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How Blair Killed the Co-ops: Reclaiming Social Enterprise from its Neoliberal Turn

By Leslie Huckfield

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Leslie Huckfield first came to national attention in 1967 when, at the age of 24, he won a by-election to become the Labour MP for Nuneaton and the youngest member of the house — a seat he held until stepping down at the 1983 General Election. As outlined in Chapter 4 of this book, in his role as Under Secretary of State in the Department of Industry 1976-1979, Huckfield was part of the ministerial team that passed the Industrial Common Ownership Act 1976, creating a legal definition of ‘Common Ownership’ and funding the Industrial Common Ownership Movement (ICOM), Industrial Common Ownership Finance (ICOF), and later passing the Co-operative Development Agency Act. He also served on the Labour Party’s National Executive Committee (1978-82) and as a Member of the European Parliament (1984-1989).

This formative period in his early career provides much of the context for the book. The more recent contents and analysis then draws on his academic research at Glasgow Caledonian University, his work as a Director of the Social Enterprise Scotland Network (SENSCOT) 2009-2020, as a Director of Sheffield Co-operative Development Group (2018-2023), and as part of John McDonnell MP’s Implementation Group for Doubling the Size of the Co-operative Economy in 2018 and 2019¹.

If the title of the book leads you to expect a pacy piece of polemic outlining one man’s mission to destroy the co-operative movement, you will be sorely disappointed. The book is actually the text of Huckfield’s PhD thesis and represents the results of several years of meticulous study. It draws upon primary and secondary source materials, interviews with some key players in the worker co-operative movement, policy-making and co-operative development from the early 1970s onwards, and focus groups with people involved in the emergence of ‘social enterprise’ as the focus of the Blair and Brown governments’ engagement with the third sector.

Throughout the 180 pages (excluding the appendices and index) each point is thoroughly — and in many cases exhaustively — referenced. This should make it a key text for students, researchers and policymakers for many years to come, but does mean that it can be quite a difficult read for a non-academic audience! If readers want something from Huckfield that is based also upon his research, but much more polemical and accessible in style, they may enjoy his 2022 article for *Tribune Magazine* ‘The Challenges Facing Britain’s Co-operatives’ (Huckfield, 2022).

The main thrust of analysis in *How Blair Killed the Co-ops*, in contrast, is on what Huckfield identifies as the key role of policy entrepreneurs within the voluntary sector, academia and the civil service, in predetermining and then delivering a policy shift away from the development of autonomous and democratic co-operative enterprises, and towards philanthropic and individualist social enterprises acting as agents for delivering state policy in terms of the marketisation of public service delivery. Chapter 1, the book’s introduction, sets out some of the underlying policy issues that are analysed in more detail later:

- The contention that current academic and policy discourses are disproportionately shaped by ideas and examples from the United States rather than either those from continental Europe, Canada, or indeed the indigenous UK experience of developing grassroots co-operative and community enterprises over the past 40 years.

- The role of the National Council of Voluntary Organisations (NCVO) and the Association of Chief Executives of Voluntary Organisations (ACEVO) in creating and promoting the concept of a single and coherent 'Voluntary Sector' and one that could be used as a tool for delivering state funded services.
- The change in language and practice from co-operatives and community organisations, based upon collective action, towards social enterprises and a third sector that is much more about the heroic individual as an agent for service delivery or social change.
- The role of academic and third sector 'policy entrepreneurs' in shaping government policy from both the outside and as advisors or civil servants.

This and each subsequent chapter finish with a brief conclusion and a useful set of notes.

Chapter 2 is an extensive description of Huckfield's theoretical and methodological approach. It explains how he applies a critical realist understanding of the world to his work, and how this can help to understand the development of the New Labour government's policies — both in general and towards the emergence of notions of social enterprise as a key policy tool. He contrasts this with Anthony Giddens' 'social constructionist' approaches that he claims formed many of those policies. Rather frustratingly, despite using the term extensively, neither here nor anywhere else in the book, does he define what he believes 'neoliberal' to mean, nor what 'neoliberalism' is as an ideology. This is unfortunate because, instead, it often feels like it is being used in a pejorative rather than analytical way.

Chapter 3 is a literature review that covers the origins of ideas of social enterprise and social entrepreneurship in the USA in the 1970s and 1980s, the social and solidarity economy traditions of continental Europe and Quebec, and some of the history of co-operatives in the UK and Europe. It then argues that more recent UK ideas around social enterprise have uncritically adopted US approaches, that concentrate upon the role of the individual, or a particular subset of European ideas promoted by the EMES Research Network (L'Emergence de l'Enterprise Sociale en Europe) that, Huckfield argues, limit themselves to a narrow lens of work integration social enterprises, delivering services for central or local government.

One interesting aspect of this analysis is that it can also be applied to other debates around the role of the state and different ways of delivering socially necessary services such as health and social care. Why is it for example that, when the traditional forms of NHS delivery in the UK are debated and questioned, rather than looking to the various mutual and mixed economy models of both funding and delivery that can be seen delivering high quality services to our near European neighbours, policymakers instead turn to the USA which has arguably the most expensive and dysfunctional healthcare system in the world? (Commonwealth Fund, 2020).

Chapter 4 is one of the most interesting for the general reader. It explores the history of successive regeneration schemes funded by central and local government from the 1960s to 1980s, how most of these failed to deliver the anticipated outcomes because they did not address structural economic change and inequality, and were delivered in a top-down way that ignored existing local infrastructure and how people working together could be agents for change in their own communities. As a Department of the Environment, Transport and the Regions (DETR) report on Area Based Initiatives in 2000 noted, and Huckfield describes: "the voluntary sector was often co-opted for the bidding process and then abandoned" (p. 58).

During the 1970s and 80s this began to change, with local communities taking matters into their own hands in terms of projects that sought to fill the gaps that were emerging in the formal welfare state and addressing the challenges of economic and social change, often funded by grants from the Calouste Gulbenkian and German Marshall Foundations. The role of co-operative development came to the fore in the 1970s with both high-profile government investment in 'phoenix' co-operatives being formed from failed capitalist firms under the 1972

Industrial Development Act, but also for a network of local Co-operative Development Agencies around the country. Huckfield argues that, together, this growth of grassroots voluntary action and the deliberate development of new worker co-operatives were the real antecedents of today's social enterprises — not the New Labour policy entrepreneurs of 20 years later!

Both the voluntary organisations and the co-operatives tended to incorporate as Companies Limited by Guarantee (CLGs). Huckfield outlines the pioneering work of Beechwood College in Leeds, and Charlie Cattel at ICOM, in developing legal models for organisations that did not fall under the strict definitions of a worker co-operative but were still based on the underlying principles of mutual self-help while delivering wider social benefits. However, his claim, backed up by a quote from Cattel, that most of today's social enterprises, registered as Community Interest Companies Limited by Guarantee, are almost indistinguishable in their operational or constitutional form from those CLGs that ICOM were registering in the 1980s, while clearly true, is not entirely reconciled with the book's overall contention that the 1980s collectivist practices have been subverted by the individualist ideology that has shaped the social enterprise narrative more recently.

Chapter 5 covers the New Labour era. It outlines how, despite having expectations in the mid-1990s of a central role in a future Labour Government's policy and practice, following the 1997 election victory, the co-operative movement was increasingly marginalised and out manoeuvred by other policy entrepreneurs and the voluntary sector. The chapter covers but does not fully explore the geographical aspect of how co-operative voices were divided and diluted between ICOM and the Co-operative Union (both based outside London), the Co-operative Party, London ICOM, and London Co-op Training, amongst others, that were in London, and the Co-operative Group as the largest and most visible retail society.

The book covers the creation of Social Enterprise London (SEL), later the Social Enterprise Coalition (SEC), out of a merger of London ICOM (LICOM) and London Co-operative Training (LCT). From his extensive interviews and meticulous research, Huckfield shows how, despite these organisations growing out of and being founded by the co-operative movement, they were quickly captured by individuals, who had their own agendas. These appeared to systematically marginalise co-operative perspectives and, rather than developing a new generation of enterprises on the ground, seemed more concerned with building the status of SEL/SEC to influence policy at government level — something that was delivered very successfully.

One interesting description of why this approach found favour at the time comes from someone who Huckfield interviewed:

There were two organisations that were funded by London Borough Grants that were failing ... London Co-operative Training and ... London ICOM. ... Whatever your question, the answer was a worker co-operative, and for some communities they needed other things — social firms that could work with disabled people, credit unions, other kinds of things that would innovate to meet local needs (p. 113).

It is unclear if this was a fair critique of LICOM and LCT or not — and it was certainly contrary to the earlier traditions of ICOM and Beechwood College that are described earlier in the book — but it is behaviour that can be seen even today amongst some advocates of workers' co-operatives.

Whether this marginalisation of co-operatives was an inevitable development, or if there was an alternative co-operative path remains to be seen, but what Huckfield's work does convincingly show is that this was the end point of a process of policy influence going back many years.

What is missing from the work is any serious consideration of the origins of the New Labour phenomenon, both ideologically and in terms of the key individuals, coming after three successive election defeats and the fall of the so-called iron curtain. Did the co-operative movement miss out on having advocates both in terms of Members of Parliament and officials, policy makers, and special advisors despite the best efforts of the Co-operative Party over many years? Could a co-operative policy offer have been made that would have appealed

to the generation of ‘Thatcher’s Children’ who voted for the first time in 1997? Are there any ethnographic studies of the origins of the key individuals who shaped and led New Labour? Perhaps these are questions that could be considered in a future piece of research.

The book concludes with a postscript plea for today’s policymakers and co-operative advocates to eschew top down plans for how to double the size of the co-operative economy, shift their focus from co-operative participation in central public procurement programmes for outsourced services, and instead draw inspiration from the successes of the 1980s, when the number of co-operatives in the UK was more than doubled — even at a time when the retail sector was in retreat. Huckfield suggests that this could be facilitated by support for local initiatives and investments that prioritise supporting co-operatives that meet pressing social needs such as for renewable energy and care for older people.

While that point is well made, it does also seem worth reflecting on the role of education and the development of people in this context: the formation of co-operators. The worker co-operatives of the 1980s took this seriously and created Beechwood College at a time when, according to Dr Rita Rhodes (who was Education Officer of the National Co-operative Development Agency), the Co-operative College declined the opportunity to serve the new wave of co-operative businesses². With the creation of a new Worker Co-operative Federation, affiliated to but separate from Co-operatives UK, is this an opportunity that could be embraced with the Co-operative College now and for the future?

The Reviewer

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Notes

- 1 For more information on Leslie Huckfield’s career, see <https://www.huckfield.com/>
- 2 Outlined in private correspondence and in various online discussion fora.

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