in 1863, largely by retail societies in the Lancashire and the West Riding of Yorkshire. Its early staff came from the larger societies in this area, with the Rochdale Pioneers very prominent (J.T.W. Mitchell, long-time Chairman of the CWS, was an active member of the Rochdale Pioneers Society). These societies raised the start-up capital for the CWS, became its early customers, and elected and served on its Board of Management.

In the 1870's the CWS expanded its operations by opening a number of regional depots which spread all over the UK. Each of these depots had a local Board of Management elected from the societies in its region. So before very long the central CWS board became representative of the whole co-operative movement.

The one real exception was Scotland, where an independent organisation, the SCWS, was formed in 1868. Although there was a lot of joint activity, the SCWS led an independent life until 1973, when it transferred engagements to the CWS.

11

Why did the CWS enter manufacturing?

The role of the CWS was the procurement of goods for retail societies to sell. This could involve local sourcing and importing, but in some cases, especially in the imperfectly integrated market of the late Victorian period, the best way to obtain quality control and consistency of supply was to manufacture the goods directly. Large retail societies realised this and soon began to mill their own flour and meal and bake their own bread. In 1873 the CWS took the initiative and opened their first manufacturing units, biscuits and cakes at Crumpsall and boots and shoes at Leicester. These early units were so successful that there was soon a demand for expansion of the productive capacity.

It is worth noting that the movement's main rivals, the early chain-store multiples like Liptons and Maypole Dairies, also entered production, processing and growing for exactly the same reasons.

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Why did the CWS become a retailer?

The CWS was strongly involved in the attempt to spread co-operation to areas where it was poorly developed, and, by the 1880's "missionaries" were working to create new co-ops in various parts of the country.

However, although it gave help, the CWS always stopped short of controlling these new societies. The same policy was adopted in the case of a society failure, and a neighbouring society was always encouraged to take over the failing society's engagements.

Origins of CRS

CWS involvement in retailing came first through the setting up of the fore-runner of CRS as a CWS subsidiary. Following a resolution at the annual Co-operative Congress in 1929, a new organisation, the CWS Retail Society was formed in 1934 to establish retail societies in "co-operative deserts" in England and Wales. However, by 1936, the number of failures in depressed areas was so great that the CWS Retail Society was empowered to accept these transfers and become an "ambulance society". Cardiff, in 1936 became the first to transfer its engagements to the new society. CWSRS grew very rapidly as societies, especially at first in the South-West and Wales, came into membership. Over time, the society became a national body with a regional structure and individual membership, its ties with the CWS weakened and it became strong enough no longer to need the CWS financial guarantees. In 1957 CWSRS changed its name to Co-operative Retail Services Ltd., and in 1993, following a review instigated by the Registrar of Friendly Societies, CWS ceded its powers to nominate members to the CRS Board. The CRS Board then became composed wholly of elected lay members. By this time 177 societies had transferred to CRS and it represented 25% of co-operative retail trade.

Creation of SCWS retail division

The situation in parts of Scotland was different, however. In some cases, such as in the Highlands and Islands, the SCWS was unable to help an independent society into existence and began to retail directly. This process began as early as 1908 in Elgin, but the main period of growth was in the late 1930's and the war years.

Sometimes a society would fail where there was no neighbour able to take over and the SCWS itself acted as the ambulance service. In time, the SCWS gradually developed a Retail Division. In the early 1970's a Scottish CRS was formed to accept transfers, but shortly after, in 1973 the SCWS itself merged with the CWS, and the CWS found itself with a retail division in Scotland.

Crisis in the early 1980's

In the early 1980's a crisis developed in the co-operative sector. Societies all over the UK were in deficit but the crisis was especially deep in large cities where competition was most severe. In the London area, three of the UK's largest societies, London, Royal Arsenal and South Suburban, were in difficulties at the same time. CRS took over London, a massive task, but, having taken over large commitments with Birkenhead in 1975 and Hull and East Riding in 1981, the movement felt that it could not accommodate the two South London societies as well. The CWS, as the only other organisation with the capacity, was forced to act, and it became a major co-operative retailer in England. In the process, the CWS acquired individual membership and a complex democratic structure which subsequently forced the transformation of the whole organisation.

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How did the Co-operative Union come into being?

By the middle 1860's co-operation was spreading rapidly, with over 600 co-operative societies, membership of around 200,000 and a collective turnover of over £6,000,000. In early 1869 the first national meeting of co-operators took place. This meeting was the first Co-operative Congress, and the small secretariat which ran the conference was the germ of the Co-operative Union. A Central Board was created to organise further Congresses, and, in 1873, Edward Vansittart Neale, Christian Socialist lawyer and dedicated co-operative activist and sponsor of all types of co-operative activity, became General Secretary.

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What was the purpose of the Co-operative Union?

The Co-operative Union arose through the desire of co-operatives to work together for their mutual benefit and to strengthen the movement by propagating new co-operatives. It became a servicing organisation, offering a wide range of services too expensive or specialised for primary co-operatives to provide for themselves. It has been:

- the forum in which the co-operative movement has met and discussed its business.
- the voice of the movement to outside bodies at home and abroad, including government.
- the conscience of the movement, guarding its values, setting standards and rules for the conduct of business.
- the trade association for the Consumer Co-operative Movement in the UK.

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Why was the Co-operative Party formed?

Right back in the days of the Rochdale Pioneers, E.V. Neale, Thomas Hughes, G.J. Holyoake and others were active as political lobbyists on the Co-operative movement's behalf. They convened an all-purpose group of Peers and M.P.s, with some very prominent members, to help steer legislation. This function continued right through to the period before the First World War, and it was formalised in the Co-operative Parliamentary Committee. However, by the time of the First World War, the all-party approach was failing badly, and the movement began to debate the idea of putting up their own parliamentary candidates.

This was resolved in 1917, under the pressure of the War. By this time the emerging Labour Party was standing in the very constituencies the Co-operative Party saw as potentially winnable, and it was clear that two working-class candidates fighting against Liberal and Conservative would split the vote hopelessly. The best answer was an electoral pact with Labour.

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What does the Co-operative Party do?

The Co-operative Party organises candidates for local and national office, and provides a support network through local branches around the country. In both Houses of Parliament, and in the European Parliament, a Co-operative Party group meets and initiates, supports and opposes legislation affecting co-operatives of all kinds. In local councils, co-operative party groups are also formed in association with the Labour party.

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Why is the co-operative movement so divided? Why isn't there a single national retail society?

The co-operative movement's democracy is essentially bottom-up. Broad policy is debated and made at national level through Co-operative Congress, but although retail societies can adopt and implement Congress resolutions they cannot be forced to do so.

Retail societies are fiercely independent and have strong ties of loyalty to their own communities. Despite regional plans and national strategies, this century has shown a consistent pattern, that retail societies, with very few exceptions, will only accept merger and rationalisation as a last resort, when they are forced by trading failure. Democracy, independence and autonomy are all tied together.

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Why has the movement changed so much? Why did dividend disappear?

The retail trade began a process of radical change in the late 1940's when self-service began to replace counter-service. Smaller retail co-operative societies could, perhaps, find the money to convert small stores to self-service, but they could not afford to build larger new stores to take advantage of the economies offered by self-service. Co-ops began to lose market share in the late 1950's, a process made worse after 1964, when Resale Price Maintenance was abolished. The price war which followed forced the co-operative societies into deep price cuts, and the dividend, which came from net profit, could not be sustained.

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What is meant by "the wider co-operative movement"?

Economic co-operation is all about groups of people working together to solve their common economic needs. Sometimes these needs can be for supplies of consumer goods, in which case a retail distributive co-op is the appropriate one. But it could be a group of workers who want to run a business together as a co-operative, with joint ownership and control. In other situations, farmers can co-operatively own large items of capital equipment, or market their products co-operatively in order to get a better price. People can co-operate to provide homes for themselves, by self-build, or by forming a tenants' co-operative or a housing management co-operative. Another very important form of co-operation is for savings and loans, through credit unions.

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It is not necessary for a co-operative to service a single purpose. Co-operatives can be multi-purpose, especially in rural areas. There are many community co-operatives around the world (and in Britain) which meet a number of different community needs.

The essential features are the co-operative principles of democratic control of the enterprise, and equitable sharing of outcomes. Co-operation is essentially about working for individual benefit through collective action, under democratic control. In the UK the different forms of co-operatives see themselves as having much in common and keep in touch with one another through the United Kingdom Co-operative Council.

Is the Co-op represented overseas as well?

Co-operation does not have a single source of origin. Just as we in the UK point to our Rochdale Pioneers, credit co-ops point to the work of Raffhaisen in Germany who started a movement to help poor peasants to gain agricultural credit through simple self-help co-operatives. Other countries have identified early co-operatives, responding to the same sorts of conditions that led to our Movement emerging.

From the mid-19th Century, co-operators tried to co-operate internationally, and in 1895 the International Co-operative Alliance was founded at a Congress held in London. It maintains unity amongst Co-operative Movements from all social systems, and today 765 million co-operators in 223 organisations in 129 countries are linked through the International Co-operative Alliance, the President of which is Graham Melmoth.

Co-ops also seek to co-operate internationally through specialist bodies, Euro-Co-op coordinates consumer co-operatives in the European Union, whilst CECOP carries out the same function for workers' co-operatives. Similar bodies exist for banking, insurance, tourism and other specialist sectors of the Co-operative Movement.

Whatever its source, co-operation is a world-wide success story, and, despite the problems that our Movement faces in the short-term today, on a global scale the Movement continues to grow. Co-operative solutions are being applied to new areas of economic activity, and responding to members' needs across the planet. These co-operatives and co-operators are united through the ICA statement of Co-operative Identity, Principles and Values. It is the values and principles that are the common denominator for all forms of co-operative activity.

CO-OPERATIVE TIMELINE

- 1796** Fenwick Weavers' Society formed (Ayrshire). Probably the first Co-operative store in Britain.
- 1795** Hull Anti-Mill formed. One of a number of co-operative cornmills formed during the French Revolutionary Wars.
- 1812** Lennoxton Victualing Society formed. This society was still trading a century later.
- 1816** Sheerness Economical Society formed. (first English retail co-op?)
- 1821** The Economist, the first Owenite publication commences.
- 1828** Dr. William King publishes The Co-operator. Lays out the blue-print for social transformation springing from retail co-operation.
- 1831** First Owenite Congress of Co-operators held.
- Alexander Campbell, in his Cambuslang address, proposes that a share of profits be distributed as individual dividend on purchases.
- 1844** The Rochdale Society of Equitable Pioneers formed.
- 1846** Industrial and Provident Societies Act contains a clause empowering friendly societies to trade among members.
- 1852** Industrial and Provident Societies Act fully recognises co-ops.
- 1862** Industrial and Provident Societies Act allows co-ops to own property. The Act empowers the Movement to set up a federal depot and provides the legal framework for the establishment of CWS.
- 1863** North of England Co-operative Wholesale Society registered with share capital of £1,400 subscribed by 43 societies. Abraham Greenwood elected first President. Business commenced at Cooper Street, Manchester.
- 1866** CWS opens its first butter-buying depot in Ireland.
- 1867** Co-operative Insurance Society founded with CWS as a member. J.T.W. Mitchell becomes CWS committee member.
- 1868** Scottish Co-operative Wholesale Society formed.
- CWS moves to Balloon Street. Policy changed from buying for retail societies to selling to them at market prices.
- 1869** First Co-operative Congress - nucleus of the Co-operative Union.
- 1870** Co-operative Central Board set up as voice of co-operative movement.
- 1872** CWS opens its first branch depot at Newcastle-on-Tyne. "North of England" dropped from title.
- CWS trade exceeds £1,000,000 per year.
- CWS opens Loan and Deposit department - origins of Co-operative Bank.

- 1873** CWS enters manufacturing - Crumpsall biscuit factory; Leicester, Duns Lane boot and shoe factory.
- 1874** CWS purchases Durham soap works. London branch depot opens.
- 1876** CWS purchases first ship - The Plover. First overseas depot opens in New York. CWS Banking dept. opens.
- 1882** Tea dept. opens.
Foundation of Co-operative Productive Federation, as the umbrella body for worker co-partnerships.
- 1883** Women's Co-operative Guild founded.
- 1884** Co-operative Permanent Building Society formed.
- 1886** First Housing Co-partnership formed.
- 1887** CWS cloth-making commences at Batley.
CWS cocoa and chocolate production starts at Luton.
- 1890** CWS clothing manufacture commences in Leeds.
- 1891** CWS corn milling commences at Dunston-on-Tyne.
- 1893** CWS cabinet-making begins at Broughton.
- 1894** CWS Irlam soap works opens.
- 1895** First Congress of the International Co-operative Alliance held in London.
CWS opens printing department. Tailoring begins at Broughton. J.T.W. Mitchell dies.
- 1900** CWS bacon factory opens at Herning, Denmark.
- 1901** Bishop Auckland Co-operative Society begins funeral furnishing.
CWS bacon factory opens in Tralee, Ireland.
- 1904** CIS offers member's death benefit through retail societies.
- 1906** Proprietary Articles Trade Association formed to impose a boycott on Co-operative societies paying dividends on branded goods.
J.C. Gray's Congress Presidential address proposes a single national society.
George Jacob Holyoake dies.
- 1910** CWS Banking department accepts deposits from trade unions and individuals.
- 1911** Holyoake House opens as new Co-operative Union headquarters in honour of G.J. Holyoake.
- 1912** Two Wholesale societies (CWS and SCWS) jointly take over Co-operative Insurance Society.
- 1913** CWS Tea estates purchased in Sri Lanka (Ceylon).
- 1914 - 18** First World War
- 1914** Dublin Co-operative Congress calls for general survey of all aspects of co-operative operations.
- 1916 - 18** General Survey Committee reports on trading and structural issues.

- 1917** Co-operative Congress passes a resolution in favour of Co-operative participation in politics.
- 1918** Co-operative Party founded.
- South Suburban Co-operative Society formed by merger - begins a process of retail society amalgamation in large cities.
- New Education Act supports further education and encourages part-day and day release for young employees.
- 1919** Co-operative College established at Holyoake House.
- 1925** Woodcraft Folk founded and receives support from RACS.
- 1929** National Co-operative Milk Trade Association formed.
- 1933** CWS Defiant Radios produced as a result of boycott by the Radio Manufacturers' Association.
- 1934** CWS Retail Services formed to fill "co-operative deserts".
- Congress of International Co-operative Alliance publishes ICA Rochdale Principles as criteria for ICA membership.
- 1936** CWRS takes over engagements of Cardiff Society.
- 1939 - 1945** Second World War.
- 1942** London Co-operative Society opens first self-service food departments.
- 1943** Wolverhampton Society opens first self-service unit outside London.
- 1944** Centenary of Rochdale Pioneers. National celebrations include a Co-operative Pageant performed in Co-op halls all over the country.
- New Education Act gives the right to day release training for all employees under 18.
- 1945** National Co-operative Chemists formed.
- 1946** Co-operative College moves to Stanford Hall, purchase supported by Rochdale Centenary Fund.
- 1948** Portsea Island Mutual Co-operative opens first self-service shop.
- 1955** Central Executive of Co-operative Union sets up Independent Commission under the chairmanship of Hugh Gaitskell
- 1957** CWSRS becomes CRS.
- 1958** Independent Survey Commission report published.
- 1964** Abolition of Resale Price Maintenance.
- National Federation of Credit Unions (savings and loan co-ops) formed.
- 1965** Rochdale Pioneers Society introduces "KrazyKuts", Britain's first cutcase discounter. Scheme franchised to other societies.
- Joint Reorganisation Committee reports on CWS functions.
- 1966** South Suburban Society issues dividend stamps.
- Congress of International Co-operative Alliance publishes ICA Co-operative Principles.

- 1967** January, Philip Thomas appointed CWS Chief Executive
- 1968** First Regional Plan calls for 55 regional societies.
National TV advertising campaign "It's all at the Co-op now!"
April, Philip Thomas killed in air crash.
- 1969** National Dividend stamp scheme began.
- 1971** Foundation of Industrial Common Ownership Movement to promote worker co-operatives.
- 1973** Scottish CWS transfers engagements to CWS
Industrial Common Ownership Finance founded to support the development of worker co-operatives.
- 1974** Second Regional Plan calls for 26 regional societies.
- 1976** National advertising introduces 'Your Caring Sharing Co-op'.
- 1977** Scottish Co-operative Development Company Ltd. formed to help create and support co-operatives in Scotland. Now known as Employee Ownership, Scotland.
- 1978** Co-operative Development Agency set up by Government to promote co-operative initiatives.
- 1981** London Co-operative Society transfers to CRS.
- 1983** Royal Arsenal, South Suburban and Belfast Societies transfer to CWS.
Wales Co-operative Centre set up by the Wales TUC to create employment through worker co-operatives.
- 1985** Northern Ireland Co-operative Development Agency founded.
- 1987** Institute of Co-operative Directors founded by the Co-operative Union.
- 1990** North Eastern Co-op merges with CWS.
- 1991** Foundation of United Kingdom Co-operative Council, following withdrawal of Government funding for National CDA.
- 1992** Greater Nottingham and South Midlands Societies join CWS.
- 1993** Co-operative Union Corporate Governance Working Party commences work that leads to a code of best practice for co-operative societies.
Co-operative Retail Trading Group founded by CWS, Anglia Co-operative Society, Oxford Swindon & Gloucester Society and Central Midlands Co-operative Society (now part of Midlands Co-operative Society) to pool food buying power.
- 1995** ICA Co-operative Principles and Values statement launched at ICA Centenary Congress, Manchester.
Graham Melmoth elected President of the International Co-operative Alliance.
CWS launch Responsible Retailer initiative.
- 1997** CRTG comprises 16 Societies, accounting for around 56% of the Movement's food sales.

SOME OF THE MANY INDIVIDUAL CO-OPERATORS WHO HAVE INFLUENCED OUR CO-OPERATIVE VALUES AND PRINCIPLES

Most of the people described here are referred to directly in course materials. However, in some cases people have been added because of their general importance and interest.

Alexander Campbell, 1796 - 1873

Born in Kintyre, Argyllshire, he became a committed Owenite, imprisoned in 1828 for debt after the collapse of the Owenite Orbiston co-operative commune. In 1831, Campbell in his Cambuslang address, proposed that a portion of profits from a co-operative be distributed as individual dividend on purchases, and another should be used to set up a mutual assurance fund to support members in sickness and old age. Campbell was one of the Owenites who maintained their involvement in the post-Rochdale period. He was instrumental in setting up new retail co-operatives, one of the founders of the SCWS, and involved in first Co-operative Congress, 1869.

William Cooper, 1822 - 1868

Born Rochdale, 1822. Textile worker turned stationer. Member of the Rochdale Rationalist Society where he met G.J. Holyoake.

After the Rochdale Pioneers' store was opened in 1844, Cooper became the first cashier and one of the two volunteer shopmen, alongside Samuel Ashworth. In 1849 he became the Secretary of the Pioneers Society. He soon became a one-man co-operative development agency, sending out advice, help, sample documents, rules and accounting procedures to newly emerging co-ops in Britain and overseas, a role he carried out for the remainder of his life.

In 1862, Cooper, as secretary of the committee, oversaw the modifications to the I & P. Act which empowered the movement to set up the CWS. He became one of the 12 individual members of the CWS, and served the society well in its first few years. He was one of the seven founders of the CIS, of which he was secretary until his death, in 1868.

Margaret Llewelyn Davies, 1862 - 1944

Child of Christian Socialist Rector of Marylebone. Joined Marylebone Women's Co-operative Guild in 1887, became General Secretary in 1889.

Under her leadership the Women's Guild became a campaigning organisation both within and without of the co-operative movement. The Guild adopted feminist issues such as divorce law reform, family allowances, maternity care and benefits and women's suffrage. Inside the movement the Guild campaigned for better working conditions and wages, against credit, women's representation at Board level and the extension of co-operation to the poorest.

In 1921 she resigned as Secretary of the UK Guild and transferred her attention to founding the International Women's Co-operative Guild. In 1922 she became the first woman President of the Co-operative Congress.

Jesse Clement Gray, 1854 - 1912

Born in Ripley, Derbyshire. In 1874 became Secretary to the Hebden Bridge Fustian Manufacturing Co-operative Society, one of the larger worker co-partnerships. He became Assistant General Secretary of the Co-operative Union in 1885, and succeeded E.V. Neale as Secretary in 1891. Greatly involved with the creation of the ICA, in 1906, Gray brought the idea of the Co-operative Commonwealth to the centre of co-operative thinking in a seminal Presidential Address to the Co-operative Congress. In it he proposed the move to a single National Co-operative Society.

Edward Owen Greening, 1836 - 1923

Born in Warrington, apprenticed to family business of wire-working. A convinced radical from childhood, he was speaking publicly in the anti-slavery cause at age 16, and soon became Secretary of the Manchester Anti-Slavery Society. Somewhat younger than the early Christian Socialists, he adopted their ideas and became closely involved with the Owenites who continued in the post-Rochdale co-operative movement.

Greening helped convene the 1869 Co-operative Congress and was committed to the idea that the wider the basis of co-operative activity, the stronger the movement became. He helped found the first agricultural co-operatives, vigorously promoted worker and housing co-partnerships, and worked dedicatedly to foster international links. In the early 1890's he funded the secretariat which convened the first International Co-operative Congress, and he supported the ICA financially and with personal energy.

Abraham Greenwood, 1824 - 1911

Born in Rochdale, Greenwood was apprenticed as a wool-sorter. Deeply involved in radical politics, he became librarian of the (Owenite) People's Institute. Not one of the original Rochdale Pioneers, he joined the society in 1846, and was soon elected to the committee of management, and eventually became President.

In 1859 he was one of the committee who oversaw the modifications to the I & P Act which empowered the movement to set up the CWS. In 1863, Greenwood was elected President of the newly formed CWS, and in 1874 he was appointed cashier to the society, and subsequently manager of the Banking department. He was one of the founders, and for a time, Manager, of the CIS. In later life his main activity was as a member of the Central Board of the Co-operative Union.

Thomas Hughes, 1822 - 1896

Best known as the author of Tom Brown's Schooldays, Thomas Hughes, (known as Judge Hughes), was the chief legal advisor of the Co-operative movement for many years. One of the original Christian Socialists, he retained their viewpoint throughout his life, supporting producer co-operatives in many disputes against spokesmen for the consumer movement.

George Jacob Holyoake, 1817 - 1906

Born in Birmingham, apprenticed as a tinsmith. In 1838 he became an Owenite lecturer and organiser. A convinced rationalist (atheist) he met some of the original Rochdale Pioneers when visiting the Rochdale Rationalist Association. Interested in retail co-operation, he soon became its chief publicist and promoter. A shrewd and thoughtful commentator on the co-operative movement He remained to his death convinced that retail and worker co-operatives should develop side-by-side and be mutually supportive.

Benjamin Jones, 1847 - 1942

Born in Salford, Lancashire, he gained employment as book-keeper for the CWS in 1866. In 1871 he became salesman and assistant buyer at Manchester, and was chosen in 1873 to open the CWS London depot, of which he was Manager from 1874 until his retirement.

Benjamin Jones was a deeply committed co-operator, with a strong loyalty to the CWS and the consumer theory of co-operation. He was strong advocate of the widest possible basis of co-operative production, and a pioneer of housing

co-operation, founding the first tenants' co-partnership organisation, the Tenant Co-operators' Association in 1888. In 1887, he became the first honorary secretary of the Co-operative Union Parliamentary Committee, which made an outstanding contribution to the movement by mobilising a group of MPs to defend the co-operative movement's interests in Parliament.

Dr. William King, 1786 - 1865

Born in Ipswich, he became a Fellow of the Royal College of Physicians in 1820, and, while practising medicine in aristocratic circles in Brighton became involved in charitable work. Coming into contact with Owenism, he helped the working men of Brighton to form co-operative organisations. In 1828 - 30, he published his magazine, *The Co-operator*, which demonstrated step-by-step how the profits from a co-operative store could be used to promote other co-operative activities. This magazine, a copy of which was owned by Charles Howarth, one of the original Rochdale Pioneers, was probably a prime influence upon their rules and procedures.

John Thomas Whitehead Mitchell, 1828 - 1895

Born in Rochdale. Member Rochdale Pioneers Society 1853. 1854 became member of the management committee (later Chairman) of Rochdale Co-operative Manufacturing Society. In 1869, delegate to the first Co-operative Congress, and in 1874, elected to the Co-operative Union Board. The same year he became Chairman of the CWS, a post he held until his death.

Mitchell can be described as the dominant force in the co-operative movement of his era. He directed the greatest period of growth of the CWS, expanding its operations in many directions, and working tirelessly and effectively to promote his vision of a co-operative commonwealth. A lifelong teatotaler, he died, unmarried, living in the terraced house in Rochdale where he was born, with an estate worth less than £350, having devoted all his great business skills and enterprise to the co-operative movement.

Edward Vansittart Neale, 1810 - 1892

Born in Bath, son of a Vicar, he became a barrister in 1837, and made contact with the Christian Socialists. Attracted initially to the promotion of worker co-operatives, he made contact with the retail movement in his work on the drafting of the 1852 Industrial and Provident Societies Act. Neale was one of the promoters of the first Co-operative Congress, 1869, and, in 1873 became General Secretary of the Co-operative Union, a post he held until his death. Neale's pivotal role was as promoter and mediator for the co-operative movement. He used his upper-class status to win friends for co-operation in the upper levels of society and in both political parties.

Robert Owen, 1771 - 1858

Born in Newtown, Monmouthshire, Robert Owen was one of the first generation of professional managers of the Industrial Revolution. Without capital, he was head-hunted as manager by larger and larger enterprises, until in 1800 he was Managing Director of the New Lanark Mills outside Glasgow, before marrying the daughter of the owner, David Dale. Here he implemented reforms in management of personnel which made him famous.

His determination to reform capitalism turned slowly to socialism, and he began a series of communitarian experiments such as Orbiston and New Harmony, and wrote many books and periodicals dedicated to the idea that people should live in harmony and co-operation, rather than in competition. This ideal, indirectly, led to the formation of the co-operative movement, as working-class men met to read his works and discussed his ideas.

Philip Thomas, 1925 - 1967

Philip Thomas became CWS Chief Executive in the Spring of 1966. In a tragically short period he set the pattern for Operation Facelift and the modernisation of both CWS and co-operative trade. After war-time service in the army he was called to the Bar. After founding the legal department of Allied Bakeries, he was, successively, a Director and Secretary of Associated British Foods, before joining CWS in 1966. The following year he and his wife were killed in an air crash.

The Co-op consists of forty nine separate and independent Co-operative Societies. Democratically controlled, they are comprehensive retail businesses serving customers and members throughout the country.

Total turnover exceeds £7.9 billion p.a. Fifteen Societies have a turnover of over £100 million and together account for just over 90% of Co-operative trade.

These large regional Co-operatives provide an extensive range of shops and services from the Shetland Isles to the Channel Isles.

Nearly sixty four per cent of total Co-op business is food, sold in all types of grocery outlets - hypermarkets, superstores, supermarkets and convenience stores. The Co-op's overall share of the packaged grocery market is 6.9%, although this varies by region.

Household goods are provided in department stores, out of town retail units, and small, specialist shops.

The other Co-op businesses provided in the main regional societies' trading areas include Travel Agencies, Pharmacies, Opticians, Garages and Funeral Services.

UK CO-OPERATIVE MOVEMENT

CO-OPERATIVE RETAIL SOCIETIES

Turnover	£7.9 Billion
Trading surplus	£138 Million
Staff	69,454
Number of societies	49
Members' benefits/dividend	£28 Million
Number of shops	4,662 (77 Superstores)
Number of members	9,129,000

THE CO-OPERATIVE BANK GROUP

Assets	£4.5 Billion
Staff	3,900
Outlets	158
Handybanks	249
Cash-a-cheque points	2,000
Customer accounts	2 Million
Link cash machines	11,800

THE CO-OPERATIVE INSURANCE SOCIETY

Total Income (Premium Income - Investment Income)	£2.0 Billion
Assets (held on behalf of policyholders)	£14.2 Billion (market value)
Number of families insured	3.5 Million
Staff	11,664
Regional, Claims and District Offices	201
Profits (1995) for benefits of life assurance and pension policyholders	£627 Million
Profit sharing discounts on household and motor policies for the current year	£14 Million

*Facts And
Figures*

**CO-OPERATIVE TRAVEL
(all societies inc. 240 CWS)**

486 Branches

SHOEFAYRE

324 Branches

CO-OPERATIVE OPTICIANS

71 Practices (57 CWS)

NATIONAL CO-OPERATIVE CHEMISTS

238 Branches

WORKER CO-OPERATIVES (UK)

1,500 (ICOM Directory)

Co-operative Union - 1996

LARGEST CO-OPERATIVE RETAILERS - 1996

	SOCIETY	TRADE VALUE PER ANNUM £m	% OF CO-OP TURNOVER*
1.	CWS	2,186	27.5
2.	CRS	1,687	21.2
3.	United Norwest	632	7.9
4.	Midlands	630	7.9
5.	Yorkshire	314	3.9
6.	Anglia Regional	264	3.3
7.	Ipswich & Norwich	238	3.0
8.	Oxford, Swindon & Gloucester	227	2.8
9.	Portsea Island	187	2.3
10.	Plymouth & South Devon	181	2.3
11.	Lincoln	178	2.2
12.	Scottish Midland	172	2.2
13.	Colchester & East Essex	158	2.0
14.	Ilkeston	130	1.6
15.	West Midlands	127	1.6

(bold typeface indicates Societies in CRTG)

The largest 10 Societies account for 85% of the total Co-op retail turnover

LARGEST CO-OPERATIVE SOCIETIES - 1987

	Retail Society	TURNOVER £000s	% OF TOTAL CO-OP TURNOVER
1.	CRS	1,074,938	20.3
2.	CWS	611,002	11.6
3.	United *(a)	300,694	5.7
4.	North Eastern *(b)	295,073	5.6
5.	Greater Nottingham *(c)	283,846	5.4
6.	Central Midlands *(d)	224,570	4.2
7.	Norwest *(a)	181,748	3.4
8.	Leicestershire *(d)	161,111	3.1
9.	Anglia Regional	155,479	2.9
10.	Yorkshire	139,176	2.6

* (a) Merged to form United Norwest Co-operatives - 1991

* (b) Merged with CWS - 1992

* (c) Merged with CWS - 1992

* (d) Merged to form Midlands Co-operative Society - 1995

The largest 10 Societies accounted for 65% of Total Co-op Retail Turnover.

At the time there were 91 Retail Societies

CO-OP RETAIL TRADE

	1967	1977	1987	1996
Number of Retail Societies	625	231	91	49
Total Turnover £m	1,084	2,788	5,349	7,949
Food Turnover £m	777	2,090	3,783	5,087
Non-Food Turnover £m	307	698	1,566	2,862
Total Surplus £m	45	67	82	128
Total Number of Employees '000	215	131	82	69

In September 1996 there were 50 Retail Societies

POSITION IN NATIONAL RETAIL TRADE

ESTIMATED CO-OP SHARE OF RETAIL TURNOVER

	1967	1977	1987	1992	1993	1994	1995	1996
Total	8.7	7.0	4.5	4.3	3.9	3.8	3.8	3.6
Food	12.8	11.0	7.8	8.4	7.6	7.3	7.2	6.8
Non-Food	4.2	2.6	1.6	1.3	1.2	1.2	1.1	1.1

PACKAGED GROCERY MARKET SHARE

Retailer	1977	1987	1992	1993	1994
Co-op	17.3	12.4	9.3	8.1	7.6
Total Independents	21.3	11.9	9.7	7.7	7.1
Sainsbury	8.4	18.0	19.7	19.7	20.1
Tesco	9.9	13.9	16.6	17.2	18.0
Asda	5.4	9.3	10.3	10.3	10.5
Kwik Save	3.2	3.9	8.1	8.9	8.7
Argyll	6.1	8.0	9.9	10.4	10.0
Gateway	6.9	10.6	6.0	6.4	6.5

The figures for Argyll and Gateway incorporate a number of acquired Companies including:

Argyll -	Pricerite	Gateway -	Key Markets
	Allied Suppliers (Liptons, Presto, Templeton, Galbraith)		Lenons
	Hintons		International Stores
	Safeway		Woolco
	Oriel Foods (Locost)		Fine Fare/Shoppers
			Paradise

CO-OPERATIVE RETAIL OUTLETS

Grocery Stores by Size Band

Selling Area Sq. Ft.	
25,000 and above	73
10,000 - 24,999	241
4,000 - 9,999	513
2,000 - 3,999	689
0 - 1,999	899
TOTAL	2,415
Specialist Food Shops	70
TOTAL FOOD	2,485

Latest Estimates

Source: Co-op Food Store Census

NUMBER OF CO-OP STORES BY OUTLET TYPE

	1966*	1977	1987	1996
Superstores **		24	65	77
Supermarkets **		1,645	1,494	1,678
Other Food		6,312	1,738	590
Total Food	21,172	7,981	3,297	2,345
Department Stores	238	276	140	102
Other Non-Food	5,140	1,571	619	545
Optical		105	116	71
Pharmacy		490	338	428
Travel Agencies		111	217	486
Garages & Petrol Stations		122	149	209
Restaurant, Snack Bars		117	68	143
Hairdressing Salons		90	41	11
Laundry & Dry Cleaning		205	34	4
Post Offices				168
Miscellaneous	134	30	38	34
Total Number of Outlets	26,684	11,098	5,057	4,546

* Figures not available from the Co-op Union, therefore an alternative source has been used, namely the 1966 Census of Distribution, store categorisations vary from those used by the Co-op Union.

** Co-op Union Definition: Superstores - size over 25,000 sq ft selling area; offering wide ranges of food and non-food merchandise, mainly on self service, with large adjacent parking facilities, and generally one floor. Supermarkets - size between 2,000 and 25,000 sq ft selling area, mainly on self service, offering the typical grocery range plus all other principal food groups including fresh meat, fruit and vegetables and possibly including non-food merchandise.

Source: Co-op Union (except data from 1966 which is taken from the Census of Distribution)

1 THE CWS

Founded in 1863 to serve the needs of the growing consumer co-operatives, the CWS is the main supplier of goods and services to co-operative retail societies. The Board of CWS is elected by retail co-operative society shareholders and CWS branches.

The primary activity of the CWS is to act as a buying, marketing and distribution agency for co-operative retailers. The CWS supplies the Co-op Brand range of 3,000 food and 1,500 non-food products, as well as a wide range of technical and specialist services to all societies.

In many regions of the UK, the CWS operates hypermarkets, superstores, department stores, supermarkets and convenience stores. These 738 outlets together with extensive funeral services, travel agencies, optical practices, garages and milk rounds, account for an annual turnover of over £2,000 million, which represents around 30% of all co-operative retailing trade. In addition, trade is also generated by the Milk Processing, Property and Farming interests.

The CWS own all the ordinary shares in The Co-operative Bank plc, and the Co-operative Insurance Society Ltd. Members of the CWS Board serve on the boards of both these organisations, and other successful Co-operative enterprises, including Shoefayre and National Co-operative Chemists.

2 SERVICES TO RETAIL

The primary activity of the CWS is to act as a buying, marketing and distribution agency for Co-operative retailing. This role has undergone significant development with the creation in 1993 of the Co-operative Retail Trading Group (CRTG). This partnership, initially of three Regional Societies and CWS Retail, co-ordinates marketing, buying and distribution resources in a new form of disciplined partnership; it now extends to 16 Societies and accounts for over 60% of all Co-op grocery business, representing some 5% of the total UK grocery market

An important aspect of the service to Co-operative retailing is the supply of the Co-op Branch range of 3,000 food and 1,500 non-food products. These are made available to all societies on the same terms as for CWS retail branches, given the same degree of commitment.

Co-op Brand plays an important role in retail profitability, whilst also offering a means of improving retail reputation and hence of building customer loyalty. The CWS Buying and Marketing teams ensure that the products in the range meet the Movement's retail requirements, while technical and other personnel in Co-op Brand Group ensure the products, and the factories where they are made, meet CWS quality requirements, and that the packaging incorporates labelling designed to be as informative as possible.

The CWS also works with Societies on a variety of issues of common interest through a series of consultative committees and panels. CWS representatives also serve on a number of trade organisations and the benefits and information which result from them are shared with Societies.

3

NATIONAL RETAIL CHAINS

The CWS is involved in several national retail chains.

There is an extensive travel business in Co-op stores and in high street outlets. There are 226 Co-op Travelcare shops in the UK with an annual turnover in excess of £250m.

The CWS has had a long tradition in the Funeral Services' sector and is the largest undertaking business in the United Kingdom with a turnover of £100m per annum. There are 340 Funeral Services and two factories.

The Optical Group has 66 high street practices and three units in-store, turnover is £10m per annum.

The CWS controls 18 garages selling cars, 10 of which are managed by the North Eastern Co-op as well as two Accident Repair Centres, others are in the Midlands, Manchester and the South East. Dealerships include Rover, Lotus, Ford, BMW, Fiat, Renault, Toyota, Seat, Vauxhall, Peugeot, Nissan and Suzuki.

The CWS is also happy to be associated as the major shareholder and supporter of two national retailing chains.

National Co-operative Chemists was formed fifty years ago and today has 236 outlets, employs 1,590 staff including nearly 260 qualified pharmacists. NCC operates both in large stores and in high street locations.

Shoefayre was established in 1963 as a multiple footwear chain and from its Leicester headquarters operates 294 branches with 53 outlets in Co-op stores.

4

THE SUPERVISORY BOARDS

The Funeral Services and Travel Group Supervisory Boards were constituted in 1996, to assist CWS in the development of these Specialist Retail operations. The Supervisory Boards were created to allow closer membership participation, which has a regional structure, in the management of these nationally run operations. The membership of each Board is made up of representatives from all the Regions with the Travel Board also having Members from the North East. Each Board meets 10 times a year, monitoring and reviewing performance of their respective operational areas. The Supervisory Boards report to, and their business is overseen by, the CWS Board.

Supervisory Branch Membership

	Funeral	Travel
Cumbria	1	1
Northern Ireland	1	1
South Midlands	2	2
Greater Nottingham	2	2
Scottish	2	2
South East	2	2
North Eastern	-	2
	10	12

5 SCOTTISH CO-OP

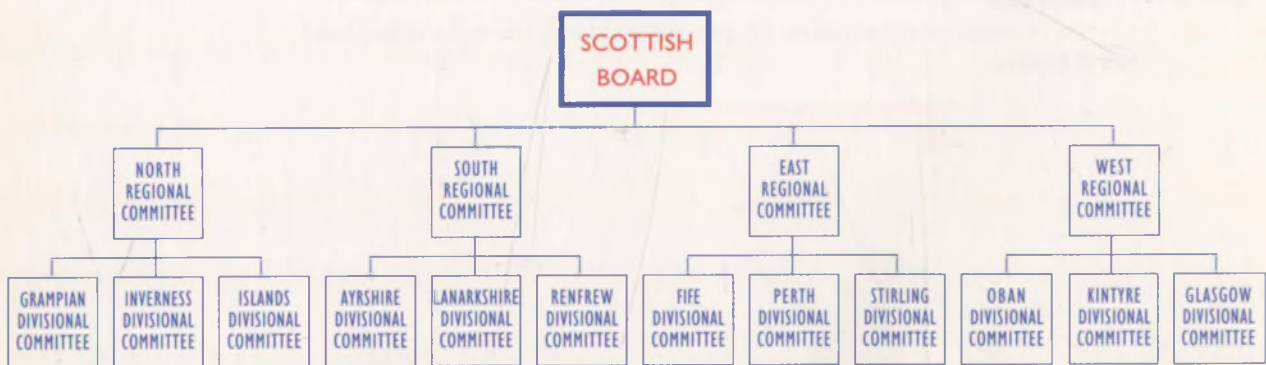
CWS Retailing began in Scotland over eighty years ago when stores were operated in the highlands and islands serving local communities. The Scottish Co-op now serves most of Scotland, having expanded through a number of Scottish Societies joining over the years.

From the Group's headquarters in Glasgow it controls stores as diverse as Berryden Superstore in Aberdeen, the largest Co-op food superstore in the UK to small neighbourhood stores and community stores in the highlands and islands.

Typical of these community stores are the supermarkets in Lerwick in the Shetlands, Lochgilphead in the Mull of Kintyre and Brodick on the island of Arran.

When a Society joins CWS, it gives an opportunity for further investment within the Society's area - a typical example of this is Kirkintilloch and the investment made available enables this town to welcome a high quality Co-op superstore.

Scottish Co-op boasts two excellent department stores at East Kilbride and Paisley as well as two Concepts stores, majoring in durables, located at Perth and Edinburgh.



6

NORTHERN IRELAND CO-OP

The Northern Ireland Co-op joined the CWS in 1983. Since then stores have been progressively upgraded and refitted.

Over the last 4 years, CWS has invested heavily in the province, building a major shopping complex at Yorkgate one mile from Belfast city centre, a shopping centre in the county town of Ballymena, as well as superstores at Bangor in the Flagship Centre and in Larne.

To complement this retail offering, there is also a Concepts store within the Yorkgate development. In Ballymena the centre is further enhanced by the presence of a Marks & Spencer store.

CWS Retail is also represented in the provinces by Co-op Travelcare and Funeral Services. There is an additional Co-op presence with Shoefayre and National Co-op Chemists.

CWS also services the province as a major provider of fuel, both solid fuel and heating oil.

The democratic structure detailed below is to be phased in over the next two years.

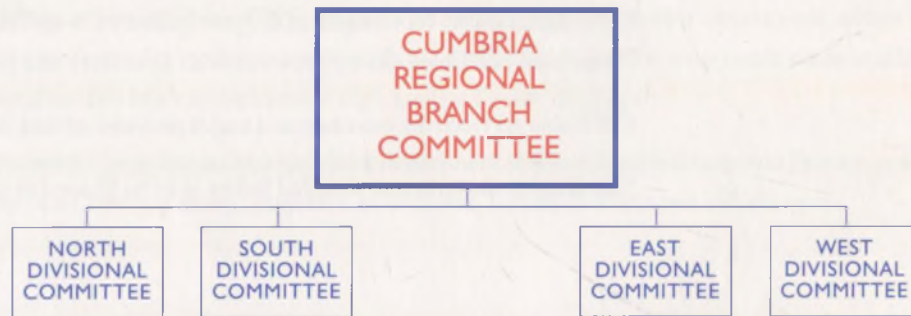


7

CUMBRIA CO-OP

Cumbria Co-op merged with CWS Retail in January 1992 and has stores throughout the county of Cumbria covering an area which reaches Barrow in the south, extends from Workington in the west to Haltwhistle and Alston in the east and touches Longtown in the north, a town which is a few miles away from the Scottish Border.

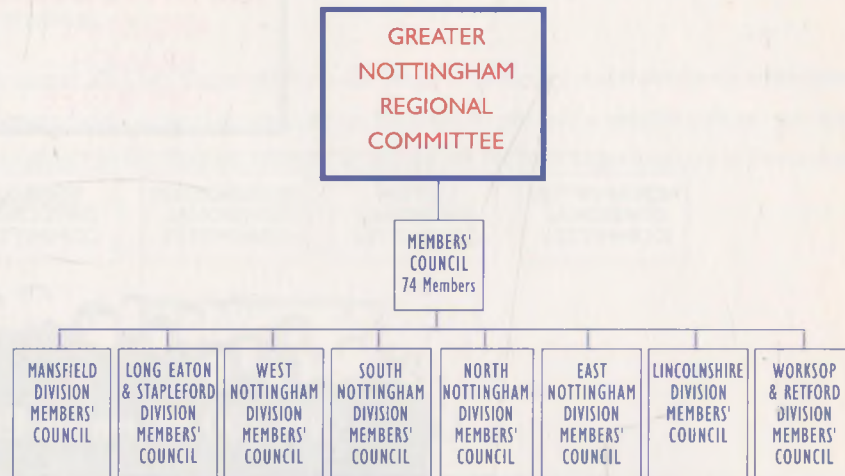
The trade is predominantly in food with superstores in Workington and Whitehaven and a recent store developments at Maryport with 9,000 sq ft of selling space, at Cleator Moor with a 10,000 sq ft selling space, and at Kirkby Stephen.



In March 1992 the merger between the Greater Nottingham Society and the CWS took place. The region operates from its headquarters in Nottingham with shops throughout the Nottingham and Mansfield areas extending east to Boston and Skegness.

Greater Nottingham Co-op is well established in superstore trading and operates ten major stores. The most recent development is at Toton, where non-food warehousing space has been utilised to create a 70,000 sq ft superstore, selling food and non-food and including travel, pharmacy, restaurant and customer and members' information facilities.

The service to all the region's stores is from the 185,000 sq ft distribution centre at Blenheim. There are major department stores in Nottingham and Mansfield. Motor trade is a strong feature of trading with Rover, Toyota and Fiat franchises in Nottingham and Mansfield, under the name Hammonds.



9

SOUTH MIDLANDS CO-OP

CWS retailing presence in the Midlands started with the merger of the Milton Keynes Co-operative Society in 1991. In 1992 the South Midland Society also merged with CWS as did the Enfield & St Albans Society, with Newport Pagnell Society joining in 1994. The region now covers an area from Enfield up to Northampton and trades in four Midlands counties. There is one superstore at London Road, Northampton with a sales areas of 17,000 sq ft. A major new non-food store was opened in Northampton in August 1993. In Milton Keynes there is a recently modernised department store with a selling area of 42,000 sq ft on two floors including a travel department.

The particular strength in this region, with headquarters in Milton Keynes, is in medium size supermarkets in suburban areas and small convenience stores in country villages, the majority of which are less than 4,000 sq ft selling area.

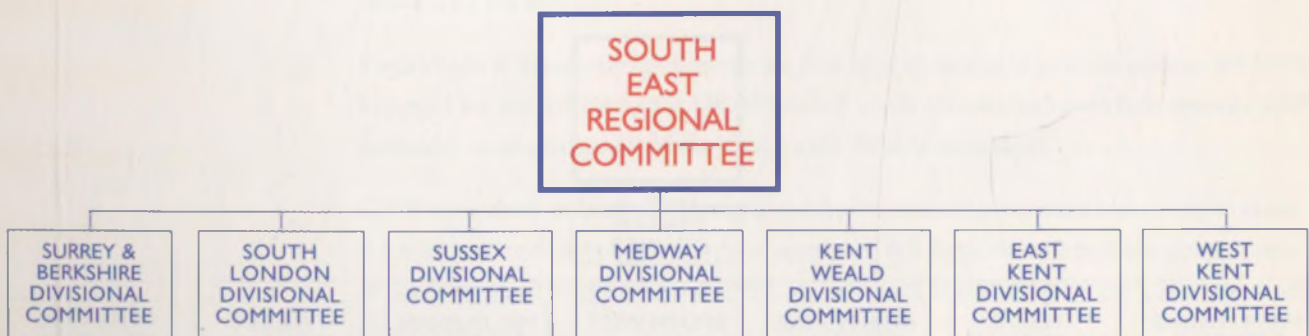


In the former trading areas of the South Suburban and Royal Arsenal societies, CWS South East has carried out a major refurbishment and rationalisation programme which has re-established a thriving Co-op presence in the area. The Sittingbourne Society joined the Group in 1989, the Invicta Society in 1994, followed by the Brighton Society in 1995.

The range of stores includes superstores, supermarkets and neighbourhood stores operating as Late Shops. The Non-Food operation includes a number of department stores and an out-of-town Concepts store at Tunbridge Wells.

The superstore at Slough is typical of the high retailing standards operating in the region. It has a large range of food, including delicatessen, in-store bakery, and extensive non-food departments. The store operates a crèche, banking, travel, a restaurant and a petrol station. The established superstores at Addlestone and Welling have recently been refurbished to a high standard and the Westwood store underwent a complete refit in 1996. Other developments include a supermarket in Lancing and an extension to the Hove supermarket.

The numerous Late Shops offer a wide range of groceries and fresh foods and operate late shopping hours as well as opening on Sundays to provide a neighbourhood service. The most recent developments within the region are the new supermarkets at Faversham and Heathfield.



11

NORTH EASTERN CO-OP

In 1990 the North Eastern Co-op merged with the CWS. The Society brought in a thriving retail business covering an area from the Scottish border to North Yorkshire. The region's headquarters are in Gateshead.

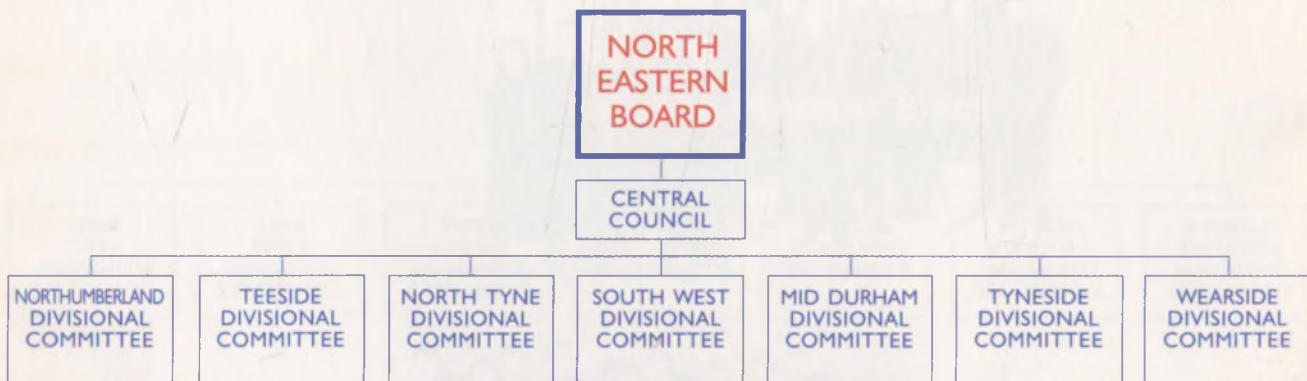
The former North Eastern Co-operative Society was formed in 1970 when 31 independent Societies merged, and the region can trace its family tree back to over 115 small Co-operative Societies.

Over recent years it has implemented a major development and modernisation programme which has seen new stores being built throughout the area, such as Hexham in the Tine Valley.

There are 125 outlets in the region's food division including hypermarkets, superstores, supermarkets and late shops, all of which are served by the Regional Distribution Centre at Birtley. This also services other Co-operative Societies in the North East and Cumbria.

In addition the North Eastern Co-op operates 10 department stores, a garden centre, 11 Post Offices, 25 Handybanks and 57 funeral homes.

It also controls one of the country's biggest garage businesses. The Priory Garage group consists of 10 car dealerships, three of which are in the Edinburgh area, selling BMW, Lotus, Toyota, Vauxhall, Peugeot, Renault and Ford vehicles. Priory also runs 12 filling stations (6 at the car dealerships) and two Accident Repair Centres.



12 OTHER CWS ACTIVITIES

From its early years the CWS has had an involvement in manufacturing, which at one time was both extensive and varied. However, in response to changed market conditions, this involvement was reduced, that reduction accelerating from the 1960s onwards.

The remaining CWS activities in this sector are in Agriculture, in Milk, in Engineering and the manufacture of safety footwear and shirts. CWS Agriculture, Milk and Engineering operations are described in the sections that follows.

13 CWS AGRICULTURE

Britain's biggest commercial farmer operates from headquarters at Stoughton in Leicestershire. The estates are widely spread over the UK. There are thirteen estates, totalling 28,200 acres supporting a mixture of arable and dairy farming with arable farming predominantly in the east and dairying concentrated in the west. There are two farms devoted to fruit growing. CWS Agriculture is increasingly using its expertise to operate as a farm manager with fourteen units, amounting to 21,800 acres, currently being farmed for other landowners. On the Essex Farm Estate CWS Agriculture is a managing partner for the CWS Pension Fund.

Conservation is an important part of the operational policy, stressing a balance between efficient farming and the conservation of the landscape and wildlife habitats. CWS Cockayne Hatley in Bedfordshire is a LEAF (Links between Environment and Farming) farm where environmental protection and economic production go hand in hand, charting the way forward for the industry.

Farm World at Stoughton has become the first farm attraction to gain the coveted BS 5750 kite mark for quality. Here over 130,000 visitors every year can see how a farm operates with particular emphasis on the educational aspect for schoolchildren.

CWS Agriculture employs 287 people which is increased by seasonal and casual workers. It has a turnover of over £26 million per annum. CWS Agriculture was the regional winner of the National Training Award in 1993, and achieved Investors in People status across all its units in 1994.

14 ACC

In 1993 ACC and CWS Milk Group merged to create a major milk and dairy products business.

The Group has eight manufacturing and processing dairies, three of which, Llandyrnog, Llangadog and Whitby produce an extensive range of products including hard and soft cheese, butter, spray dried powders, canned goods, cream and yoghurt. The five other dairies produce a complete range of fresh and long life milks to service the liquid milk market. There is also a significant milk haulage business.

The operation provides bottled milk to around a million doorstep customers throughout the UK. Additionally, product is supplied to shops and there is also an extensive contract business with the Food Service sector, the National Health Service and Schools.

The Group processes around 130 million gallons of milk a year. This is sold in the form of 70 million gallons of fresh milk, 20,000 tones of hard and soft cheese, 4,000 tones of butter and 75 million pots of yoghurt.

ACC has developed a specialised chilled and temperature controlled frozen distribution business which services Co-operative Societies across the country with a full range of products.

The Group turnover is some £800 million per annum and it employs 3,296 people.

15 CWS ENGINEERING

CWS Engineering Group is a mini conglomerate of five different business areas including two subsidiary companies* employing almost 1,200 people.

- CWS Engineering Services Ltd*
- Goliath Footwear Ltd*
- CWS Scales
- CWS Energy & Transport Services
- Pelaw Shirt (Robert Howarth Ltd)

CWS Engineering Services Limited

One of the top 15 mechanical and electrical contractors in the UK with strong refrigeration and construction components within the business. The organisation, operating out of our regional offices in Manchester, Newcastle, Glasgow and Bristol, has a turnover of some £45m and employs over 600 people.

The company prides itself on its absolute commitment to high quality workmanship. In 1990 the company achieved accreditation to EN-ISO 9002 for its mechanical and electrical operations and has continued to build on this quality foundation with its commitment to Total Quality Management and more recently Investors in People.

Goliath Footwear Limited

Goliath Footwear Limited, based in Heckmondwike for more than a hundred years, employs nearly 300 people and enjoys a turnover of some £14 million. It is the second largest supplier of safety footwear in the UK and its products are used extensively throughout industry, forestry, construction and by the emergency services.

CWS Scales

This specialist department manufactures, supplies, services and repairs weighing equipment for the Co-operative Movement throughout the Country. Over the years CWS Scales has become the leading supplier of retail solutions to the Movement and the existing product range not only includes scales, labellers and systems, but also embraces food preparation products through to barbecue ovens and other specialist store equipment.

CWS Energy & Transport Services

CWS energy & Transport Services Department, with a turnover in 1996 of £46.1 million, is the principal procurer of energy services and transport equipment for the Co-operative Movement. The operation comprises three main sections, Energy, Petroleum Products and Transport Supplies.

Pelaw Shirt (Robert Howarth Limited)

Operating from Pelaw near Gateshead, the factory employs over 150 people manufacturing shirts for sale both internally within the Co-operative Movement, and externally via corporate companies to customers such as British Rail and British Airways, in addition to direct sales to the client.

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THE CO-OPERATIVE BANK PLC

The Co-operative Bank can trace its origins back to 1872 when it was formed as the Loan and Deposit Department of the Co-operative Wholesale Society.

Today, as a wholly owned subsidiary, it is a full-status clearing bank with approaching 200 outlets through the country. Customers can also use 8,500 LINK cash machines and 3,000 in-store banking points in Co-op stores. It now operates the largest 24-hour telephone banking operation in the UK and offers service level guarantees whereby it pays personal customers £10 if it makes a mistake.

A principal role of The Co-operative Bank is to serve the Co-operative Movement but it is also a major provider of banking services to the Local Authority sector and continue to make progress within the small and medium size corporate sectors.

In May 1992 The Co-operative Bank launched its ethical stance whereby it clearly stated with whom it will and will not do business. This means customers now know that their money, however indirectly, will not be used to support activities and organisations to which they may be totally opposed.

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CO-OPERATIVE INSURANCE SOCIETY LIMITED

The Co-operative Insurance Society, established over 125 years ago, is one of the best known insurers in the UK. CIS, which services more customers in the UK than almost any other insurer, provides personal insurance for some four million families. The organisation, with a head office in Manchester, employs over 12,500 people. In 1994 combined income from premiums and investments amounted to over £1.9 billion and at the end of 1994 invested funds held on behalf of policyholders were valued at nearly £11 billion.

CIS is a leading provider of life assurance and pension products which together accounted for a premium income of £882 million in 1994. In recent years it has become one of the top five providers of personal pensions. CIS is one of UK's leading home contents insurers and also a major motor insurer.

In the unit trust market the Society has around 130,000 individual unit-holders and its total funds under management amount to over £557 million, including the very successful Environ Trust. The Society has also been providing house purchase mortgages for a number of years and currently has over £644 million lent to home buyers.

A feature of CIS success is its large direct salesforce. This consists of 7,000 sales staff, including over 6,000 full time agents, who operate throughout the UK. CIS agents call regularly at policy holders' homes collecting premiums, servicing claims and attending to enquiries.

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CWS STATISTICS

SALES	£3,026 million
Employees	35,000
SHOPS:	
Food	648
Non-Food	36
Regional Distribution Centres	9
Travel Agencies	250
Funeral Services	378
Opticians	57
Garages	19
Dairies/Creameries/Factories	11
Farms (inc. Managed Farms)	51,000 acres

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CWS PRODUCTIVE ACTIVITIES - 1997

FOOD

Farms	13
Milk Processing	5
Dairy Manufacturing	2
TOTAL	20

CLOTHING

Footwear	1
Clothing	1
TOTAL	2

OTHER INDUSTRIES

Coffins and Monumental Masonry	2
TOTAL	2
GRAND TOTAL	24

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CWS RETAIL INVOLVEMENT

	1967*	1977	1987	1994	1996
Total Sales £m	560	1,487	2,402	3,134	3,026
Employees	51,700	32,400	26,600	35,100	35,000
Number of Stores by Outlet Type:-					
Superstores**	na	2	7	28	27
Supermarkets**	na	57	177	***516	***419
Other Food	na	157	108	168	196
Total Food	250	216	292	712	642
Department Stores	1	6	9	43	30
Other Non-Food	100	95	17	32	11
Optical	-	80	94	75	57
Pharmacy	24	13	-	13	na
Travel Agencies	31	33	16	177	188
Garages & Petrol Stations	14	10	4	30	33
Restaurant, Snack Bars	3	2	-	10	-
Hairdressing Salons	-	1	-	-	1
Laundry & Dry Cleaning	8	-	-	-	2
Miscellaneous	-	1	1	2	-
Post Offices				30	38
Total Number of Outlets	431	477	478	1,124	1,002
Total Retail Trade £m	8	79	611	2,138	2,187
Est % of Total CWS Trade	1	5	25	68	72
Retail Employees	2,500	2,900	8,100	23,272	-
% of Total CWS	5	9	30	66	-
CWS Retail Trade					
Est % of Total Co-op Trade	1	3	11	28	28

*Based on CWS/SCWS combined

**Co-op Union definition

*** Change of definition, not comparable with previous years

Source: Co-op Union Data (except CWS total sales and number of employees which is based on information from CWS Report & Accounts)

FURTHER READING

All these books and periodicals are obtainable on loan from:
CWS Library; Co-operative Union Library;
Co-operative College Library

- BIRCHALL, J. Co-op; the Peoples' Business - Manchester 1994
- BOOK, S.Å. Co-operative Values in a Changing World - ICA 1992
- GURNEY, P. Co-operative Culture and the Politics of Consumption - Manchester, 1996
- MacPHERSON, I. Co-operative Principles for the 21st Century - ICA 1996
- LAMB, J. & WARREN, S. The Peoples' Store; a guide to the North-Eastern Family Tree. Gateshead, n.d. (1996)
- LANCASTER & MAGUIRE, (eds) Towards the Co-operative Commonwealth, Loughborough, 1996
- WATKINS, W.P. Co-operative Principles, Yesterday, Today and Tomorrow - Manchester, 1988.
- Co-operative Union Report of the Working Party on Corporate Governance - 1993.
- Co-operative News (weekly)
- ICA Review of International Co-operation (quarterly)
- Journal of Co-operative Studies (quarterly)
- Members (CWS half-yearly members' magazine)*
- International Joint Project on Co-operative Democracy* - Making Membership Meaningful - Participatory Democracy in Co-operatives (1995) - University of Saskatchewan, Canada
- YEO, S.* Who was J.T.W. Mitchell? (1995) - Manchester

* Available from CWS Membership Services



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