

# Fantasy or Reality - the Co-operative Commonwealth in the 21st Century

## An introduction to the debate

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*Editor's Introduction:*

*Roger Jones' paper which is reproduced here was presented to a well attended Fringe Meeting of the Society for Co-operative Studies at Co-operative Congress in Manchester in May 2003 where it stimulated a particularly lively discussion.*

My task today is to introduce our discussion as to whether the Co-operative Commonwealth is a fantasy or a reality in the 21st century. We are addressing this topic because Co-operatives<sup>UK</sup> includes in its new rules an express provision that its 'purpose' as a society includes support for businesses and enterprises which "reflect the aspirations of the founders of the Society to the creation of a Co-operative Commonwealth."

The first and obvious question is - "what do we mean by the Co-operative Commonwealth". I say it is an obvious question but for many older co-operators this is not a question at all. It has been a backdrop to their whole co-operative lives, an expression whose meaning and validity was assumed as part of the co-operative culture. Indeed as recently as 5 years ago when I retired from the CWS, my Co-operative Party membership card for that year - 1998 - begins with the words "I declare myself a Co-operator, assert my belief in the Co-operative Commonwealth ... " The current membership card does not now carry those words and the magazine of the Party is no longer, as it was then, the *Commonweal* but *New Mutualism*. Undoubtedly, there has been a significant change in approach in recent years. With the welcome emergence of new forms of co-operative and new movers and shakers there has been an almost inevitable loss of common culture. As such it is right that we should re-examine expressions like the Co-operative Commonwealth to see if they remain valid.

The fact that the term is included in the purpose clause of the new rule demonstrates that we are dealing here with the very essence of Co-operatives<sup>UK</sup>. However, these fundamental properties of any organisation - and in particular of a democratic one with a tradition of argument and debate - are permeated and underpinned by the thoughts, strategies and tactics of generations of people who have participated in the society and sought to influence its direction. So, to discover - or recover - its real meaning we, therefore, first have to have a feel for who those society founders, referred to in the rule, were and what *they* meant by the Co-operative Commonwealth.

There is not time to go in any detail through the early history of the co-operative movement and for most in this room I would in any event be going over well-trodden ground. But a broad overview is helpful and the important point to stress is that the idea of a Co-operative Commonwealth developed as a result of a long evolution and refinement of co-operative ideas through the 19th and early 20th centuries. We have the familiar writings and teaching of Robert Owen (1771-1858), developed further in periodicals by men such as Dr William King (1786-1865) from his Brighton base and Alexander Campbell (1796-1873) in Scotland. Their ideas inspired the development of hundreds of co-operative societies and communities between 1825 and 1840 but, as we know, all but a few of these early societies fell away and failed by the 1840s. The business structures they adopted and in particular the legislative regime in which they tried to operate proved inadequate.

But the drive for social change, the pursuit of the ideal, continued, and the immortal Rochdale pioneers, many of whom were 'Owenites', finally found in 1844 a business model which, particularly with the concept of the 'dividend', worked commercially. With their commercial success and over succeeding years with the development of the famous Rochdale principles - now enshrined in more modern if less rigorous form in the ICA principles - a new wave of co-operative enthusiasm emerged.

The point I want to emphasise is that the subsequent explosion of co-operative initiatives and enthusiasm was not

driven merely by the success of co-operation as a business model, a commercial alternative to the capital based joint stock company. It was driven also by a mass movement of idealists who saw co-operation as a better way of ordering society as a whole; a complete and self-sufficient alternative to the capitalist society of privilege and inequality then driving industrial revolution. This wider concern to reform and reorder society as a whole is evident from the outset, even in the titles of the publications of these early co-operators, such as Owen's *New View of Society*, the periodical *New Moral World* and William Thompson's (1785-1833) *Inquiry into the Principles of the Distribution of Wealth most conducive to Human Happiness*.

This concern with society as a whole was evident too in the ranks of the Christian Socialists, given form as a movement by F D Maurice, John Ludlow and Charles Kingsley. They voiced similar hopes and concerns and used, before Dickens, the popular novel as a way of winning hearts, such as Kingsley's *The Water Babies* with Thomas Hughes of *Tom Brown's Schooldays* fame also very active in their ranks.

What was evolving from all these alternative views was a distinctive co-operative view of society, extending to an economic and social system embracing the whole of human activity. Whilst the Rochdale model emphasised the consumer co-operative model, other co-operative advocates such as Edward Vansittart Neale (1810-1892) and Edward Owen Greening (1836-1923) favoured the development of productive co-operatives to raise the status of workers. They also saw this as part of a general reform of society and an alternative to the capitalism of investor and landlord control. For example, Greening lecturing in 1882 said, "What we aim is complete co-operation, embracing every branch of human life."

It became clear to these reformers that they needed a forum both for developing and propagating their social philosophy and for achieving concerted action to bring about political and economic reform. They were anxious too that the actual trading co-operatives, both retail and productive, whose numbers were expanding rapidly, remained true to the high co operative ideals they expounded. They wished to

ensure that as these new co-operatives developed commercially, they should also act in ways consistent with establishing a co-operative commonwealth which they believed would one day embrace the UK and then the world economy.

Accordingly in 1869, the Christian Socialists called a conference under the presidency of Thomas Hughes to discuss these issues. Importantly, it was decided, on the proposal of George Jacob Holyoake (1817- 1906) - perhaps the greatest Co-operative propagandist of them all who is commemorated still in "Holyoake House", headquarters of Co-operatives<sup>UK</sup>, funded in his memory by a thruppenny levy on every co-operative member - that a Central Board be established to disseminate knowledge of co-operative principles and practice. It was to be the organisation charged with convincing the world at large of the merits of Co-operation as an all-embracing economic and social system.

In 1889, this Central Board was reconstituted as the Co-operative Union. Eventually, in 1925, Co-operative Congress approved for inclusion in the rules of the Co-operative Union the object of "the ultimate establishment of a Co-operative Commonwealth."

There is no doubt, therefore, that the new rule being considered today preserves the aspirations of the founders of what is now Co-operatives<sup>UK</sup>, whether those founders favoured consumer or worker co-operation or both. Because, of course, in a fully established co-operative commonwealth, the individuals concerned would be both worker and consumer, the same person adopting different roles in the economic system.

Whilst the aspiration of a Co-operative Commonwealth was, therefore, well established, exactly how it was to be organised in detail remained a subject of debate both here and abroad. And it was a debate which had practical and long-lasting consequences. The ideological and practical battles between consumer co-operators such as J T W Mitchell (1828-1895), chairman of the expansionary Co-operative Wholesale Society, and those favouring the

productive co-operators affected the development of the co-operative sector in the UK economy for the whole of the 20th century. The trading ascendancy of the retail societies and the CWS meant that co-operation became identified in the public mind almost exclusively with the consumer retail sector and consequently its reputation first burgeoned, then faded as the retail movement waxed and waned through the 20th century.

But this public perception overlooks the much wider role envisaged for co-operation by its adherents within the movement. Again time prevents us making any deep analysis of all the different versions of a Co-operative Commonwealth which were debated. However, the works of Sidney and Beatrice Webb (nee Potter), such as *A Constitution for a Socialist Commonwealth of Great Britain* (1920) and *The Consumer's Co-operative Movement* (1921) should be mentioned since they were central to socialist thinking in the period and to the controversies and debates as co-operation developed its distinctive nature.

The concept of the commonwealth had also by then been taken up further afield. Worth mentioning because they demonstrate the full concept of a wholly co-operative economy are the works of Charles Gide (1847-1932) a French economist, with *Principles of Political Economy* and *Consumer's Co-operative Societies*; and those of E Poisson (1882-1942), especially the *Co-operative Republic* which outlined a theory of social evolution and "organic laws of co-operation".

Although these various concepts of the Co-operative Commonwealth varied in detail they agreed on its essential attributes of self-determination, democracy in the workplace and common or co-operative consumer ownership of the means of production. (This last point, incidentally, giving an alternative co-operative view of the debates on the old clause IV of the Labour Party constitution, with co-operators traditionally seeing the means of production as a matter of common ownership rather than nationalisation.)

What I have tried to demonstrate in this rapid and incomplete overview, is that for the original founders of what is now Co-operatives<sup>UK</sup> and the co-operators that followed

them into the 20th century, the Co-operative Commonwealth was not a fantasy. It was an ideal, which they believed was ultimately attainable. A vision of a better society inspired and informed their practical day to day work within their different co-operative organisations. The co-operative societies in which they worked were seen as living evidence that there were practical alternatives to the prevailing capitalist system. They saw themselves progressing along a road where those models could embrace all activities - such as agriculture - where Sir Horace Plunkett's (1854-1932) work and writings were influential - housing, health services and, critically, education. The term 'commonwealth' described it well - co-operative ownership could expand without limit. It was an ideal that empowered.

I concede that nowadays the actual word 'commonwealth' might in itself sound a bit old-fashioned. But we are talking about capturing a philosophy within rule book objects and our own convictions, not about an advertising campaign. And in addition to us as co-operators, the expression does have meaning in the wider radical tradition. A well known example, is William Morris and his concept of a "commonwealth" as a society

in which there should be neither rich nor poor, neither master nor master's man, neither idle nor overworked, neither brain-sick brain workers, nor heart-sick hand workers, in a word, in which all would be living in equality of condition.

And back further to Cromwell's Commonwealth or - when even Cromwell felt the corrupting temptation of power - to Gerrard Winstanley and the 'Digger' movement with its "Commonwealth of freedom" or in the general history of social thought, Thomas More's *Utopia* is introduced as discourses on "the best state of a commonwealth." So the expression "commonwealth" has both co-operative and radical ideological rigour. And it is probably no more difficult to explain to ourselves or to the wider world than current concepts such as 'The Third Way' or 'New Mutualism'.

So let us return to the present. Is the Co-operative

Commonwealth a fantasy or a reality in the 21st century? If we transported one of those early co-operators into this room and asked them that question what might they say? Of course, on the negative side, they might look at how the massive advance of consumer co-operation in the first half of the 20th century had slipped back. And they would surely be dismayed and outraged at the inequalities and injustices still permeating UK and especially global society.

But what would they think if they were told of the successful retail societies that still traded, of the size and varied activities of the Co-operative Group, of the work of credit unions often amongst today's disadvantaged, of the new worker co-ops, of initiatives in housing and health? And, on the cradle to the grave principle, that there are new co-operative childcare schemes and that the majority of the population bid this world farewell via a Co-op funeral? That, more cheerfully, before we reach that stage, holidays to the farthest parts of this world are available through Co-op Travel? And what if they learned that the co-operative movement owns its own insurance society? And its own high street bank - a crucial element in any sustainable co-operative economy.

What if they learned of the record number of Co-operative Party MPs in Parliament and that right now in the room next door to us, a Minister of the government is sharing thoughts on exploring potential co-operative solutions to social problems?

As co-operators, we may well be self critical of our current performance but our co-operative pioneer would at the very least think that compared to the world he faced we are dealing with co-operative realities. And he might also take into account how different the UK would still be if the co-operative commonwealth had not been sought by co-operators over the past century. We should perhaps count it a success rather than a failure that, for example, other retailers now sell unadulterated food at reasonable prices (and sometimes cheaper than us!) and that there is free banking on the high street. Even if we do not dominate these markets the co-operative alternative which first made these things possible has prompted positive responses in the marketplace

for consumers as a whole. I do not want to appear complacent about our current performance; rather I am making the simple point that many aspirations that may have appeared fantasy to early co-operators are a reality for us.

And in these examples I have not even touched upon the impact of the co-operative alternative in other, particularly developing, countries.

The 21st century provides every opportunity for further positive co-operative enterprise. I suggest that a feature of the society in which we now live - both in the UK and especially globally - is that our economic capacity and our technological expertise have leapt ahead of our moral judgement and our capacity to share out equitably the products of our increasing skill. As Dr Peter Davis said in a pamphlet on Co-operative Management and Co-operative Purpose (1995)

... the purpose for co-operation itself - is to redress the increasing imbalance in market power through enhancing both collective and individual ownership of capital resources by its members.

This seems to me to still set out a fundamental society-reforming role for co-operation. Against a continuing background of social and economic inequality, to confine co-operation to a business methodology is at best short-sighted, at worst a denial of the work of those previous generations of co-operators.

Where, therefore, I suspect we would be criticised by our transported pioneer is in our current lack of co-operative zeal. We have to an extent lost their wider vision. And the way to deal with that is surely not to shrivel up and just delete this wider co-operative ideal and aspiration from the purpose and objectives clauses in our rule book. The way to deal with it is to make sure the world does know that we have these wider hopes and aspirations and to encourage others to share the vision.

And despite my earlier references to our history and its value in understanding the essential principles of co-operation, I am certainly not suggesting we do it by



attempting to recapture some mythical, rose-tinted, dewy-eyed, pre-Raphaelite, golden co-operative age. We do it by reference to the solutions co-operation as a business method **and** a social philosophy can currently offer to our present 21st century problems. And that also means seeking new and innovative solutions and new and flexible co-operative models. In the words of George Jacob Holyoake who saw that need even then

Co-operation is a principle of life, and although its application may require different treatment in different times and different localities, the essential truth is the same ...

These *are* different times and different circumstances. But the current social climate and the political administration offer exciting opportunities in these early years of the 21st century.

And the more so since Co-operatives<sup>UK</sup> has at last - and for the first time in more than a century - brought together and now represents **all** the different strands of co-operative thinking and endeavour. A sort of Co-operatives Re-united - and potentially a great vehicle in which to travel further along the road to the Co-operative Commonwealth!