

Co-operatives and the Social Question: The Co-operative Movement in Northern and Eastern Europe (1880-1950)

By Mary Hilson, Pirjo Markkola and Ann-Catrin Östman
Welsh Academic Press, 2012 ISBN 978-1-86057-055-1, £75

Definitely a pleasure to read, this scholarly but accessible volume takes us back to the roots and the heyday of the co-operative movement in Europe, focusing for the most part on the Nordic countries (Denmark, Iceland and especially Sweden and Finland), but with illuminating chapters on Estonia, Hungary (two chapters) and Ruthenian Galicia (today part of Poland). In addition to the three contributors who are presented as authors on the cover, eight more were involved in writing the chapters, which started life as papers at a conference on Co-operatives and the Social Question in Finland in 2009.

The fact that most of the authors do not appear to specialise in co-operatives, but rather in the wider spheres of social policy and history, is both a strength and a weakness of the text. It is a strength because we get a good sense of (all types of) co-operatives as part of wider social and political systems, influenced by specific policies (including, importantly, land reform) and ethnic, nationalist and religious aspirations as well as grass-roots initiatives and charismatic leaders. As the chapter on the Danish co-operative movement by Niels Finn Christiansen makes clear, for example, easy access by rural people to education and specifically the Danish institution of the 'folk high school' were important factors in the success of the Danish co-operative movement. It was also interesting to note the reasons and manifestations of the active role of the Greek Catholic Church in promoting co-operatives in Ruthenian Galicia in the chapter by Piotr Wawrzyniuk. On the other hand, some chapters place perhaps too little emphasis on the organisational structure and nitty-gritty of the functioning of the co-operatives themselves. For example, I would have liked to find out a little more about the structures and activities of the Ruthenian communal shops, granaries and credit co-operatives.

Another chapter where co-operatives play a secondary role is: *The Nordic Ideal of a Central European third way: The Finnish model of Hungarian modernisation in the 1930s* by Katalin Miklóssy. Nevertheless this was for me one of the most interesting chapters of the whole book. Miklóssy describes an influential stream of thought in inter-war Hungary, headed by well-known intellectuals such as the writer László Németh, which tried to conceptualise a 'third way' between East and West for their (then strongly inequitable agrarian) country. This 'third way' would lead to a "peasant democracy, growing out of the co-operative idea of society", based on "strong local participation in political, social and economic spheres of community life" (p144). This intellectual stream helped forge a new understanding of civic responsibility and morphed into a nation-wide movement with practical outcomes. The inspiration for such a society was an (idealised) vision of the Nordic countries, especially Finland, to which Hungarians felt a historical and linguistic affinity. As Hilson, Markkola and Östman mention in the introductory chapter, agrarian movements "joined forces with co-operation in a search for alternative social models and structures — in other words for alternative paths to modernity" in other central and east European countries in the 1920s and 1930s, including Czechoslovakia, Austria, Bulgaria and Poland (pp12-13). In the manifold crisis of modernity which we are experiencing today, it would be interesting and inspiring to have more accessible information on these streams of thought and movements that, as Miklóssy suggests, may have been "ahead of their time" (p151).

A common theme in the book, emphasised in the introductory chapter, is the assertion that “the spread of co-operative ideas cannot be understood as a simple, linear process of transfer” (p3). While the Rochdale Pioneers and the German Raiffeisen and Schultze-Delitzsch credit unions were an important influence in the region, there were other sources of outside inspiration (Ireland), as well as innovations and cross-pollination within the region itself. In at least one case, as the comprehensive and well-researched chapter on Iceland by Helgi Skuli Kjartansson makes clear, co-operatives emerged spontaneously from the local grass-roots self-organising tradition.

Another theme implicit throughout the book is the tension between co-operatives seen as the useful instruments of a rationalising, technical and scientific modernity which it was hoped would solve the ‘social question’ via social inclusion (eg p83), and the more ambitious or ‘radical’ goal of co-operatives as part of a future new social order, distinct from both a feudalist past and a capitalist modernity, manifest (in addition to the Central European intellectual streams mentioned above) in the thinking of the Swedish anarchist co-operative leader Martin Sundell (p69). This tension had many forms and facets, eg the discussions between protagonists of the ‘ideological’ and ‘practical’ wings within the influential Finnish Pellervo Society (pp129, 131).

Some fascinating gender aspects of the co-operativist modernist discourse are briefly touched upon in two of the chapters (Wawrzeniuk on Ruthenia and Eriksson on the Swedish agrarian press). As the dairy co-operatives enabled the export of butter and dairying grew in scale and became a lucrative source of income, it generally changed from a female to a male domain, with farm wives expected to step back and give up their traditional personal income from the small-scale sale of milk and butter (p119). As Eriksson comments in his discussion on the treatment of the topic in the Swedish agrarian press in the late nineteenth century, although dairying was traditionally a female domain:

... men were described as rational, practical and scientific, while dairymaids were rarely mentioned at all. If they were, the descriptions were almost always negative, as they represented traditional methods and were seen as ignorant and old-fashioned (p76).

In her chapter on the ideological and gender aspects of the Finnish co-operative discourse viewed through the lens of the Pellervo society publications, Ann-Catrin Östman elaborates on this (p130) and shows that the influential Finnish co-operators, coming from middle-class backgrounds and often with strongly patriarchal attitudes to the farmers they wished to help, also depicted rural traditions (though not women) as backward, old-fashioned and primitive (p135). At the same time, she shows the links between the co-operative ideals and the ideals of middle-class manhood at the turn of the twentieth century, with the male farmer (predominantly addressed in the publications) encouraged to demonstrate values of “independence, individualism, responsibility, ability to co-operate and pro-activity” (p136).

After reading the book, one becomes more aware of the conflicts of interest, politics and ideology (or ideals) which have influenced both the emergence of early European co-operatives and their frequent affiliations to (or co-optation by) groups with differing political, nationalist, religious, economic and social aspirations. The chapters on Estonia (by Johann Eellend) and on the Hungarian ‘welfare co-operatives’ (by Dorottya Szikra) show that co-operatives in inter-war Europe could (and did) lose their independence and become co-opted into legitimising a non-democratic government structure (Estonia) or, worse, could (and did) become an instrument of government eugenic and racial policies (as in the case of the Hungarian ‘welfare co-operatives’). As Szikra notes, these could however hardly be called authentic co-operatives as they were not democratically governed by the relevant stakeholders (p166).

Co-operatives and the Social Question is an important and delightful book with a multitude of inter-related insights on early co-operative development in Europe, written in practically faultless English on very solid academic foundations. It includes two useful tables (on the main co-operative models and co-operative societies in the countries covered by the book, pp18-24), well-chosen illustrations and copious endnotes. It is a pity however that the volume did not focus

more strongly on Central and East European co-operatives (a very under-researched topic) and that the authors did not define what they mean by 'eastern Europe', a problematic concept with differing geopolitical and geographical interpretations.

The Reviewer

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The Co-operative Revolution: A Graphic Novel

By Polyp, for The Co-operative Group

New Internationalist ISBN 978-1-78026-082-2, £5.99

As someone relatively uneducated in the history of the co-operative movement I am ashamed to admit that I approached Polyp's graphic novel *The Co-operative Revolution* idly and with relative indifference. Happily, I found it a personally affecting and inspirational title, with a plot perhaps less gripping but certainly as heroic as would be found in any graphic novel.

The book is split up into chapters based on the development of the movement from the past to the future — yesterday, today, always and tomorrow — a simple but effective way of implying the continuing relevance of the co-operative movement and hope for its future. The history of the movement is recalled by one of its founding fathers, George Holyoake, a somewhat clichéd technique imbuing the story with a personal narrative.

This carries across through Polyp's characteristically dynamic and uncompromising graphic style (better recognised in his scathing satirical cartoons) which allows the narrative more space for hyperbole and emotivism without feeling over done or 'cheesy' but rather touching in its simplicity. The first meeting of the Rochdale Society of Equitable Pioneers is recalled — the comic-book format building them up as akin to superheroes — beneath the framed portrait of Robert Owen, the Marx of the co-operative movement. The tale ends with success, hope and a quote from Byron: "The best prophet of the future is the past", corny yes, but carrying a worthwhile message.

There follow a few pages on current examples of the co-operative movement: the Co-operative Bank of Kenya, Co-op City, New York and Palestine Fair Trade Producers Association, to name but a few. The reader is almost assaulted with figures proving the rise and rise of the co-operative movement, firmly rooting the book in fact after the somewhat dramatic 'story-telling' style of the first chapter. Interspersed with articles concerning various heart-warming examples of worker action are quotes from sources as wide as the co-operative movement itself: from John Donne (sixteenth-Century English poet) to Clarence Oddbody (a character in the 1946 film *It's a Wonderful Life*). This exemplifies the eclectic style of this book and its greatest strength as it allows for a diverse and vast audience — the reader can take as much or as little from its insights as is necessary to them.

The 'Always' chapter was the most informative and interesting to me personally and explored the more creative side of Polyp's work: the pages on starlings and algae were particularly stunning and a poster for an imagined screening of *Nature Red in Tooth and Claw* (screenplay by Alfred Lord Tennyson) displayed his characteristic wit. In this chapter the roots of co-operation as a concept are found in nature, from Portuguese jellyfish to the bacteria in our own bodies. As with the figures in the previous chapter, the scientific theory further legitimises the movement. The concept of natural selection is cleverly subverted from the capitalist greed fuelling 'dog eat dog' summation to a more co-operative conclusion:

co-operation has been a major evolutionary force shaping life ... we are predisposed to sharing and trusting and are much the better for it (p53).

What follows is a somewhat ludicrous vision of a utopian future in which 'Rochdale Aerotech Co-op' sends a mission to Mars. Though unrealistic (if not farcical) the tale is one of general hope in a better future and I felt curmudgeonly for not being carried away with Polyp's enthusiasm and belief in the movement. Also, after the indisputable scientific and economic

facts of the previous pages, and the sequential timeline grounding the movement in history, it feels like the book has earned its right to a little fantasy.

All in all I found *The Co-operative Revolution* to be a genuinely informative and even inspiring read which at its best suggests a positive vision of the future (surprisingly rare in this age of apathy in the face of global catastrophe) and at its worst is hyperbolic and at the risk of repeating myself 'a bit cheesy'.

The Reviewer

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150 Years of Co-operation in Lincolnshire

By Alan Middleton

Lincolnshire Co-operative Ltd, 2011 ISBN 978-0-904327-11-3, £75

I love histories of co-operative societies, although they are of variable quality, so I was delighted by my first impression of this book as it is a stunningly produced and illustrated history of 150 years of retail co-operation in Lincolnshire. Having read it, however, I see it also contains a very important extended essay, using Lincolnshire as a case-study, of the ingredients for successful retail co-operation. Author Alan Middleton and Editor-in-Chief Ursula Lidbetter deserve credit in producing a book which not only marks a significant milestone but is also an important contribution to the thinking about the future of retail co-operation.

The story, whilst told in relatively few words, sets the formation and development of the society in its social and economic context yet does not avoid the challenges along the way. It is one of continuous development but there is no sense of inevitability about it. It is clear that at key moments the Society could have taken a different road and there are important lessons for the way in which decisions were taken and how those vital relationships between managers and members were fostered and how together they overcome difficulties in maintaining growth and development.

A recurring issue that would not have concerned the pioneers but has been vital to the society's success is the importance of good corporate governance. Alan Middleton, who served the Society as a director for 40 years, a good part of the Society's history, is a champion of good governance for co-operative societies and through this history he explores its importance as a driver of success.

There is insufficient space in a short review to describe all the twists and turns in this history but what we can see is that from its inception it is a Society that is both fiercely independent and yet deeply embedded in the community it serves. The Lincoln Equitable Industrial Co-operative Society was founded in 1861 by Thomas Parker, a joiner from Gainsborough, and began trading from 1, Napoleon Place Lincoln, where goods were sold only for ready money. After the first quarter they had 74 members and were able to pay out a dividend of nine old pence: the society's mission was the "domestic, social and intellectual advancement of its members".

In 1863 the society asked its members, "to have faith in the lovely principle of co-operation and cast your mountain of woe unto the sea". By 1876 they had established an education committee and having raised £18 from concerts and readings opened a reading room twenty years before Lincoln's first public library. By 1898, when Peter Kropotkin's *Fields, Factories and Workshops* was published, the Society was mentioned in passing for its work in horticulture and in rural area — an issue which commands a couple of chapters in the book and marks its expansion from the City of Lincoln to the wider county.

Today the Society is still deeply committed to its locality not just by sourcing local produce but by also using its property portfolio to drive county-wide economic development. In modern times the Society has, thanks to that good corporate governance, been blessed by outstanding leadership in the form of Keith Darwin, another Gainsborough boy, and Lincoln-born Ursula Lidbetter. Between them since 1992 in just 20 years they have thoroughly modernised the Society taking the turnover from £130 million to over £270 million, tripling the profit to over £20 million and enabling a fourfold increase in dividend to £4 million.

Mere statistics however undervalue the importance of the Society to the life of the county. In a spirit of Kropotkin's *Mutual Aid* the Society established and continues to support the Lincolnshire Co-operative Development Agency and the Society has ensured his other work the *Conquest of Bread* with its own bakery which supplies bread to others as well as its own stores.

So to what do we attribute the Society's success? Alan Middleton offers the following:

The Board of any co-operative society is key to its success or failure. With the introduction of professional management in the 1940s it became necessary to establish the correct balance between them and the board. It would take many years to get this to the very best level. However, more than anything it is the willingness of the Lincolnshire board to do its job and only its job, and to do it well, that sets it apart from so many boards of societies long gone.

A lesson for consumer co-operators everywhere.

In *Fields, Farms and Factories* Kropotkin wanted to reunite the brain worker and the manual worker who he felt had been separated by the division of labour. Lincoln shows how workers by hand and brain can be successfully united and I warmly recommend this book not only as a beautiful embellishment to any co-operative coffee table but as an important education tool for how to run a modern retail co-operative society.

The Reviewer

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Co-operative Enterprise: Facing the Challenge of Globalisation

Stefano Zamagni & Vera Zamagni

Edward Elgar, Cheltenham, UK & Northampton, Massachusetts, 2010

There was much in the International Year of Co-operatives 2012 to celebrate. One of the high spots for Co-operative Studies was the remarkable academic conference, *Imagine 2012: The International Conference on Co-operative Economics*, held before the Quebec Summit of Co-operatives.

I was delighted to represent Co-operatives UK at this very stimulating event hosted by Saint Mary's University. Saint Mary's and the Sobey School of Business are the leaders in an admirable co-operative management education programme. They are proud to offer an internationally recognised Master's degree in Management of Co-operatives and Credit Unions and a Graduate Diploma in Co-operative Management.

One of the joys of the conference, as well as meeting co-operators and academics from across the world was the opportunity to hear both Stefano and Vera Zamagni speak.

Stefano Zamagni spoke at the opening session taking us back through the history of economic thought to make the point that co-operatives were considered the superior form of enterprise in the nineteenth century. Having lost out in the twentieth century, in the twenty-first, market and government failures have created an economic vacuum that co-operative enterprise is starting to fill.

A welcome development, he argued, that could help reduce wealth inequality, promote political democracy and give people their freedom to flourish.

He asked us to do some "thinking" thought. Although this may have been the case of 'lost in translation' we took it to mean thought that we had not brought with us but that had been freshly minted from our interactions one with another here at the conference.

Stefano pitched the event as "the best testimony to people who believe in the future". Vera also got into the confident mood of the event with her lecture on how to grow co-operatives and what the new co-operative opportunities could be.

Later Stefano was back at the centre with reflections on the work of Elinor Ostrom. There is no doubt that the Zamagninis are quite an intellectually formidable couple with huge international experience and both of them have the ability to take complex ideas and issues and make them available to a lay audience.

For those of you who could not get to Quebec never fear some of their key ideas are contained in this compact but extensive look at co-operatives in the twenty-first century. The book has a couple of early chapters on the birth and definition of co-operative enterprises. They make the important point that co-operatives do not fit easily into contemporary descriptions of business being both market facing but also democratic. "This dual nature is what makes the co-operative so difficult to explain and so hard to govern".

Mainstream economics has always struggled with an agent that does not always pursue self-interested ends. Social science also has a challenge with an agent that builds ties of solidarity and democracy through the market. They go on to explore the development of co-operatives around the world.

For me by far the most interesting part of their international journey, given their background, is when they return to their home country and examine the co-operative movement in Italy.

They then move into more theoretical territory looking at both the economic performance of co-operative enterprises and the issues around co-operative governance. In their discussion of economic performance I was particularly taken with their brief synopsis and critique of the neo-institutional approach.

They take a look also at co-operatives' requirement for capital in the era of globalisation and how the potential dilution of the co-operative identity can be avoided in the search for capital to pursue these new opportunities. This is a short but dense book. I have read it several times but still find things in it that make me stop and think.

In conclusion they point out that:

The study of the co-operative economy, after 160 years is still practically embryonic, but we are convinced it will grow to become an effective carrier of contagion.

I know they are right about the former and despite themselves being most distinguished contributors to the study of our sector there is still much work to be done. I also hope their convictions are right and co-operatives can indeed grow in this new global environment to help build a better world.

The Reviewer

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