

Rotary International: A History

1905

Paul Harris, a lawyer in Chicago, founded the first Rotary club. His goal was to create a club that fostered friendship and expanded their professional network.



1910

The first National Convention was hosted in Chicago with 16 clubs present. Rotary had also established rules which were summarised into 5 "objects".



1915

Rotary had a classification system that limited membership to one person from a specific profession. In 1915, a new membership - additional active membership - was introduced which allowed a member to propose someone from their firm for membership.



1974

Rotary International delegated their legislative duties to The Council on Legislation which was previously an advisory body. The council met triennially to discuss propositions.



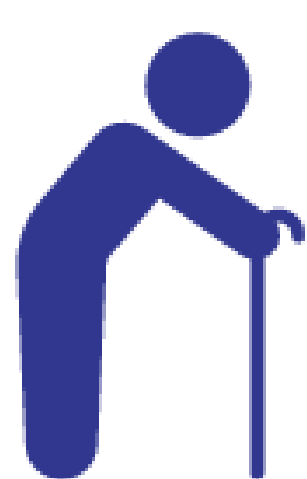
1989

Women are finally permitted to have active membership. Many years of proposals, legal battles and a Supreme Court hearing preceded this change.



1995

Retired people can now attain membership. This amendment provided many retirees who did not qualify for membership in their youth the opportunity to experience Rotary friendship and fun.



2001

Now, 10% of members in a club can hold the same classification. Also removed the strict rule of automatic termination if you failed to meet attendance requirements. An online option of Rotary clubs is introduced known as e-clubs.



2013

Rotary is available to non-professionals. Monthly attendance reports are no longer required.



2016

Clubs have full autonomy of meetings and attendance with a minimum requirement. Additionally, e-clubs are now fully established.



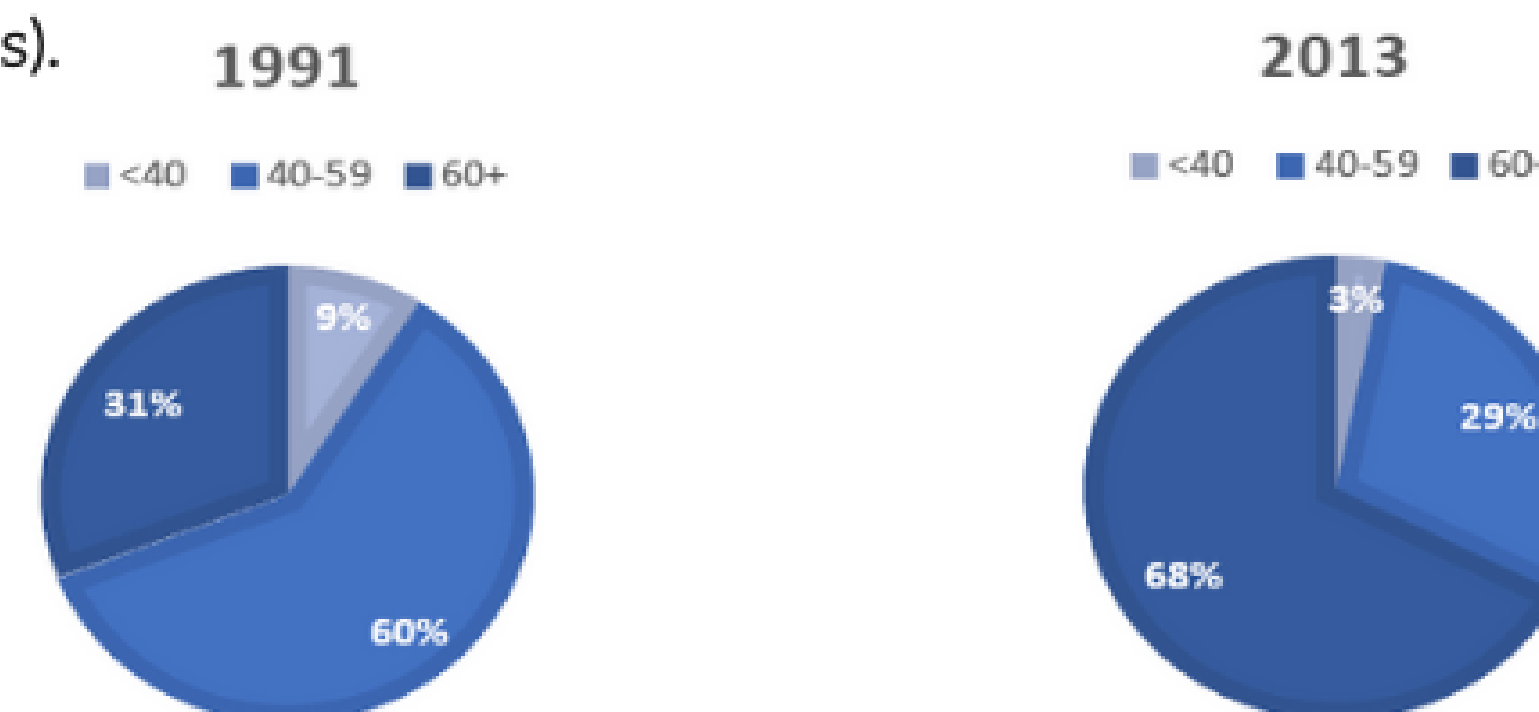
2019

Classification system is eradicated, and diversity is encouraged



Introduction

- Rotary International (RI) is a group of 46,000 clubs in 220 countries with 1.4 million members.
- At its inception, this club was exclusive, monitored its members, and requested participation in club activities.
- Strict requirements did not hinder Rotary's expansion
- However, there has been a recent decline in clubs and membership in Western countries. This is partly due to less younger members joining clubs (see diagram below for change in membership composition within ~ 20 years).



Source: Henningham, 2016

Monitoring

- At first Rotarians (members of Rotary clubs) were required to attend 60% of meetings
- Missed meetings had to be made up to avoid termination of membership.
- In 2013, RI board changed attendance requirement to 50% of meetings or 24 hours of community projects.
- Clubs also had a strict rule of hosting 52 meetings in a year which was later reduced to two meetings a month.
- Strict rules and monitoring may have been necessary in Rotary's early days, but could it be the cause of an uninterested younger generation?

Exclusion

- Rotary was targeted towards professionals and businessmen to help them cultivate friendships and expand their network.
- The aim was to ensure professional diversity within clubs while maintaining non rivalry.
- This was accomplished with the classification system that limited only one member as a representative of a profession.
- Club growth was limited as women, retirees, non-professionals, and blue-collar workers were excluded from attaining membership.
- With the acceptance of women in 1989, Rotary's strict exclusion rules began to relax.
- On the other hand, some members disagreed with Rotary's open policy and believed the club was diluting its influence and prestige.

Economic Interpretation

- In Economics, a club is a voluntary group of individuals that derive mutual benefits from sharing costs, characteristics or an excludable good.
- For Rotary, membership signifies a high moral and ethical standing which provided members with greater influence in society.
- Social clubs have the difficult task of increasing membership while limiting free riding (benefiting from the club without contributing).
- Previous research has shown that measuring and monitoring input from members and rewarding accordingly is the best way to tackle free riding.
- Measuring club goods in social clubs such as effort and enthusiasm is quite difficult.
- If Rotary's goal was to increase membership whilst limiting free riders, it explains the strict monitoring at its inception.
- But when Rotary relaxed its rules, maintaining the social benefits of the club was difficult as Rotary could not monitor members and identify free riders.

Summary

In summary, Rotary has made multiple amendments to its constitution to create a more inclusive club that is accessible to the modern busy schedule. However, some of these changes have come at a cost. Now Rotary is faced with the task of growing its membership among younger persons, maintaining their current membership, and limiting free riders to ensure members are having maximum benefits.

Acknowledgments

Many thanks to Lord Laidlaw and the Laidlaw Foundation for funding this project. My gratitude also goes to the St Andrews Laidlaw team and my supervisor Dr Ian Smith for his guidance and expertise.

References

- Bahlke, Harold O. (1956) *Rotary and American Culture - A Historical Study of Ideology*, University of Minnesota, Minneapolis.
- Henningham, H. Paul (2016) "Service above Self" in the Antipodes: Rotary in Australia and New Zealand 1921-2014, Unpublished Thesis, Charles Sturt University
- McBride M (2007) Free-riders, monitoring, and exclusion in the LDS church. *Rationality and Society* 19(4): 395-424
- Rotary International (2013) Council in Legislation. Report of action, Chicago, Illinois, USA, 21-26 April
- Rotary International (2016) Council in Legislation. Report of action, Chicago, Illinois, USA, 10-15 April
- Rotary International (2019) Council in Legislation. Report of action, Chicago, Illinois, USA, 14-18 April
- Rotary International (2019). Who We Are. Available at: <https://www.rotary.org/en/about-rotary> (accessed 20 June 2022).
- Images retrieved from canva.com and rotary.org (accessed 30/08/2022)