

Book Reviews

An innovation in this edition is the introduction of a type of review consisting of a return to seminal pieces of co-operative literature. These will appear only occasionally and readers might like to contact the Review Editor with suggestions. In this edition Jim Craigen revisits Robert Owen's *A New View of Society and Report to the County of Lanark*.

The Democracy Principle - Farmer Co-operatives in Twentieth Century Australia

By Gary Lewis

Published by the Author, Gary Lewis of Wamboin, New South Wales, Australia in October 2006. ISBN 0-646-46587-2. Details for ordering this book are at <http://www.australia.coop>

Reviewed by Edgar Parnell

Australian social historian, Gary Lewis, provides what amounts to an "autopsy report whilst the patient still survives" in his latest book, *The Democracy Principle – Farmer Co-operatives in Twentieth Century Australia*. Completed some twenty years after its genesis, it charts the rise and the relative decline of agricultural co-operation in Australia. Its title, however, belies the true extent of the book's content, for it provides so much more than a history of farmer co-operatives. It supplies not only an insight into how many farmers' co-operatives interacted with consumer co-operatives and early attempts to integrate their functions, but also an outline of the role played by the English CWS in Australian co-operative development. More than this, it furnishes observations relevant to many key issues for co-operatives, including the development of governmental policy toward co-operatives, the taxation of co-operatives, and the factors leading to the de-mutualisation of co-operatives: all of which are topics of concern to co-operators the world over. The book is peppered with many interesting historical photographs of facilities operated by farmer co-operatives.

It presents ample material to anyone wishing to comprehend why "Co-operation" has, in so many situations, never reached the commanding heights of the economy, as could well have been a realistic expectation in the early years of the twentieth century. As the title makes clear, Gary Lewis focuses on the drift away from the principle of democratic control, citing this as the main cause of the decline of farmer co-operatives, as well as of other types of co-operative in Australia. However, as the story of Australian co-operatives unfolds it

becomes clear, at least to me, that the root causes run much deeper.

As the book records, the phenomenal growth of the 'Rochdale' model of co-operatives in Britain after 1844 meant that by 1896, when the English CWS representatives first visited Australia, the CWS already had depots in Canada and USA, as well as in European and Scandinavia. It also had a fleet of six ships transporting goods. During these first five decades of British 'Rochdale' co-operation the motivating force was the desire to self-provide goods and services to meet the needs of co-operative members. The gestation period leading up to the axioms of the 'Rochdale model' included many false starts. From these experiences emerged the Rochdale Principles, including the principle of democratic control. The co-operators of that generation had already learned that co-operatives had to protect themselves from being taken over or destroyed by those who had only an agenda of wealth creation at the expense of both consumers and farmers/producers. The maintenance of democratic control was certainly critical in this endeavour. The actual seeds of decline were planted when subsequent generations of co-operative leaders lost sight of the fact that co-operatives exist to serve their members, essentially by delivering economic benefits; replacing this easily understood concept with a utopian philosophy summed up by the term "achieving a Co-operative Commonwealth", Australian farmers, like farmers everywhere, being practical souls, found such notions difficult to accept.

The long running saga chronicled by Gary

Lewis takes many twists and turns but has a constant theme of conflict between pragmatic co-operators and idealists. In the end farmers and consumers alike chose organisations that delivered over those that simply promised to deliver, and value for money over organisations that just talked about values. Viewed from a historical perspective it is easy to see that the preoccupation of a succession of Australian co-operative leaders with the idea of establishing a co-operative bank, as the answer to the problem of financing the development of co-operative enterprise, has its roots in the utopian standpoint. By the time that the question of securing sufficient capital without sacrificing control started to be addressed in a pragmatic way it was almost too late to save many co-operatives from demise or demutualisation.

The question of what constitutes a democratic approach within an agricultural co-operative and how this is linked to the level of risk and the supply of capital on the part of members is also interpreted in different ways by the pragmatic and the idealists. Once members transform from being small-farmers into owners of substantial farm businesses, the question as to what constitutes an equitable voting system becomes a significant issue. Similar issues appear to have been more successfully addressed in neighbouring New Zealand, where more pragmatic approaches were adopted at an early stage of development. The democratic principle was not the only one to be in contention within Australian co-operatives: the education principle was soon defaulted upon in many farm co-operatives with long lasting negative results. This omission once again reflects a reaction against the idealist approach that confused education about how to develop the capacity of members to co-operate with propagating utopian beliefs.

Early Australian farmers, quite apart from battling to break free from the grip of unscrupulous agents and middlemen, had the

misfortune of needing to establish their co-operatives without a framework of adequate legislation, and having to contend with 'bogus co-operatives' in the form of companies misusing the term 'Co-operative'. In many sectors of agriculture they also had to deal with having voluntary co-operation replaced by compulsory schemes operated by statutory marketing authorities. An example of this occurred when there was pressure from the 'mother country' to help feed it in the time of two world wars and co-operatives were highly regarded for their role in supplying allied troops in the Pacific campaigns during the Second World War. However, once Britain had decided to seek its future within Europe, Australian agriculture and its co-operatives were forced to begin the process of finding a place within a truly global marketplace.

To begin to understand the situation of Australian co-operatives it is necessary to appreciate the vastness of the country and the fact that it is a federation comprising six states and two territories. Each state has its own approach to co-operative legislation making it difficult to develop truly national co-operatives or to pursue any national policies in respect of co-operatives. The book presents separate information about the development of co-operatives in each of the most populous states and in particular provides considerable detail about dairy co-operatives.

The Democracy Principle certainly provides a fascinating read for anyone interested in co-operatives or in broader social history, while even the most general reader should also find much to enjoy. Stories of intrigue, betrayal and the ups and downs of co-operative fortunes abound, including the relatively recent case study covering the machinations of The Dairy Farmers' Group. My personal interest was heightened by first-hand observation of some of the events described and my acquaintance with many of the key players involved towards the end of the twentieth century: and only slightly marred by the book's small print type.

Market Schmarket: Building the Post-Capitalist Economy

By Molly Scott Cato

Published by Cheltenham New Clarion Press in 2006.

ISBN 1-873797-50-8 £13.96 paperback and 1-873797-51-6 £27 50 hardback.

Reviewed by Mike Aiken, Visiting Research Fellow, Co-operatives Research Unit, Open University.

The book draws the links between some of today's most urgent social and environmental issues and shows how the ideas of green economics can draw from co-operative and mutual structures to create a new economy. In this sense it builds on the work of Naomi Klein, Noreena Hertz, Richard Douthwaite, E F Schumacher et al and takes a lineage back to Robert Owen, William Morris and other green, co-operative and utopian thinkers. This is a book that gives people in the co-operative and green movements a succinct analysis of the economic system, why it is perverse, and what we can do to change it. Written in a style that is both urgent and readable it will appeal to both the activist and the academic with footnotes and references placed at the back to avoid crowding the argument.

At the heart of this book is a rationale for why there is – and has to be – an alternative developed to the current global fixation with corporate capitalism. The demands of climate change mean sustainable economies, which might also provide meaningful work and more congenial communities, have become imperatives. The current economic system has also, she argues, pathologised and damaged both our mental and physical health with obesity and depression as symptoms of diseases which, handily, international drug companies have products to address. A transition to a more sustainable economy and lifestyle will involve losses, Cato concedes, but also offers many gains. In crude and sloganistic terms we could paraphrase this as “more theatre tickets and massages and less international travel and car journeys.” The argument links the changes to the economic structure, needed for urgent environmental reasons, to more localised economic and organisational models in the co-operative and mutual movements. For many readers of this journal Cato's aspirations will be pushing at an open door. However, there may be many of us, like myself, who are strong on either the ideals or the practice of organising in co-operatives but never quite understand the

broader workings of money and the world economic system. Cato's book offers both the ammunition and the analysis to show both “how money works and who it serves” and the myths which are fetishes at the heart of the idea of modern markets. The early chapters offer a critique of the “anatomy of market failure” and then clearly outlines step-by-step the weak intellectual assumptions on which the dominant orthodoxy of the neoclassical market claims to be based.

Cato is not content to simply analyse the failures of the current system. For example, she draws on historical material to offer a fascinating reappraisal of the medieval craft guilds, in Chapter 7, suggesting their attention to quality and beauty in their products, skill training and trading, and satisfaction with the work, was far from being a backward social and economic system despite certain drawbacks. This develops in more detail a discussion touched on briefly in an earlier article in this Journal (Cato, Arthur, Keenoy and Smith 2006, *Green and Red?* ... JCS 39:2). In Chapters that will be of particular interest to co-operators she develops the importance of the local economy. (Strengthening the local economy) and the importance of co-operative solutions (the mutual approach to the economy) drawing on traditions from Brazil to Europe. She concludes that:

... the need for the economy of the future to be ecologically respectful is a basic tenet of green economies, but it seems clear to me that for this to be possible the economy must be organised along co-operative lines.
(Cato 2006:56)

Cato, rightly, makes no apology for skating over many big ideas lightly in order to link together a broad current of economic, green and mutual ideas to challenge our ways of thinking about how to solve some of the most pressing contemporary problems. The section in the last Chapter offering half a dozen inspirational figures in the history of these ideas, ranging

from Shelley to Gandhi to Rosa Luxemburg, is an important idea but yet by its brevity a necessarily idiosyncratic offering. There is, realistically, another book here – perhaps a “Chatto Book of Dissent” style dictionary of key people and ideas for the green and co-operative movement? In fact, overall, there is plenty of scope for further volumes covering issues touched on but which will need addressing if we are to attempt to build this post-capitalist economy.

It is a strength of Cato’s book that it directs us to explore further and dig more deeply into some of the areas she analyses so cogently. For example, at a local level we need to address honestly the dangers of localism as well as its advantages: communities can be closed and discriminate and many of us have moved – often to cities, but also to our own self-made communities in rural areas – to explore our identities and create new non-traditional lives: perhaps to be green, gay or gregarious. The forces towards increasing ‘individuation’ in our lifestyles and preferences and the breakdown of tradition that environmental writers such as Ulrich Beck described in the 1990s, are more than just the corporate brand acting **on us**. They can, ironically, also provide some of the ground from which opposition to the current system can grow – enabling us to undertake ‘non-traditional’ actions such as purchasing more expensive fair trade goods, joining co-operatives or forming communities. At an organisational level, community organisations and co-operatives can also be tyrannical and excluding places and we are even in need of co-operative education to create and grow our

awareness as well as to develop organisational structures to combat these.

We need to re-appraise our role in relation to the state – an entity that is likely to be around for a while longer yet but whose importance Cato tends to downplay. We can see all too easily the way the state is interpenetrated by the military industrial complex and tied to corporate concerns, rationalised by trans-national institutions and treaties which fix the rules against the poor. We can also complain of the monolithic role of the former Eastern block countries. Nevertheless, the state has at times been responsible for important advances – factory acts, planning laws, clean drinking water, housing, a welfare state, an encourager of green industry – and can still act to mediate in the unequal struggle between citizen and the corporate world. ‘Reclaiming the state’ locally and nationally – is not yet a completely lost cause for environmentalists. Indeed, we may look to the state to facilitate some of the enabling structures to move us in the direction Cato suggests. At an international level we need to explore further in a green and mutual future – how the unequal relations between rich and poor can be addressed at a structural level.

This is an ambitious vision-building book which provides analysis, a historical review of other economic structures and directions for solutions all packed into a readable 180 page paperback. Overall, this is an energetic and stimulating addition to a co-operator’s resources box but Cato intends the book not only for reflection but also for action. So perhaps we should say: buy it, read it, get it in your library, form a book group, act on it!

Robert Owen: A New View of Society and Report to the County of Lanark

Edited with an introduction by VAC Gattrell

Published as a Pelican Classic by Penguin Books in 1970.

Reviewed by Jim Craigen.

It has been suggested that New Lanark should be the venue for the UK Society for Co-operative Studies' Annual Conference and AGM and 2008 will be the bi-centenary of Robert Owen's death. For both reasons it seems timely to revisit one of his major pieces of writing. New Lanark is a former spinning village and now a UNESCO World Heritage Site but will forever be associated with Robert Owen. He was a partner-manager of New Lanark Mills from 1800 until 1829. His village of co-operation on the banks of the River Clyde was a social experiment in running what was then Britain's largest spinning establishment. Owen's ideas on the human environment, education, working conditions and social harmony attracted visitors from all over the world, including the Tsar of Russia. Today the conservation village of New Lanark draws some 400,000 visitors a year and is one of Scotland's more important tourist destinations.

There is nothing like the installation of a new central heating system for unshelving books and coming across a long forgotten read and when you see that this paperback cost 35p you will realise how long! The Editor, V A C Gattrell who was born in South Africa provides a lengthy and highly readable background informed by his research work at Cambridge and a particular interest in class conflict in nineteenth Century Britain.

Spinning actually began in New Lanark in 1786 after some delays caused by the need to excavate the rocky site for the water supply. David Dale (1739-1800) had gone into partnership with Richard Arkwright of spinning jenny fame. The Mills were highly profitable and famous even before they were sold in 1799 to Chorlton Twist Company which had been founded by Owen and a group of partners. Within an hour from Glasgow the New Lanark complex situated not far below the Falls of Clyde is remarkably striking. The one time Royal Burgh of Lanark is but a mile up the road. Llanerch derives from the Britons of Strathclyde and means an opening space and village or enclosure.

The religious-minded David Dale was a highly successful businessman who became well connected but was not born to wealth. He gained a reputation as a philanthropist and comes across as one of the more enlightened employers of the day. Yet this was a time when children were working up to 13 hours a day even in his own factories. Robert Owen married Dale's daughter soon after coming to New Lanark. Born in 1771 in Newtown, Montgomeryshire where his father was a shopkeeper, he went to work at ten years of age. Owen sought his fortune first in London as a shop assistant and then in Manchester in the drapery trade. By eighteen he had started business in the manufacture of new textile machinery in an industry about to take off. A year later he was off to be the manager of one of the largest spinning mills in Manchester.

Today, when some 80 per cent of children's toys are being shipped in from China and there is talk of raising the school leaving age to eighteen it is hard to imagine the childhood years for the poor and larger part of the population in Britain in the early nineteenth Century. Victorian sanitation had yet to be installed, never mind new reservoirs and clean drinking water. And only men (not women) of land and property had the vote.

There were some 1800 working in the New Lanark Mills. For the most part they were Highlanders who had been destined for emigration to the United States. There were also immigrants from Ireland. Local labour from the surrounding areas seems to have been sparse. So the workforce of around 1800 was a motley lot and drunkenness rife, illiteracy and illegitimacy noticeable, and poor health no stranger. Owen consequently had a tough challenge changing all that and not without some opposition from the people he was seeking to help. Starting with the young there was schooling and learning the three Rs and other social attributes. For Owen believed that "man's character is made for him and not by him".

Gattrell suggests Owen may not have

intended to challenge the Capitalist order – he was after all one himself – and his paternalism perhaps obscures his attacks on the Chartists in later years. The Editor reminds us that Owen was his own best publicist. And after 1812 he spent more and more time writing, speaking and generally propagating his ideas on a new society. *The end of government is to make the governed and the governors happy* writes Owen in the Fourth Essay of New View of Society. Something today's politicians might do well to keep in mind.

Owen was not without critics in his time. Jeremy Bentham thought *Robert Owen begins in a vapour and ends smoke*. And not everyone was enamoured of his villages of co-operation which some employers clearly thought would make life too soft for the workers. Nor did his rational views and attitude to religion go down well in some quarters although he seems to have had many a contact with Bishops even an Archbishop.

The word socialist appears to have been first used in the *Co-operative Magazine* in 1827 referring to Owenite *Communions or Socialists*. Not everyone shared a fondness for organising the poor into *parallelograms of paupers* or *nurseries for men*. Ironically Owen may have relied more on faith than reason for his belief that people make the jump to a higher moral society harmoniously and without personal or political conflict. The co-operative movement which developed after the Rochdale Pioneers appealed to self interest

in parallel with community of action.

In the aftermath of the Napoleonic Wars unemployment and distress were rampant. In 1820 at the request of the Magistrates of the County of Lanark Owen submitted his famous *Report* setting out his views based on his New Lanark scheme. Somehow villages of co-operation were not what the authorities wanted to hear about for the relief of unemployment and poverty. In 1824 Owen went off to America to found New Harmony as a socialist settlement based on community and education. It failed and he returned home. He had spent the better part of his personal wealth, some £40,000 on New Harmony and similar ventures. Thereafter he became involved with the Grand National Consolidated Trades Union which was broken by the industrial strife in 1834.

Utopian is how some described Robert Owen. He certainly had energy, doggedness and ideas. He was not it seems a believer in individualism and yet he himself was something of a one-off. Others would come to plant many of the seeds of his thinking on the Poor Laws, Factory Acts, Education, Trade Unions, and so on in later years. He died in 1858 and I was interested to read elsewhere that he became a convert to Spiritualism. An intriguing thought when you think how he influenced others! Yet there is something to be said for that second reading of a long forgotten book.