

Co-operatives and Mutuals: the new challenge

An ILP Pamphlet

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This collection of three essays is intended to contribute to a discussion on the possible role of co-operatives and mutual societies in stimulating a 'renewal of socialism'. It begs a number of questions, not least on the particular form of socialism the authors would like to see 'renewed'. In his introduction, the current chairperson of the Independent Labour Party (ILP) properly suggests that co-operatives are a distinctive type of social enterprise and that they require clarity of thought and action if they are to thrive and maintain that distinction. They exist in their own right and for their own purposes and cannot therefore be vehicles for any political persuasion. He also helpfully establishes how co-operatives differ from other forms of enterprise by reference to the core co-operative principles identified by the International Co-operative Alliance. Indeed, after reading the full pamphlet, this reviewer concluded that perhaps its most useful and interesting part could have been an expanded 'introduction'.

One difficulty arises with the first and major essay, *Co-operation, Mutuality and Radical Politics*, is that it attempts to discuss how action in support of the "co-operative and mutual sector" might assist a revival of 'radical' politics. Or, to put it another way, how might 'radical' politicians beneficially promote agencies operating in that sector and so support and advance their own political agendas? This may be a perfectly reasonable objective from a political point of view but it is somewhat misguided. It fails to comprehend that historically, and as the pamphlet's 'Introduction' makes clear, co-operatives and other forms of mutual enterprise exist in their own right with their own distinctive principles and purposes which may not, include a political objective.

Nevertheless, the first essay provides an interesting, although limited, commentary on the origins of the UK's various forms of mutual and co-operative action through "working people coming together to provide collective

self-help solutions to (diverse) needs". It goes on to consider possible reasons for their decline, including state 'socialist' action.

The author makes an almost chauvinistic point when he observes that: "The ability of the British to form mutual associations around a shared interest or concern, controlled by their members, has been a hallmark of the development of civil society over the last four centuries". It is therefore a little surprising that he does not make a stronger or more direct reference to the most notable example of that 'ability', namely the UK co-operative consumer movement. It can be argued that before 1960, this was the dominant retailer in Britain and that in its federal structure it was the largest **socially-owned** enterprise in the history of mankind being owned, financed and controlled entirely by its members. Such an omission is all the more surprising given that the 'Introduction' reminds us, that **member-control**, is an essential characteristic of co-operatives which, together with the pursuit of their own objectives which may not necessarily be those of politicians, make it a "distinctive form of social enterprise".

At this point it is perhaps appropriate to remind ourselves that before 1960 the British co-operative consumer movement had a membership of more than 12 million. The author in fact mentions that pre-war there were some 14 million members of friendly societies. Most of those societies were relatively small and locally managed. If we assumed that there was a total population of 56 million, and that co-operatives' individual membership largely comprising housewives represented average households of 3.5 persons, we can see that consumer co-operatives served more than 75 per cent of the population. It was unlikely, however, that more than a tiny proportion would have joined co-operatives for political reasons. It is more likely that in attracting and maintaining such high membership levels, British consumer co-operatives were satisfying their members' economic and social needs. Self-interest, rather than mutuality or

political concerns, was therefore the motivating factor. If we are to rebuild that movement, it may first be necessary to analyse the reasons for its rapid and virtual demise.

The author concedes that “New Labour does appear to have some degree of a radical vision for the ‘renewal’ of Britain” and that one of its central themes “is putting communities at the heart of the decisions that affect their lives”. He also sees Stephen Yeo’s concept of ‘association’, presumably a new Labour word for ‘co-operation’, as a natural progression from the nineteenth century radical politics of old Labour to new Labour. Moreover, the author believes that numerous co-operative, social and mutual enterprises of various kinds will be the most appropriate vehicles for the latest version of radical politics.

For many of those who have long been engaged in the organisation and management of co-operatives, friendly societies, and other mutual organisations, the notion of political action, let alone ‘radical’ political action, will not be unfamiliar or even original. The pamphlet’s ‘Introduction’ emphasises that if co-operatives are ‘to thrive’, they need clarity of thought and action. Within that, however, it is not clear how relevant the ‘British’ experience of politics, radical or not, might be. An efficient response to personal economic needs would seem to be more important. There also seems to be little evidence either in new Labour, or in contemporary co-operative and mutual enterprises, that the current surge of political interest in their promotion, will justify the hope that they will strengthen new Labour.

I have some difficulty in reviewing the much shorter article by David Byrne entitled *The Temptation of Honest Mutuality*. One reason is that I am not sure what he means by this.

Another is that I do not know at what he is aiming. My difficulty may arise from my inadequate comprehension of the language of current left-wing social analysis. I gather, though, that he is critical of what he terms “welfare capitalism”, while applauding the State’s cash benefits system as being “outstandingly efficient”. Nevertheless, he deprecates the “managerial domination” of the NHS and other social services, believing it to be “bitterly resented by both providers and consumers”.

Referring to experiments in Brazil, Bologna, and even pre-war Peckham, he goes on to propose some form of “worker-managed syndicates” which he believes should combine with agencies of the “users of services” to run social services. Many would agree with his view that radical institutional change is necessary if the delivery of services is to be improved; also that this should include some form of mutuality. David Byrne’s imperative is that “supporters of mutuality have to decide which side to line up with – corporate capital or the socialists”. Some might ask, “What about the Co-operators?”

The third essay by Matthew Brown is a pleasing description of the successful efforts of a group of parents to create a co-operative structure for the village school of Lowick after it had been threatened with closure. This is a commendable and even inspiring story of community action that has an important social purpose. It could provide a guide for similar action, particularly in remote communities, where local schools are threatened with closure. It is suggested that this could be “blueprint”, for an alternative, nationwide system of school provision. This, however, seems unlikely. Imagine the problems there might be in trying to introduce it, say, in Peckham!