



# Sidney Pollard's *Nineteenth-Century Co-operation* Revisited: Periodisation, Utopianism, and Realism in the British Co-operative Movement

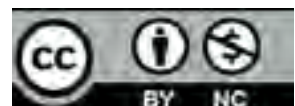
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The co-operative movement in Britain has always held within it a utopian strand, influenced by the ideas of Robert Owen, the “father of co-operation”. Motivated by the recent creation of workers.coop, a new organisation of worker co-operatives ([www.workers.coop](http://www.workers.coop)), this essay charts the course of this utopianism from the nineteenth-century to the present day. Using Sidney Pollard’s seminal account of co-operative utopianism vs co-operative realism, it asks whether a new periodisation of the British co-operative moment is now required, given the marginalisation of consumer co-operation as a tool for social change since the 1960s and the “rediscovery” of worker co-operation. With both the Labour Party and the Co-operative Party promising to “double” the number of co-operatives in the UK going into the next general election, what are the consequences for the Movement? With post-capitalists identifying producer co-operatives as a potential successor to corporate capitalism, it is useful to consider the current health of utopian and realistic conceptions of co-operation within the movement.

In June 2022, it was announced that a “new and independent federation of worker co-operatives, co-operators, and supporters of industrial democracy” would launch in Britain (Harvey, 2022, para. 2). Such an organisation was needed, the founders of workers.coop explained, to enable co-operators once more to spread “authentic messages about democracy at work ... respond to changes in the ... political and policy realm ... [and] participate strategically in the wider autonomous workers’ and social justice movements” (Whellens, 2022, para. 2). Following a “long drift” in the movement since the 1990s — intensified following the merger of the Industrial Common Ownership Movement (ICOM) and the Co-operative Union in 2001 to form Co-operatives UK — for those concerned with living standards, endless austerity, the exploitation of migrant workers, rising rents, the green transition, wasteful production, and the allocation of labour, it was “now, or never” (Whellens, 2022, para. 11):

Some groups of workers are restless; some local councillors are tired of paternalistic initiatives accompanied by endless cuts and outsourcing. Even in the community and voluntary sector, some are realising that the rush to top-down social enterprise might have been a bit of a wrong turn, and that maybe collective ownership and democratic control of economic activity matters after all (Whellens, 2022, para. 11).

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The creation of workers.coop presents scholars of the co-operative movement with a fresh opportunity to consider the historic development of co-operation in Britain. Indeed, the founders themselves admitted that some “historical and political perspective” was required to understand the “present sense of urgency” (Whellens, 2022, para. 2) which had prompted them to act, and offered a usable history to place their actions into the context of the development of the producer co-operative movement.

Their account begins with the foundation of the Fenwick Weaver’s Society in 1761 as an association to defend wages, which later included a credit union. The Weavers are followed by the Rochdale Pioneers, whose objects include an intent “to commence the manufacture of such articles as the Society may determine upon”, and to “arrange the powers of production, distribution, education, and government” (cited by Whellens, 2022, para. 6).

Over the course of the next century, small and medium scale producer co-operatives were created — along with the Co-operative Productive Federation (CPF), which acted to “promote unity of action”, find markets for co-operative products, “and secure capital for growth and development” (Whellens, 2022, para. 7). Then, in the 1960s and 1970s, “the demands of rising social movements and political currents ... ecology, libertarian socialism, second-wave feminism, anti-racism, and community organising” generated a renewed interest in producer co-operation (Whellens, 2022, para. 8). The Labour Government of 1974-79 passed the Industrial Common Ownership Act 1976 and the Co-operative Development Act 1978 — which established the Co-operative Development Agency (CDA) to support co-operative development. Local authorities formed their own CDAs, “leading to more than 3,000 new registrations between 1975 and 1990” (Whellens, 2022, para. 9).

In the 1990s, a changing policy climate engineered by New Labour in opposition and in government promoted “technocratic approaches to development” which focused on American concepts of social enterprise, and outputs and outcomes were prioritised over ownership and control of social resources. ICOM and the Co-operative Union merged, and the number of co-operative registrations declined, with new members largely restricted to the tech, creative, and wellness industries: “labour intensive enterprises, which do not require significant capital to buy or rent productive resources” (Whellens, 2022, para. 10).

There is nothing fundamentally incorrect with this analysis. The CPF was the ICOM of its day, and its creation led to an increase in the number of co-operative co-partnerships (COCP). The marginalisation of the producer co-operatives — “little utopias” — by the Co-operative Wholesale Society, supported by intellectuals such as Beatrice Potter, “furnished state socialists with some of the standard arguments to be deployed against worker co-operatives” for decades (Ackers, 2016, p. 529). Beginning in the 1970s, “post-Communist doubts ... about the future viability of state-socialist solutions” (p. 527) and the decline of consumer co-operation in Britain opened a space for the revival of producer co-operation.

But what exactly are the founding members of workers.coop seeking in their quest for authenticity? Does this mean that worker co-operatives were being poorly served by Co-operatives UK? Certainly, their “manifesto” speaks of something more radical than those individuals identified by Semuels, who work in producer co-operatives, who are attracted by the idea of sharing responsibility and getting rid of bosses, and are sympathetic to the ongoing health and further development of their sector, but are otherwise content to operate in the private market (Semuels, 2015). These “non-political, usually job-creation co-operatives” which do not “differ much in behaviour from a small capitalist firm” appear distinct from those which are built on radical or ideological lines (Jervis, 2016, p. 77).

This essay places the creation of workers.coop in the context of the broader history of the co-operative movement, and to considers whether a fresh periodisation of co-operative history is now required. Does the creation of workers.coop symbolise something new, a break with what has come before, a distinct new phase in co-operative development? What is its direction of travel? The focus of this discussion will be Sidney Pollard’s (1960) *Nineteenth-century*

*co-operation: From community building to shopkeeping*, arguably the most influential example of periodisation within co-operative scholarship. Given that co-operative or co-operative-like solutions are increasingly spoken about in the political left as a tool for economic transformation, the creation of workers.coop is an opportunity to take stock, particularly as we approach the 200th anniversary of Rochdale.

## A Note on Robert Owen and Co-operation

Since the 1850s, scholars chronicling the growth of the co-operative movement in Britain have identified a radical thread of belief, derived from the teachings of Robert Owen, which describes co-operation as a mechanism for the transformation of capitalism, or even a means to opt “out of society into a New Moral World” (Birchall, 1994, p. 20). The history of Owen’s early experiments — New Harmony in 1825, the Equitable Labour Exchange in 1832 — the Brighton co-operative movement, William King’s *The Co-operator*, the creation of the Rochdale Society of Equitable Pioneers in 1844 and the subsequent growth of consumer societies, is a story well told, beginning with George Holyoake (1853, 1875, and 1879) and subsequent accounts including, most notably, Hall and Watkins (1934), Cole (1944), Bonner (1961), and Birchall (1994).

Each of these works pays homage to Owen and the earlier generations of co-operators — or socialists — who inspired the Pioneers and who were, indeed, counted amongst its ranks. All but Birchall wrote in times when the authors felt confident enough to speculate on some future time, as Owen and the Pioneers had, when co-operation might supplant capitalism as the pre-eminent organising principle of society. “Where does all this co-operative activity lead?” Hall and Watkins asked (1934, p. 472). If the movement retained “the right to expand and grow” and remained “desired”, a Co-operative Commonwealth built upon the Rochdale principles was “well within the bounds of possibility” (Bonner, 1961, pp. 479, 486). “The co-operative movement [had] ... cause to be proud”, Cole wrote on the occasion of the movement’s centenary, but had to adapt itself to “the changing demands of the public [and] ... devise the appropriate instruments for taking control of the industries and services which they are ... determined to take into their own hands”... if they wished to “see an approach to the “Co-operative Commonwealth” (1944, p. 401).

Owen and his supporters sought to achieve transcendence through a variety of means. Purists formed self-sustaining “villages of co-operation” away from industrial society; consumers sought “cheap and pure goods” and producers operated “labour exchanges” through which they hoped to keep “the total value of the goods” they produced, hitherto denied to them by non-producers (Birchall, 1994, p. 20). While these schemes ultimately all failed, the values behind them persisted as a thread running through the spine of co-operative history and are described as a prelude to the success of Rochdale. From the earliest days, the Owenites regarded storekeeping “not as an end but as a step towards the ‘Co-operative or Socialist Commonwealth’, which they envisaged partly in terms of producers’ self-government” (Cole, 1944, p. 170). It was their efforts which made the movement in Britain synonymous with the retail society. “By co-operative movement” the *Society for Co-operative Studies Bulletin* explained in 1979, “we intend the consumer movement because in Britain other co-operative organisations have different traditions, methods, and ambitions for political action” (Marshall, 1979, p. 11). By the 1940s, producer co-operation in Britain existed “only as an adjunct of the consumers’ movement” on which it depended, having proven itself the reserve of those interested in craftsmanship and the small workshop, and “unsuited” to “mass production of cheap lines” (Cole, 1944, p. 396).

Since the 1970s however, a revival of interest in producer co-operation, partly inspired by Owen’s mixture of “self-help and utopianism” coincided with a relative decline in those characteristics in that consumer movement — those which made consumer co-operation “a way of life”, or a “complex signifying system” for the “moralisation of capitalism” (Thornley, 1981, p. 31). Thornley described the emergence of new leaders in the producer sector with

an “enthusiasm not seen since the days of Owen” and the Christian Socialists (Thornley, 1981, p. 30). This was the period in which ICOM was joined by Job Ownership Ltd (JOL), Commonwork, the Mutual Aid Centre, local co-operative development groups, the Centre for Alternative Industrial and Technological Systems, and the Socialist Environment and Resources Association (SERA) — a comprehensive network of co-operative support organisations (Thornley, 1981, p. 31).

Recent discussion of the future role of co-operatives in Britain has focused almost entirely on the producer co-operative sector, a frequently rallying call from politicians being the desire to “double the size of the co-operative economy”, using producer co-operatives to fix “Britain’s ‘broken’ neoliberal economy” (Hadfield, 2018, para. 1). As Whellens explains, “the machinations of states and international finance capitalism” make it obvious that a large-scale reorganisation of production, “can only be achieved with the active direction of workers and their communities” and a serious discussion about the nature of useful production and waged and unwaged labour (Hadfield, 2022, para. 12). Whether Labour Shadow Chancellor Rachel Reeves would echo these thoughts is questionable, but as recently as the 2022 Co-operative Party conference, she pledged to double the size of the UK’s co-operative economy (Hadfield, 2022, para. 1).

Consumer co-operation on the other hand, has long been in decline. In the post-war period, where members of local societies felt coerced into amalgamation and merger with other societies to compete more adequately with commercial rivals, there was an accompanying “proportional decline in voting ... and the decline in membership of the auxiliary organisations such as the Guilds and youth groups” (Burton, 2005, p. 22). By the late 1960s, *Co-operative Consumer*, *Home Magazine*, and *Woman’s Outlook* had ceased publication, leaving the movement without “a medium through which to inform ... readers” (Corrigan, 2018, p. 40).

Between 1957 and 1962, the net earnings before payment of dividend of the London Co-operative Society, the largest retail society in Britain, slumped from £2,237,000 to £90,000 (Leonard, 1966, pp. 52-53). As early as the 1970s, co-operators were lamenting the passing of the movement. Efforts to build new consumer co-operatives — Co-operation Town being a notable example — are gaining traction in London, Plymouth, and Sheffield, but they currently exist on the margins.

How should scholars periodise this collapse and the rehabilitation of producer co-operation? It is 50 years since E. F. Schumacher released *Small is beautiful*, which championed smaller economic units, communal ownership, and new patterns of ownership, based in part on his own experiences as a Director of the Scott Bader Commonwealth, which had introduced a form of communal ownership into its organisational structure and was a central player in the creation of ICOM (Schumacher, 1973, p. 232). The revival of interest in producer co-operation is nothing new, but workers.coop has identified a need for change.

## **From Community Building to Shopkeeping**

First published in *Essays in Labour History*, a 1960 volume of essays dedicated to the memory of G. D. H. Cole, Sidney Pollard’s *Nineteenth century co-operation: From community building to shopkeeping* divided the history of the British co-operative movement in the nineteenth century into two distinct periods; the first beginning with the publications of Robert Owen in the 1810s and ending with the failure of the Queenwood Colony in 1846; and the second, “heralded” by the establishment of the Rochdale Equitable Pioneers Society in 1844, which achieved consolidation twenty years later with the “foundation of the English Wholesale Society in 1864 and its Scottish counterpart in 1868” (Pollard, 1960, p. 74). Although the activities of co-operators in these two periods were not dissimilar — they both opened stores, established productive workshops and wholesale agencies, and claimed “to be working for higher aims of social amelioration and moral and intellectual improvement”, Pollard noted fundamental differences in aim and inspiration which placed “the two phases of the movement far apart” (Pollard, 1960, p. 74). Crucially, the former regarded storekeeping as a “temporary means

towards the grander object of the ending of the capitalist social system” while the latter saw the stores as the “promise and fulfilment of a better world” within capitalism (Pollard, 1960, p. 102).

Considered “a workman-like job” by leading Owenite scholar J. F. C. Harrison (1960) *Nineteenth-century co-operation* has nonetheless proven to be a useful reference tool for scholars. In the first phase we see the gradual emergence of the co-operative store as the “antechamber to the millennium”, the chosen mechanism for the accumulation of funds to purchase communal land to build communities based on Owenite principles, with an intermediate stage of co-operative production which allowed working men “the whole of the produce” (Pollard, 1960, p. 83). In the second phase, we see these values eclipsed by the success of the Rochdale store and its divided ownership — “the first major breach with Owenism” — which proved fatal to the ideal of lifting “the life of man on to a higher plane of existence” (Pollard, 1960, pp. 89, 98). “Ill-starred attempts” by Owenite “individualists” to bring in middle-class mills and profit-sharing schemes failed to persuade the movement to move towards producer co-operation and, over time, the “Owenist impetus” became more diffuse. Whilst many co-operators retained “distant ideals”, they had “dissolved into misty vagueness” in the face of the promise of “higher standards of living, greater economic independence, fair dealing in pure goods, the end of indebtedness, perhaps even social security” within the present capitalist system (Pollard, 1960, pp. 99-102).

Pollard himself was “strongly committed to the co-operative movement and its ideals” (Holmes, 2000, p. 532). He admired Owen for his “many-sidedness”, the consistency of his belief that the human character was “malleable”, and his revolutionary understanding, unlike most economists and philosophers at the time who assigned a subordinate role in civil society to labour — “condemned to struggle somewhere near the subsistence minimum” — that “the right to a full humanity was to be available ... even to the humble peasant and ... street-sweeper” (Pollard, 1971a, pp. viii, x). It was these “flashes of insight” that remained Owen’s most valuable contribution, for the process of overcoming prejudice and extending “full membership of the nation” and the “full rights of world citizenship” could be extended to all (Pollard, 1971a, p. xi).

By the 1980s, Pollard’s conclusions about the path of co-operative development in Britain were being challenged, the accusation being that it was overly simplistic (Thornes, 1988). Thornes argued that the idea that Rochdale offered a clean break or was different from earlier co-operative activity was based “on the misconception that the movement in the early period was an Owenite one, committed to the creation of communities ... and that the modern movement came about as the result of the founding of the Rochdale Society in 1844” (Thornes, 1988, pp. 48-49). Rather, co-operation in the pre-Rochdale era had been “adopted and adapted to meet the specific wants and needs of groups of working men” whose societies took on a variety of different forms and in many respects could barely be considered a movement, nor did there seem to be much enthusiasm to create one (Thornes, 1988, pp. 32, 39). For many, Owen’s ideas of “self-supporting purpose-built communities” appeared “neither practicable nor desirable (Thornes, 1988, p. 30).

In the 1990s, Pollard’s other main point, that the creation of Rochdale marked the beginning of the end of co-operation as a tool for transforming capitalism, came under scrutiny as a tired criticism common on the intellectual left of the time. Pollard’s teleological view had rested, Gurney (1996) noted, on “selective quotations” from *Co-operative News* which marginalised the utopianism of the co-operators in the late Victorian period who built co-operation into a “way of life” (p. 4), a “complex signifying system” (p. 23). The songs they sang, the “newspapers they read”, the bread they “baked in co-operative bakeries”, this “social history” of the co-operative movement demonstrated that the modern modes of mass consumption which emerged in the late nineteenth and early twentieth centuries should not “be regarded as inevitable” (pp. 22-23). Co-operation had attempted to “moralise economic relations” and had generated protracted social conflicts, and it was simplistic to suggest that ideals had been squeezed out of the movement because of the dividend (p. 23). The consumer movement had been utopian, and at a time when it was clear that “excess is likely to bring catastrophe, earlier attempts to moralise the market and invent a more humane language of ‘need’”, Gurney stated, deserved a hearing (p. 238).

More recently, Mulqueen has offered a fresh periodisation of co-operative history based on the interaction of the co-operative movement with the law. Rejecting the traditional narrative of a non-political pre-Rochdale Movement, followed by Owenite socialist “politic[s] par excellence” and a return to an unpolitical non-socialist but successful store movement, Mulqueen locates the “beginnings” of co-operation in “the moral economy of the crowd” and “ethos of mutual aid” described by E. P. Thompson in his analysis of the food riots of the eighteenth century (Mulqueen, 2019, p. 28).

While Mulqueen (2019) suggests this “moral economy of provision and the crowd” had “lingered on” in the hearts of Owenite socialists and in “the bowels of the Co-operative Wholesale Society” (p. 75), in wider society it was largely replaced by the political economy of the free market. Historians of the movement had been complicit however, in the obscuring of this tradition of the “moral economy”, consolidating “plural forms of co-operation under unitarity monikers, such as Owenism” whereas Thompson’s “emphasis on the moral economy and co-operative direct action” had exposed “a thread of continuity from the earlier societies” to modern co-operatives (Mulqueen, 2019, p. 28). It was middle-class adherents of the latter — particularly the Christian Socialists — who saw co-operation as a way of ameliorating tensions between capital and labour by granting the working-class “economic rights”, enabling them “to witness the operation” of the “natural laws” of the market (Mulqueen, 2019, pp. 52, 59, 62). In order to do so, the links between co-operation and “the crude socialistic theories of ... Owenism (socialism) had to be severed” (Mulqueen, 2019, p. 53). The legal recognition of the co-operative as a “body corporate” placed it in “conflict and tension with the ethos of mutuality that animates co-operatives ... [derived] from the moral economy” and with conceptions of co-operatives which did not conform to the notion of the co-operative as a commercial entity (Mulqueen, 2019, p. 76).

These criticisms are all valid, however, it is debatable whether their conclusions invalidate Pollard’s essential thesis. As Mulqueen admits, periodisation does have “homogenising tendencies” (2019, p. 75). Gurney’s analysis of the radical potential of the consumer Co-operative Commonwealth held true into the 1930s. In 1922, A. V. Alexander, the Co-operative Party candidate — later Member of Parliament — for Sheffield Hillsborough described how the co-operative movement had “an ethical basis and a moral goal” based on “that which is highest in man” to form “a reformed social state” (Sheffield Co-operator, 1922, p. 7). The “moral economy” persisted long after the bringing of co-operatives into the law — politicians from across the political spectrum in Britain have spoken of the positive characteristics of co-operation. The “solidarity economy” is built upon a belief in the moral superiority of co-operatives and small-scale enterprises over capitalism (Scharzer, 2012). With its website stating its hopes of “building a more equitable and sustainable world” which values “collaboration, solidarity and care for others, our communities ... our planet” and decent work, Workers.coop is part of that solidarity economy (<https://www.workers.coop>).

The fact remains however, that co-operators have long claimed Owen for themselves. He is “The Father of Co-operation”. As Pollard attested, the “best of the co-operators ... still had their distant ideals as men have had in all ages” but the contrast between the “firm outlines” of Owen’s New Moral World and the “shapeless yearnings of the latter-day co-operators” was “striking” (Pollard, 1960, p. 102). It is correct that these “yearnings” had more substance than Pollard might have given co-operators credit for, yet, as Gurney admits, these activities were encouraged by the leaders of the movement to create a spirit of loyalty around the community of the store (Gurney, 1996). If Mulqueen is correct in asserting that the Owenite moral economy was consciously expunged from the consumer movement as part of its journey into the law, then perhaps the producer co-operatives and their workers.coop descendants were spared this fate, even if their own desires for change are inchoate.

## **The Co-operative Ideal: Then and Now**

Pollard returned to the topic of co-operation numerous times throughout his career, often attempting to locate the strand within the movement that could stimulate its renewal.

*Nineteenth-century co-operation* appeared at a time of strife, as the retail societies struggled to come to terms with the recommendations of the 1958 Independent Co-operative Commission, the report of which had recommended the mass merger of societies. In a 1965 Fabian Pamphlet entitled *Co-operatives at the crossroads*, Pollard explained that now was the moment for “the ideas and the ideology of co-operation” to provide “new impetus and a new inspiration” (1965, p. 9). Aside from any practical initiatives regarding organisation — a closer relationship between the Co-operative Wholesale Society (CWS), the Scottish Co-operative Wholesale Society (SCWS), and the Co-operative Union for example — the movement had to adjust itself to realities of the aspirations of the post-war generation who wished to escape their working-class origins partly by indulging in the glamour of new products over the “saving and scraping” image of the co-operative (Pollard, 1965, pp. 11-13, 39). He remained optimistic that the movement could identify such an impetus, using its purchasing power and productive forces to break monopolies (Pollard, 1965, pp. 9-14).

It must transform itself from an organisation engaged largely in the defence of the basic standard of living of an exploited class, into an organisation which has a positive role to play in the interests of all consumers, both by bringing pressure to bear on producers, and by actively educating its members’ and the public’s taste, by raising their standard of values, and by improving the use made of their increased resources ... those who enter it, as members, officials, or elected representatives, have the right to expect to find a movement dedicated to building a better future rather than one preoccupied ... with the defence of the achievements of the past (Pollard, 1965, p. 44).

A decade later, Pollard delivered the Hodgson Pratt Memorial Lecture on the topic of the *The co-operative ideal — Then and now*. He reminded his audience that the early furtive efforts of the co-operators had been tinged with “an element of despair” as they sought to escape the harsh realities of industrial life for somewhere better (Pollard, 1980, p. 1). Nonetheless they had laboured so that group by group, society by society, they hoped to transform society into one free of “competition ... cutthroat hostility ... private property ... and before long the whole of society would be changed ... not by violent revolution ... but by showing them [people] something better” (Pollard, 1980, p. 3).

What was the use of this story, Pollard asked, in the modern era? What was left of this movement? The dividend had disappeared, replaced by offers and sales which were common in non-movement supermarket chains (Pollard, 1980, p. 11). Consumer protection laws protected individuals from adulterated food and encouraged honest dealing. Education was now commonplace outside the movement. Democracy, Pollard noted, would be valuable if it were used, but in most co-operative societies it was “hardly used at all” with few people bothering to attend meetings (Pollard, 1980, p. 12).

What remained was co-operators, who still held the “Co-operative Commonwealth” in their hearts. Unlike the “association against the rest of the world” attitude prevalent in the trade union movement, the co-operative movement was about “us”. “Everyone has a co-operative society; has a co-operative movement they can join ... there are no special interests ... they plead for everyone” (Pollard, 1980, p. 14). It remained popular in the developing world in the form of production societies and farms. The colony plan of Owen had been “just a mechanism, the only mechanism that occurred to Robert Owen ... [But] mechanisms change with changing social conditions, with changing opportunities, changing technical possibilities” (Pollard, 1980, p. 15). The important thing was to try to transform society from one that fosters an opposition away from the anti-social attitudes of competition towards the social aspects of our character. Was this the moralising capitalism or moral economy described by Gurney and Mulqueen?

Discussions within the movement have long reflected this soul searching. Whereas previous generations had “gladly called themselves ‘Co-operators’”, Roy Hattersley noted in 1979, shoppers were now unsure (Hattersley, 1979, p. 15). If the co-operatives were to mean anything, he explained, they had to promote principles “as well as ... soap powder ... [and] if that is all the co-operative movement does it might as well leave the job to Fine Fair” (Hattersley, 1979, p. 15). The same year, one former society Chief Executive lamented that

the “human capital and goodwill ... the dedication, the skill, the reservoir of talent” had gone from the Movement (Edmondson, 1979, p. 15); gone was “the sense of purpose ... the sense of pleasure and positive participation once enjoyed through membership of the auxiliaries ... the dividend ... the conscious role of a voluntary, self-governing association of consumers” (p. 17). Another believed that the merger of societies had been a misstep, which had robbed the movement of “the presence, the ethos, the reality of a people’s enterprise and the work of a century” (Bottomley, 1989, p. 7), stating:

It would certainly be understandable if many people thought they had been robbed. I do ... of my opportunity to belong to, to share in, to participate in, to help direct and build a co-operative I can identify with because it’s part of my community. That I cannot feel about any regional, much less national, society ... We ignored a philosophy ... of democracy and equity, community and fellowship, self-help and self-reliance... We forgot or ignored that co-ops are founded in community ... and draw their strength from ... a common sense of purpose ... The co-operative leadership searched for and selected a commercial solution instead of a co-operative solution (pp. 8-9.)

There was, Bottomley explained, “no road back ... But is there a way forward?” (1989, p. 9).

## **A Usable History for Producer Co-operation**

Up until the 1850s, consumer and producer co-operation were considered as one whole (Cole, 1944). The Rochdale Pioneers had established a milling society with a “bounty to labour” — profit sharing for employees — yet within a few years the principle was abandoned due to financial difficulties, and it reverted to being a normal organisation (Backstrom, 1974). The Christian Socialists hoped that co-operation could deliver a country “studded with workshops”, supplied by stores and wholesales, where the “profits” shall “cheer and not oppress labour” (Backstrom, 1974, pp. 111). Producer co-operatives would nullify the threat of exploitation of workers by co-operative society members whose primary focus was dividend maximisation (Backstrom, 1974). In his Presidential Address of the 1888 Co-operative Congress in Dewsbury, Edward Vansittart Neale explained that co-operation had “yet to realise” the great benefits that the “application of equity to production” could bring. The consumers movement had answered half of the question of how to break down the barriers between capital, labour, distribution, and consumption, for it had broken down the barriers between consumer and distributor. Now it had to break down the barriers between capital and labour (Backstrom, 1974, p. 182).

It was the disastrous failure of the Ouseburn Engine Works on Tyneside, partly funded by loans from the CWS Bank, which spread the belief among many co-operators that producer co-operation was “fundamentally unsound”, with some co-operators attempting to stop the CWS lending money to producer societies altogether (Wilson, et al., 2013, p. 80). In later years, the CWS opened its own factories which it believed were more capable of meeting the demands of the growing consumer societies (Backstrom, 1974).

The Christian Socialists continued to advocate for independent co-operative production with the CWS acting as a marketer (Backstrom, 1974). To further their ideas, Neale and his followers set up the Co-operative Productive Federation (CPF) in 1882 with the aims of promoting unity of action, securing capital for member co-operatives, and identifying markets for their products. Two years later, they founded the Labour Association as an education and propaganda attempt “to persuade organisations within the co-operative movement to take labour into partnership; to persuade employers generally to do the same; and ... to launch co-operative workshops on its own initiative” (Backstrom, 1974, p. 165). These efforts led to an increase in the number of producer co-operatives, but their efforts were insufficient to turn the tide away from the domination of the societies.

Their cause was cast a blow by Beatrice Potter and her book *The co-operative movement in Great Britain*. “Perhaps more than any other volume on co-operation”, Philip Backstrom explains, “[it] was responsible for branding ... [the] co-operative workshop ... as impractical and assigning many of their most valuable contributions to historical oblivion” (Backstrom,



1974, p. 185). In reality, Potter was no more able “to capture the co-operative machinery for the service of socialism” than Neale, her admiration of the realism of the CWS leaders such as J. T. W. Mitchell “indicative of a lack of vision as well as a loss of imagination” that was ultimately fatal for “complete co-operation” — producer and consumer in tandem (Backstrom, 1974, p. 203). Relations with the CWS and the producer sector remained “more or less chilly” for the next century (Fletcher, 1976, p. 176).

Between 1900 and 1960, the CPF stagnated, and as workers.coop explains, the movement began to revive with the creation of ICOM in 1971. ICOM was the successor organisation to the Association for the Democratic Integration of Industry (DEMINTRY), launched in 1958 by Ernest Bader, Farmer Services Ltd, and Wilfred Wellock, as a “community of firms, industrialists, and those interested in industrial and social reform, along common ownership lines”. ICOM similarly dedicated to itself to the task of “creating a common ownership economy” (Anagnostis, 1996, p. 3). For the first time in its history, the producer co-operative movement possessed an “assertive and radical” political programme, centred on “greater state support for the movement as a whole” (Da Costa Vieira & Foster, 2021, p. 294).

The success of ICOM attracted the attention of the Labour Government. Under the auspices of Tony Benn, the Secretary of State for Industry, worker co-operatives were established in three companies in 1974 — Triumph Motorcycles at Meriden, Kirkby Manufacturing Enterprises on Merseyside, and the Scottish Daily News — where “co-operative production” had been considered by workers as an alternative to closure (Coates, 1976, pp. 14-15). The same year, a joint statement of the Labour and Co-operative Parties proposed the creation of a dedicated National Co-operative Development Agency (CDA), to create a third force in the economy standing between capital and labour, to give people power in the workplace, and in part to provide opportunities for those who were “sick, disabled, or needy” (Co-operative Union Central Executive & Labour Party National Executive Committee, 1974, p. 3). Once established, local authorities set up their own CDAs in the belief that co-operatives could generate employment for redundant skilled workers and the disabled (Sykes, 1981).

Some scholars were sceptical of the extent to which these co-operatives could transform society or arrest industrial decline. Over half of the co-operatives created in this period were based in the “alternative movement”, built on the principles of the solidarity economy — wholefoods shops, bookshops, and printers being common outlets (Thornley, 1981, pp. 105-6). In common with the Owenite experiments of the nineteenth century, these “islands of socialism” had in common “utopian and millennial ideas” of generalised sharing, and many refused to trade with private firms or borrow money from banks, only belatedly realising that they could not exist purely outside the orbit of capitalism (Thornley, 1981, pp. 3, 65, 106-7). While they could provide a means for workers to challenge capitalism and exploitation in employment, the utopian drive of many producer co-operatives meant they were less “islands of socialism” with the potential to transform the British economy, and more “inconsequential flotsam in the capitalist ocean” (Thornley, 1981, p. iv).

The election of a Conservative Government in 1979 derailed further co-operative developments at a national level. Although many Conservatives viewed co-operatives as a “desirable expression of private enterprise”, it was deserving of no special treatment. It has been argued that Margaret Thatcher “played upon the co-operatives’ contested legacy of self-help to use it as a springboard ... to eliminate political demands by shifting responsibility onto the co-operative movement” for its failure to support the CDA out of its own pocket (Da Costa Vieira & Foster, 2021, pp. 296, 298). Decades later, under the leadership of David Cameron, the Conservatives proposed that the “welfare state” was holding back community action of all kinds, but particularly “the most virtuous models of association: mutuals, friendly societies, and co-operatives” (Da Costa Vieira & Foster, 2021, p. 299). The values of the Rochdale Pioneers — courage, self-help, vitality, and entrepreneurship — would support a further act of depoliticisation, as self-help assumed the removal of state-support for co-operatives and thus a shrinking of the concept of what the state should be expected to offer as support (Da Costa Vieira & Foster, 2021).

Local CDAs did persist in their efforts during the 1980s, supporting a doubling of the co-operative economy. In the 1990s, however, progress stalled. As workers.coop outlines, recent scholarship has charted the gradual marginalisation of the co-operative movement in the 1990s and 2000s under New Labour, cast off as a relic of an earlier period haunted by the failure of the Benn co-operatives. Instead, social enterprise was touted as a proposed “third sector economy” which could broaden the “common ownership concept beyond worker co-operatives” as part of its stakeholder society and partnership concepts (Huckfield, 2021). Prioritising outcomes over democratic structures, social enterprise appeared a more malleable agent for the delivery of low-cost public services, an attractive way to externalise services from the state without privatising them (Huckfield, 2021). Over time, Huckfield has claimed, social enterprises and much of the third sector were co-opted as tools for the incursion of neoliberalism and capitalism into wider spheres of public life, with democratic, mutual structures of co-operatives “largely jettisoned” (Huckfield, 2021). Consequently, the third sector has become largely depoliticised, fragmented, small, undercapitalised, and unable to meet its social welfare expectations, with public and social values replaced by value for money, impact, output measured, and cost of delivery (Huckfield, 2021).

Governmental support for social enterprise took its toll on ICOM. In the 1990s it provided significant support to the sector, joining the Coalition for Social Enterprise, but ultimately realised that it had “spread itself too thinly across the social economy sector ... trying to be all things to all people” (Cannell, 2000, p. 1). Under the leadership of Pauline Green, also the Chief Executive of the Co-operative Union, the two organisations merged into “a new apex body” — Co-operatives UK (Huckfield, 2021). Since that time, there has been a limited revival, with Co-operatives UK and the Employee Ownership Association promoting wider ownership, but “local community democratic accountability” is notably absent. Similarly, the “ownership hubs” and “community wealth build” agenda has lacked “indigenous local community pressure” and has been largely led by council initiative (Huckfield, 2021).

Between the “ordoliberal” Conservative ascendancy of the 1980s and the social enterprise explosion of the 1990s, producer co-operation is viewed as a virtuous business vehicle, but not one that can fulfil a significant role in the economy or be given preferential treatment as a means to transform society. But is this important? Arguably not. What made co-operatives unique, as Ernest Bader of the Scott Bader Commonwealth explained in 1975, was the “individual acceptance of social and spiritual values of its members” (Bader, 1975, p. 2). The broader objectives of co-operatives do not arise from immediate economic necessity but from underlying co-operative principles of concern for the welfare of co-operatives members and of society, “whose ultimate goal is the Co-operative Commonwealth in which men and women will co-operate in production for use rather than profit” (Fletcher, 1976, p. 184). If a co-operative lacks this motive, it degenerates into an “inward looking” club (Fletcher, 1976, p. 184).

Should we even expect co-operatives to transform society? Is it simply a question of scale? Only the retail societies and the CWS can lay claim to having grown to the size required to compete against for-profit co-operations. It is a common belief that organisations lose their abilities to account for local differences if they become too large or power becomes too concentrated (Scharzer, 2012, pp. 1-2). As an antidote, individuals are encouraged to “change how we act within capitalism”, supporting “ethical small-scale businesses” or by making and distributing products “outside the market” (Scharzer, 2012, p. 2). While small-scale alternatives can occasionally flourish, Scharzer explains, their ability to create a new equitable society is severely curtailed by the power of capital and the inability of consumers to challenge it effectively (Scharzer, 2012, pp. 3-5). Those wishing to transform capitalism were frequently driven by a nostalgia for a bygone era, creating “visions of community based on small-scale entrepreneurship” or fleeing into the “fantasies of utopianism” — “the attempt to create ideal societies where the contradictions of capitalism don’t exist”, a form of elitism based on consumer choice (Scharzer, 2012, pp. 5, 104). The belief that neoliberalism can be transformed by the creation of “self-organised relationships of care, co-operation, and community”, realised in the formation of producer co-operatives, Scharzer admits, can accomplish more than a

“solely oppositional resistance movement can ever achieve”, no matter how unsurmountable the challenge appears (2012, p. 130).

There is much to commend to Scharzer in his attempt to find a positive role for small economic units in the face of economy orthodoxy. However, in much the same way that the directors of the CWS in the late nineteenth century missed the point of what Neale and the Christian Socialists were trying to say, Scharzer neglects to identify the role of a central economy of scale — be it the CWS or an Amazon — which smaller units can utilise to access markets for their products.

## From Shopkeeping to Community Building?

In the early 1930s, Hall and Watkins highlighted the central role played by the retail co-operative society in co-operative activity. If retail trade was unsuccessful, they warned, wholesale trade would stagnate, halting production and other auxiliary activities such as education and propaganda. The success of the retail trade was therefore crucial to the health of the movement, and its greatest economic problem the challenge of bringing producers and consumers back into harmony. As the consumer societies continued to grow, the self-governing workshop had appeared increasingly impractical in servicing the movement. Yet ultimately, unless producer co-operation and consumer co-operation could be reconciled under one banner, the movement would never reach its full potential (Hall & Watkins, 1934, pp. 306-7).

The experience of the past sixty years of co-operative development in Britain suggests that Pollard was correct when he suggested the movement was at a crossroads in the mid-1960s. It is reasonable to assert that the second phase of co-operative development outlined in *Nineteenth-century co-operation* drew to a close with the 1958 Independent Co-operative Commission. The question therefore is: what followed? If we assume that the Benn co-operatives of the mid-1970s were an outlier — each of them an ill-fated top-down attempt to convert a struggling firm into a co-operative to save jobs — then it is more appropriate to look towards those worker co-operatives, which like the founders of workers.coop, sought to build solidarity economies, with a nod to the Owenite tradition. In this period, the retail societies ceased to constitute a movement for social change.

But do the worker co-operatives constitute a movement either? If they do, what are its aims? In the 1970s and 1980s, co-operatives worked to develop practical alternatives to consumerism — “small scale production and distribution, collective practice” and a concern with the “implications of their demands in terms of world economies” — with many doubling as information centres, community meeting places, and education centres (Thornley, 1981, p. 107). This was no easy task and was complicated by the desire to form movements out of isolated efforts. Co-operation between co-operatives, aside from a “few brave instances” (Howe, 1989, p. 59) proved nearly impossible.

In spite of these difficulties, workers.coop appear to be giving it another try. Predications on how this might happen have often settled on the reformation of the corporate sector. “Imagine a corporation in which every employee has a single share that they receive when hired” Varoufakis writes. “This share cannot be sold or leased ... [and] grants a single vote. All decisions — hiring, promotion, research, product development ... are taken collectively” (Varoufakis, 2023, p. 194). The impact might be to “liberate employees from the tyranny of self-serving managers ... eliminate the distinction between wages and profits ... [eliminate] the fundamental class divide between those who own and collect profits or rents and those who lease their time for a wage” (Varoufakis, 2023, p. 196).

Whether this is a realistic aim or utopian dream, without co-operators who hold those Owenite beliefs in human nature and a better tomorrow within their hearts, it will most likely remain a fiction.

## The Author

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