

Building Co-operation: From CWS to Co- operative Group: 150 Years of a Co- operative Giant

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Co-operative Business History Project

- Project began in 2009 – research and write new history of The Co-operative Group since 1863 – first to be published since 1970s
- Bring understanding of co-operatives into mainstream
- Research coincided with National Co-operative Archive project, to preserve records during Co-operative Group move into 1 Angel Square
- Many of the records consulted were available to historians for the first time



Today's talk

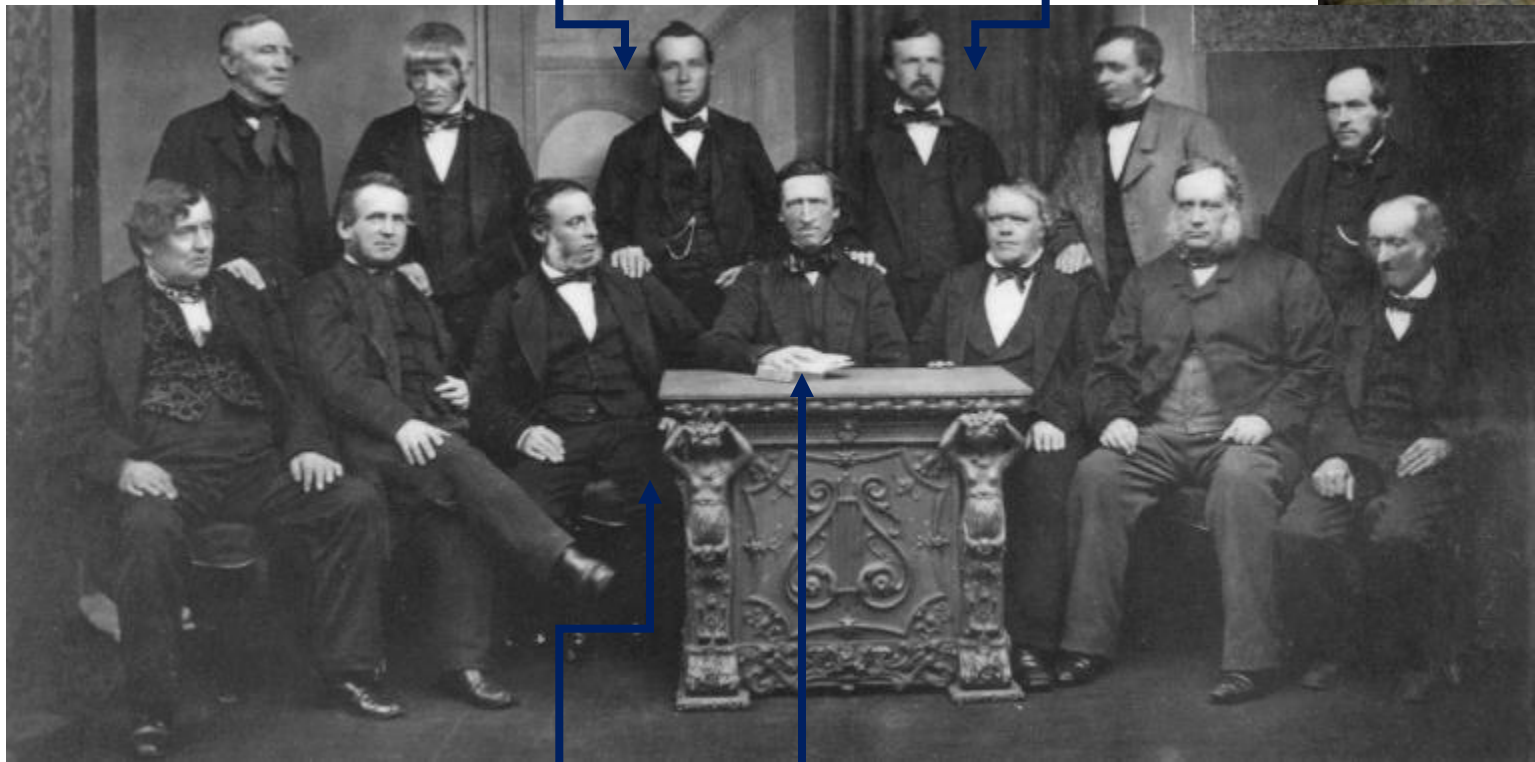
- Snapshots from 150+ years of co-operative history
- **Rise & reign**
British co-operative development, 1850s-1950s
- **Retreat**
Co-operative decline, 1960s-90s
- **Renaissance**
Reversal of fortunes since 1990s



Origins

Samuel Ashworth
(early CWS employee)

William Cooper
(CWS Pioneer)



James Smithies
(CWS Pioneer)

Charles Howarth
(CWS Pioneer)



Rochdale Pioneers' Equitable Co-operative Society, 1844

Rochdale model co-operatives

- Democratic business – one member, one vote
- Met real needs – tackling market failures!
- Good quality food at affordable prices
- Help families save via the dividend
- Share resources with the community – education
- Change marketplace and change the world
- Model replicated across Britain, 1850s-60s



'Greater Manchester' co-ops, c1860

Rochdale (1844)

Firgrove (1854)
Healey (1857)
Heywood (1850)
Littleborough (1853)
Middleton & Tonge (1850)
Shawforth (1860)
Wardle (1860)

Oldham

Crompton (1851)
Delph Junction (1857)
Failsworth (1859)
Lees (1851)
Oldham Equitable (1857)
Oldham Industrial (1851)
Royton (1857)
Uppermill (1860)

Bury (1856)

Radcliffe & Pilkington (1860)
Ramsbottom (1858)

Manchester & Salford (1859)

Eccles (1857)
Pendleton (1860)
Swinton Moorside (1860)

Bolton (1859)

Eagley (1859)
Edgeworth (1860)
Heywood (1850)
Westhoughton Friendly (1858)

Wigan

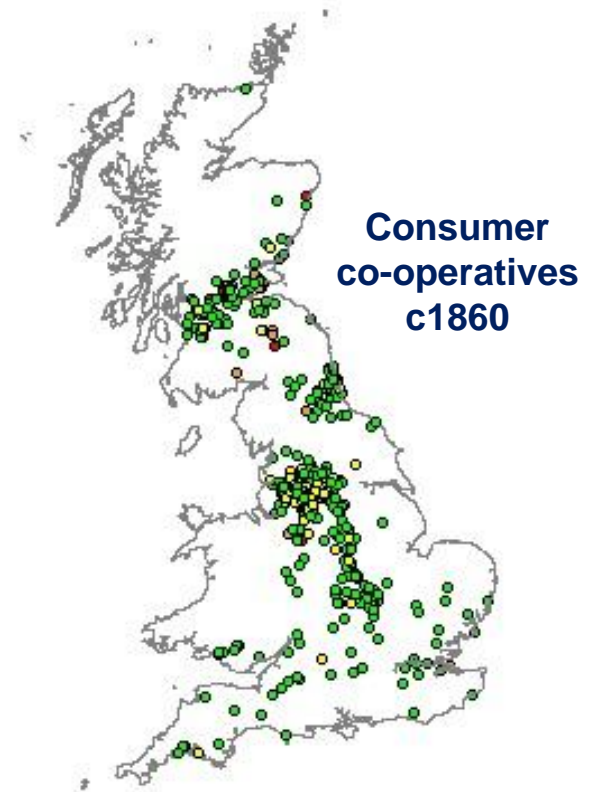
Leigh (1858)

Tameside

Ashton-under-Lyne (1857)
Mossley (1856)
Stalybridge (1859)

Stockport (1860)

Compstall (1852)
Stockport Great Moor (1831)
Woodley (1860)



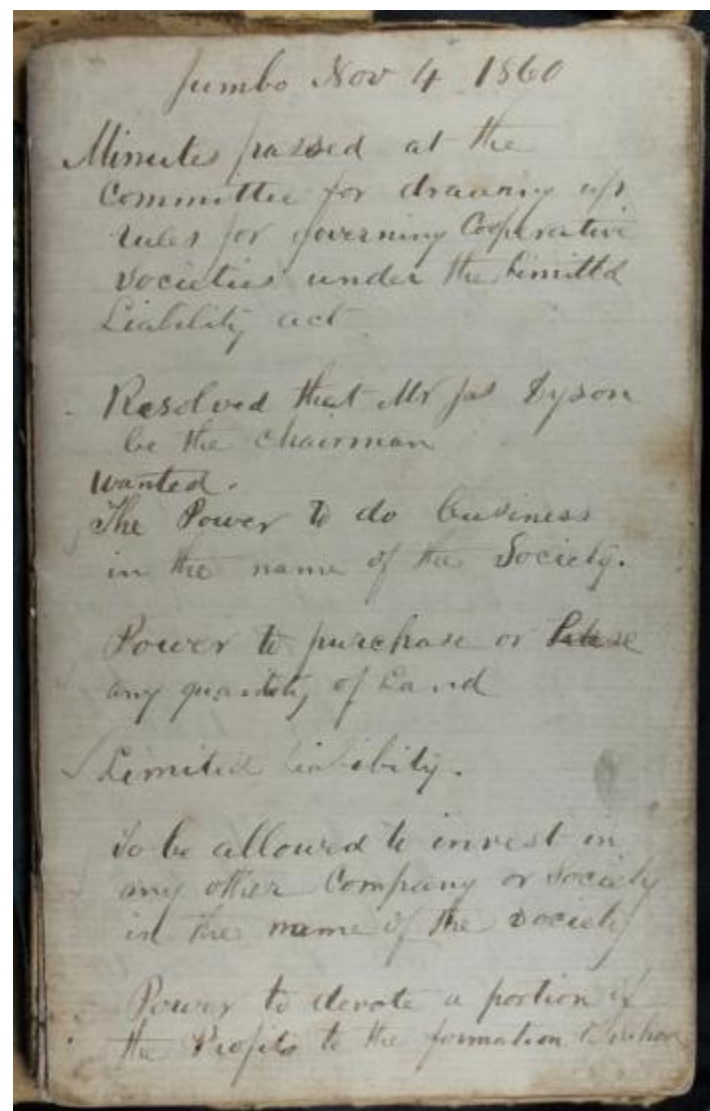
The CWS...made in Middleton?



Lowbands Farm, Jumbo, Middleton

The 'Jumbo Tea Party'

- 12 August 1860 – social gathering, tea in the barn
- Discussion of need for a *co-operative* wholesale – and to change the law to make it work
- Meet in Manchester, Middleton, Oldham & Rochdale
- November 4 1860 - first entry in the 'Jumbo minute book'
- 25 December 1860 - report to conference at 'Temperance Hall' in Hewitt Street, Manchester



CWS Pioneers

- **Rochdale**

William Cooper, Charles Howarth,
James Smithies; Thomas Cheetham,
Abraham Greenwood, Samuel Stott

- **Middleton**

John Hilton

- **Oldham**

Henry Hewkin, William Marcroft

- **Manchester**

James Dyson, John Charles Edwards,
Edward Hooson

- **48 societies become members, 1863**



**Abraham Greenwood
(1824-1911)**

CWS trademark



North of England Co-operative Wholesale Society

- **Registered**
11 August 1863
- **1st official meeting**
10 October 1863
- **1st members' meeting**
21 November 1863
- **Commenced trading**
14 March 1864



Spectacular growth

- **Branches**

Newcastle (1872) & London (1874)

- **Manufacturing**

Crumpsall biscuits (1873)

Leicester boots (1873)

Durham soap (1874)

- **Shipping**

SS *Pioneer* (1879)

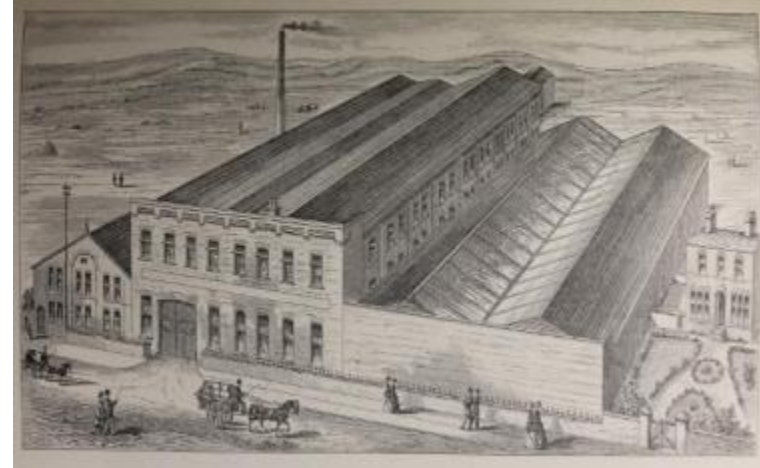
- **International sourcing**

Ireland (1866)

New York (1876)

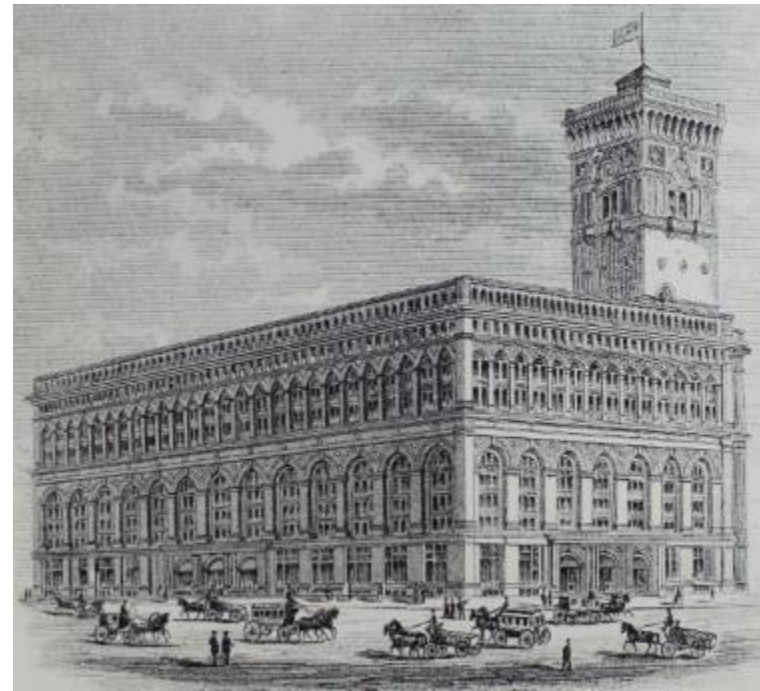
Rouen (1879)

Copenhagen (1881)



Crumpsall

New York



Co-operative dynamics

Co-operative societies

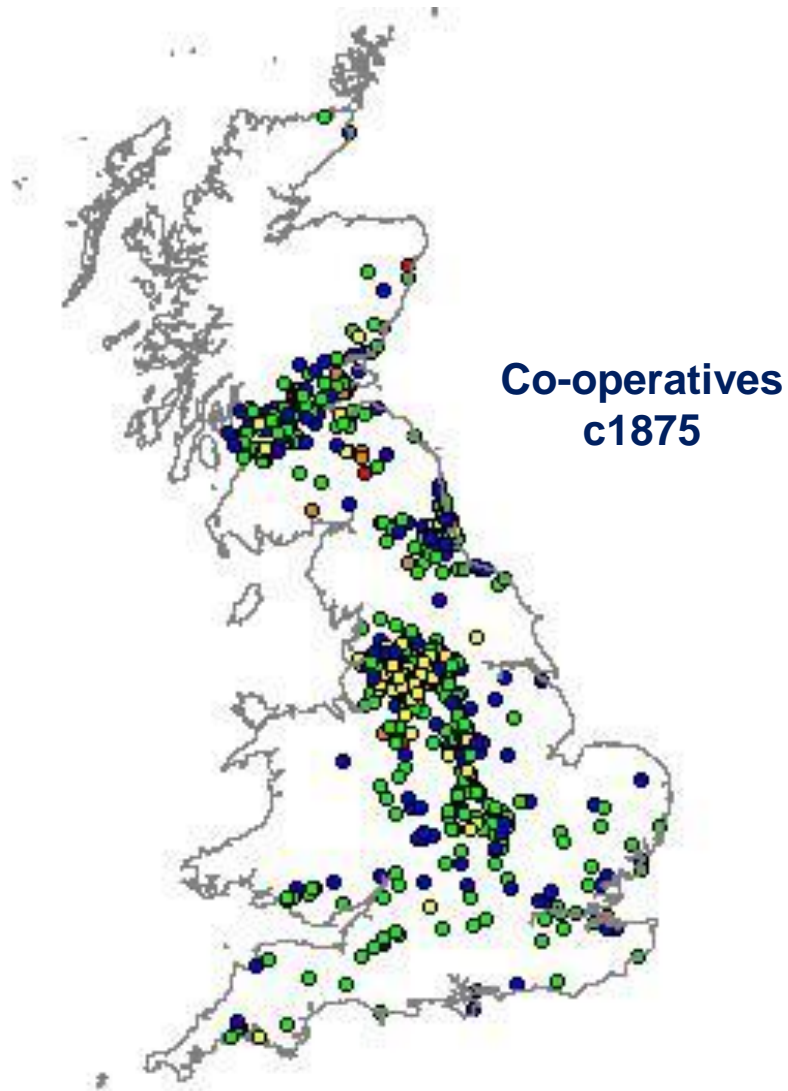
- Can buy from any source
- Need to supply what members/customers want
- Societies need to keep local suppliers on side
- Will support CWS...if the price/quality are right

CWS

- Can't sell to private firms
- Wants to be main, if not sole supplier to co-ops
- Serves as a 'commercial hothouse' – have to have the best quality at the best price to attract co-operatives
- Control over supply chain – source of goods to delivery
- Conflict! 'The dysfunctional federation'!



Spreading co-operation



Huddersfield saleroom
(est. 1885)



Cardiff depot (est. 1891)

Vertical integration

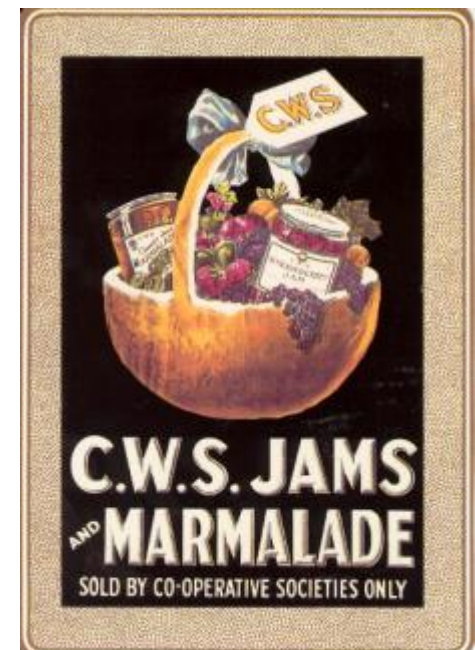
- Ownership of supply chain = control over price, quality
- Roden Farm, Shropshire
- Middleton Preserve Works



Roden



Middleton

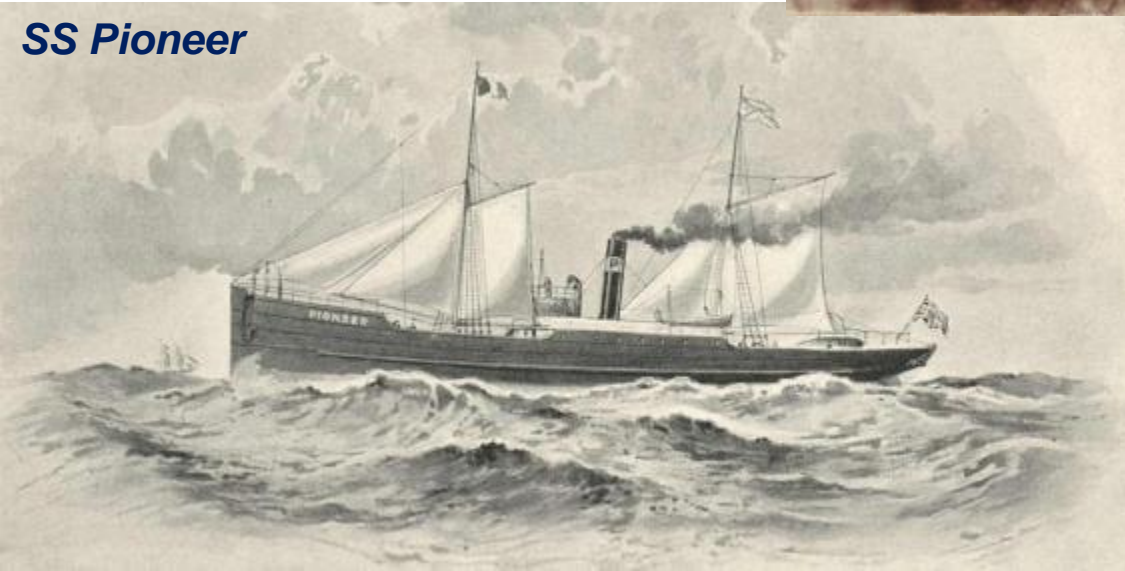


CWS & the Manchester Ship Canal

Opening day,
1 January 1894



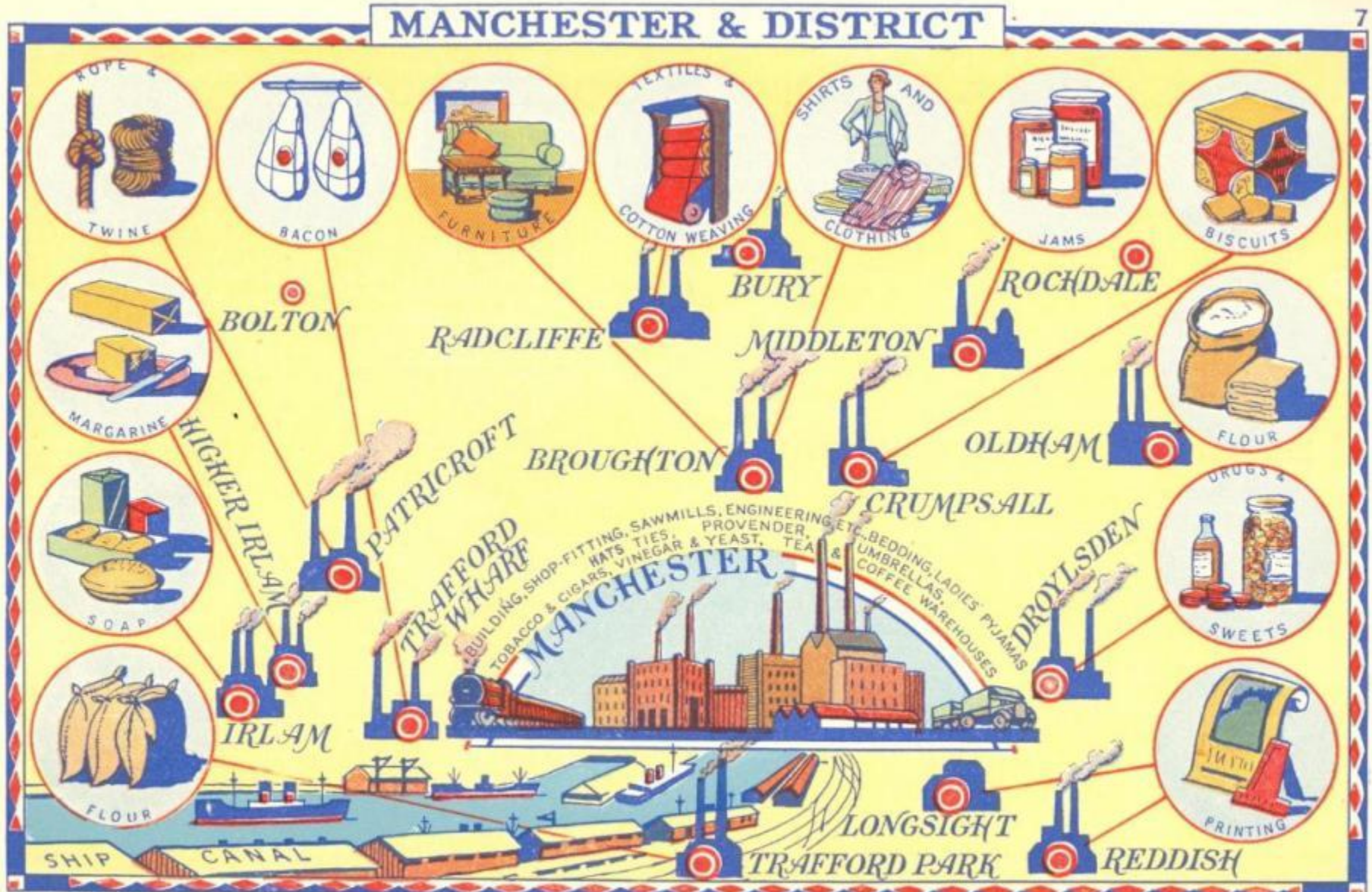
SS Pioneer

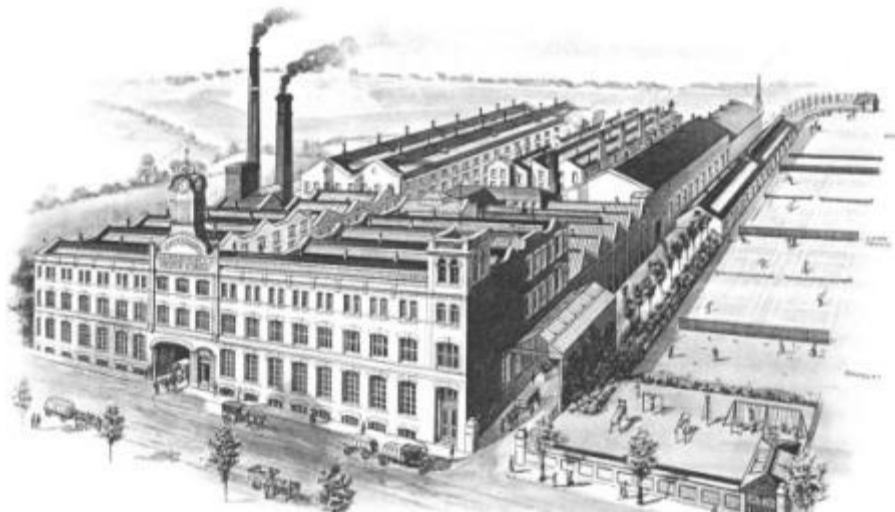


JTW Mitchell



CWS & Manchester in the 1930s

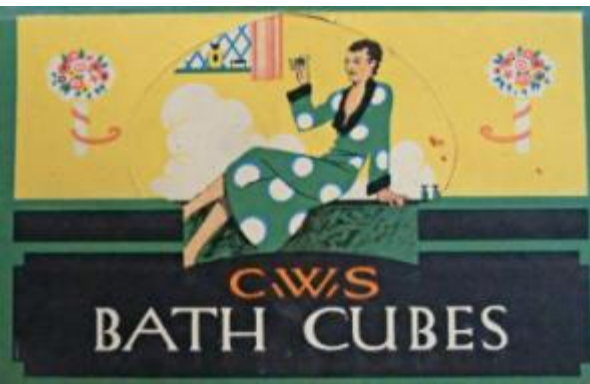


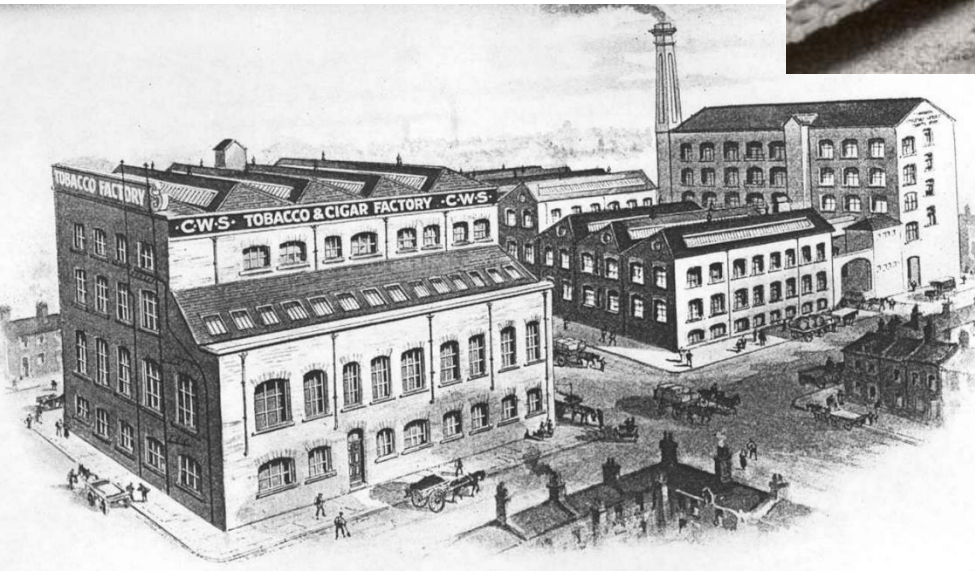


Crumpsall Biscuit Works
Established 1873

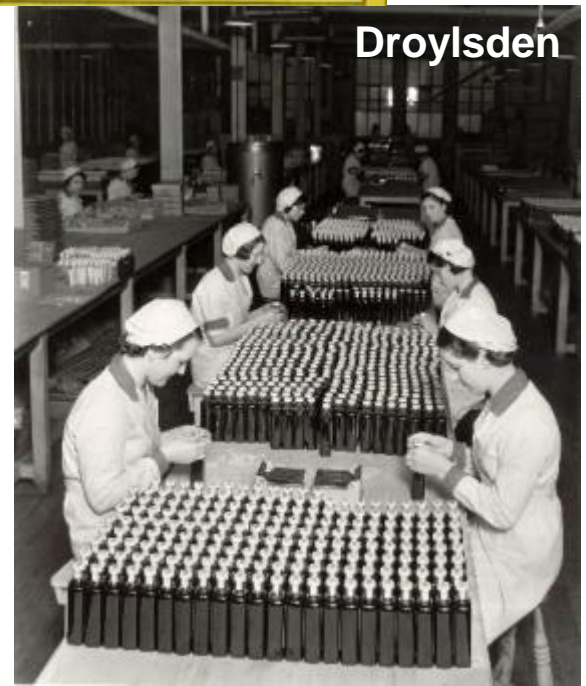
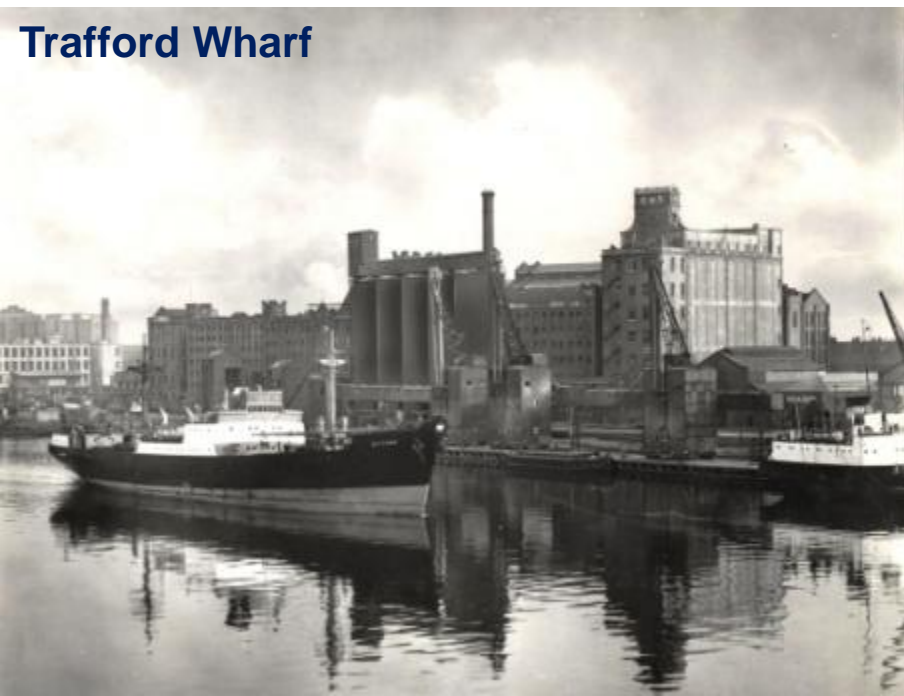


Irlam Soap Works Established 1894





**Manchester Tobacco Factory
Established 1898**



CIS



Buyers,
c1925



Dantzig building



Corporation Street

‘Cradle to grave’ services

Banking



Funerals

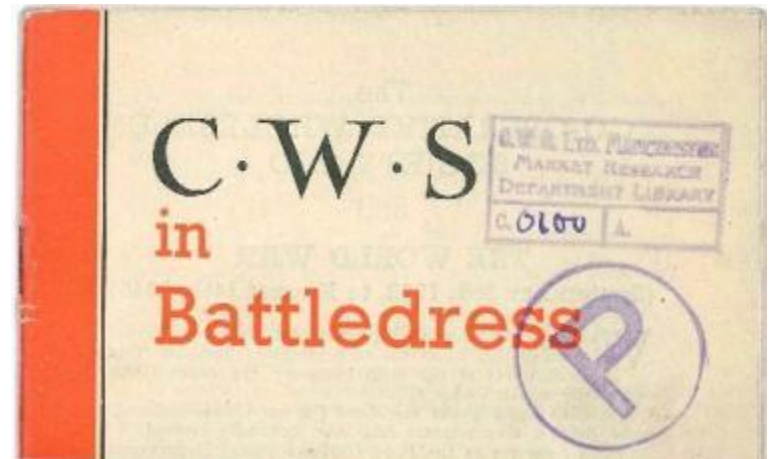


MOTOR BODY BUILDERS,
C.W.S. LTD., VERN STREET, SALFORD

Travel



Second World War



Rationing:
25% of the British population registers with co-operatives

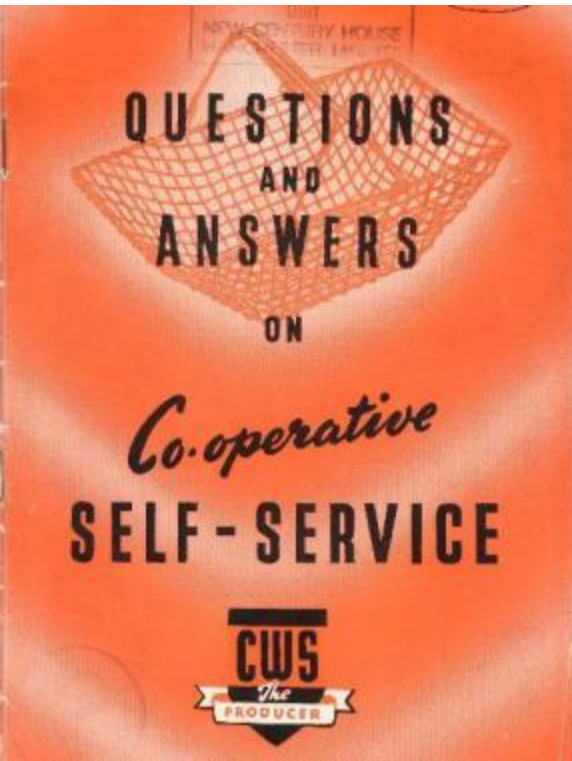


Postwar retailing revolution

- From counter service to self-service
- Co-operatives introduce self-service; 90% of self-service shops, 1951



Manchester & Salford

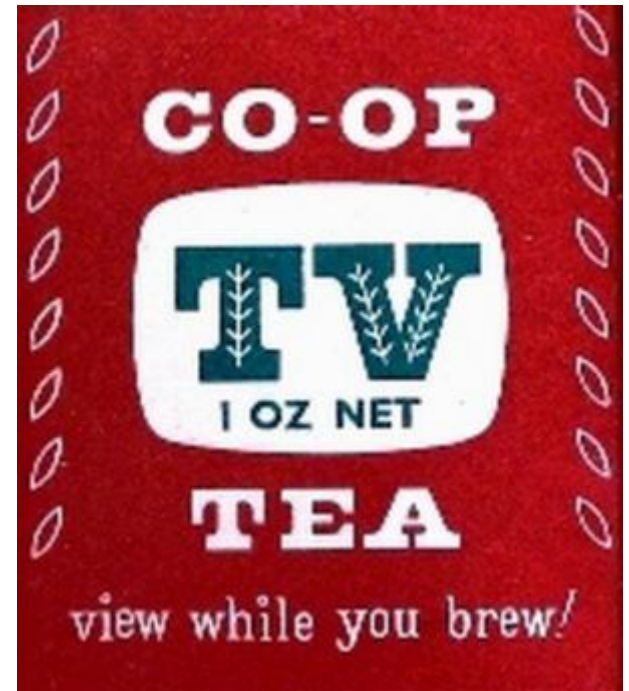


Pendleton

1950s-60s - accelerating change

- Rapid change, improved transport & technology, increasingly affluent society – cars, televisions – inward turn
- Increased competition – ‘command and control’ supermarket chains, end of RPM
- 1955-58: Co-operative Independent Commission
- 1960: 1,000 co-operative societies!

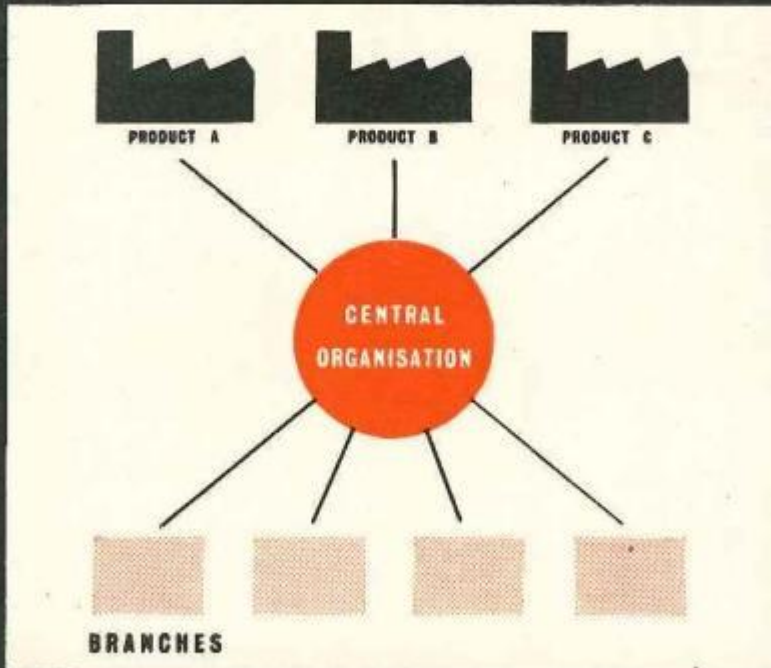
The challenge before us



The challenge – one example

A CONTRAST IN ORGANISATION

A MULTIPLE



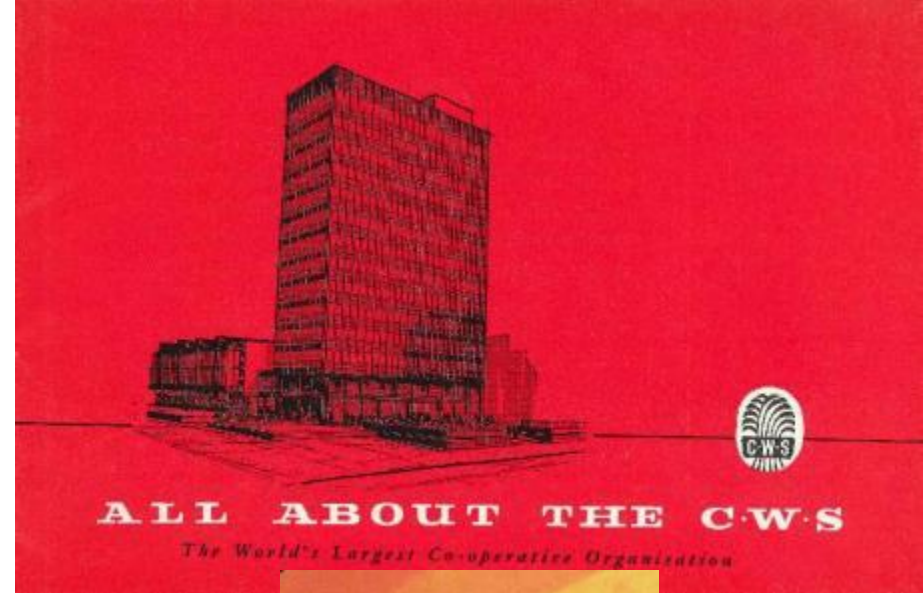
THE CO-OPERATIVE MOVEMENT



RATHER LESS THAN HALF THE TOTAL DRY GOODS PURCHASES OF RETAIL SOCIETIES ARE MADE FROM THE C.W.S. AND ONLY ABOUT ONE THIRD OF THESE PURCHASES ARE OF C.W.S. PRODUCTIONS

CWS turns 100

- New Century House & CIS tower – a modern movement
- Strength at centre?



Changing with the times

- Reorganisation and rationalisation – ‘buying for, not selling to’ societies
- Close smaller factories, streamline brands
- National logo – ‘Operation Facelift’, modernisation



Co-operative mergers, 1970s-1990s

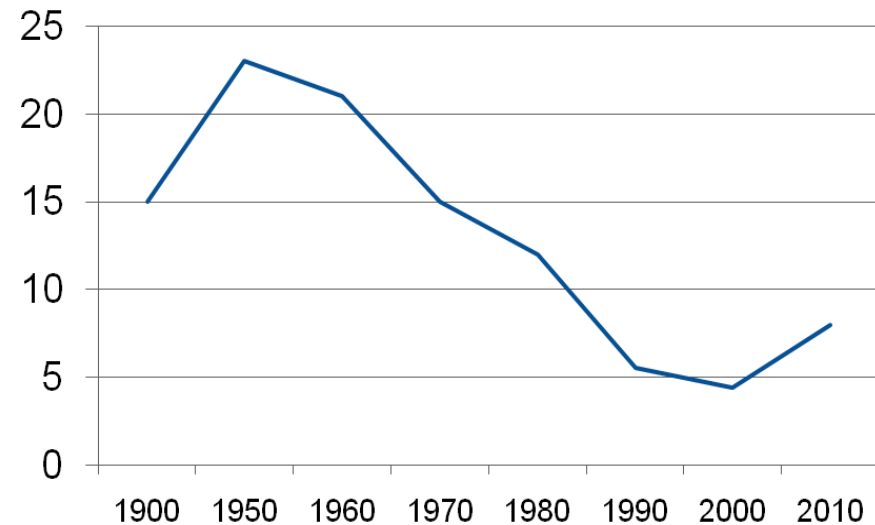
- Struggling co-operative societies merge with others – total of 200 in 1980
- CWS merger with Scottish CWS in 1973 – beginning of shift to individual members, direct retailing
- Emergence of CRS as a rival!



Difficult times...

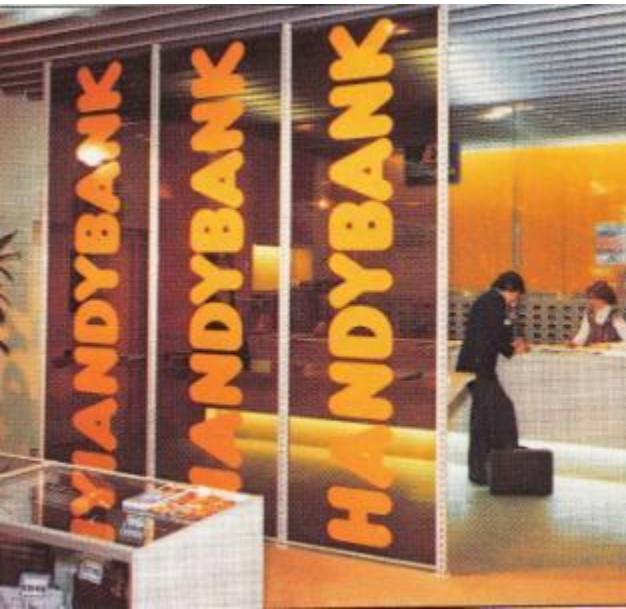
- Some societies do well, others struggle
- Lack co-ordination – mergers = ‘falling to the centre’
- CWS a hybrid organisation – wholesaling, manufacturing but moving to retailing
- Limited voice for CWS individual members
- Public image = ‘Victorian relic’, or ‘sleeping giant’

% UK retail trade



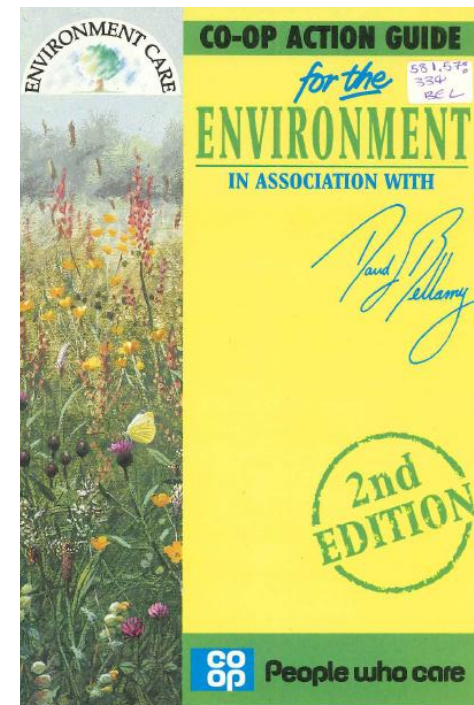
...and bright spots

- Co-operative Bank = big success story, innovation
- Specialist businesses perform well – CIS, pharmacy, funerals, etc



Roots of a revival, 1980s-90s

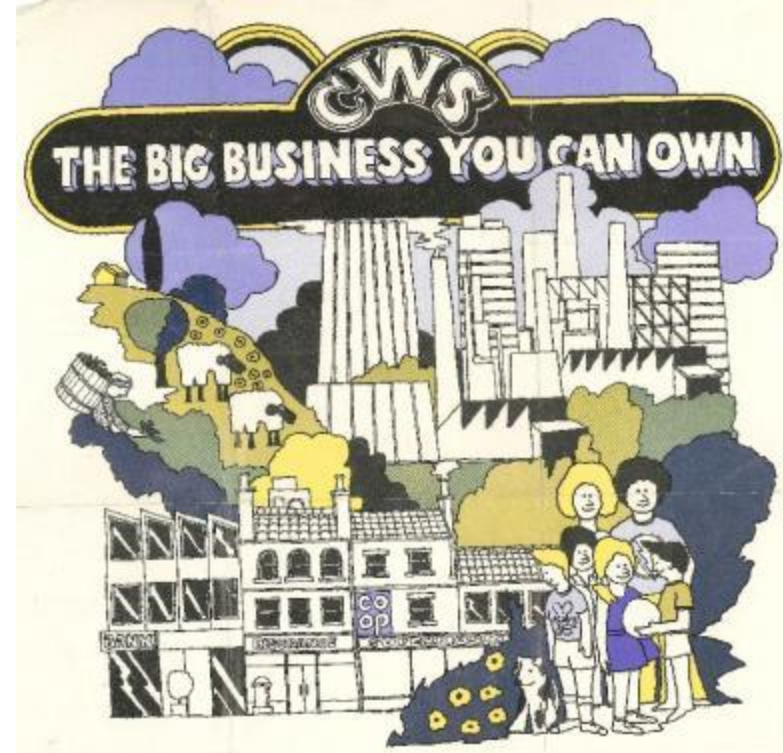
- 1993 – Co-operative Retail Trading Group (CRTG), co-ordinated buying
- 1995 – International statement of co-operative values & identity
- Ethical commerce – Co-operative Bank, responsible retailing initiatives, Fairtrade



‘Lanica Affair’ – a watershed moment

- City financier Andrew Regan attempts demutualisation of CWS – like building societies
- Didn’t understand CWS’s hybrid structure
- CWS members, leaders, and UK public rise to defend and preserve co-operative assets for future generations
- Catalyst for unity across the movement

March 1997



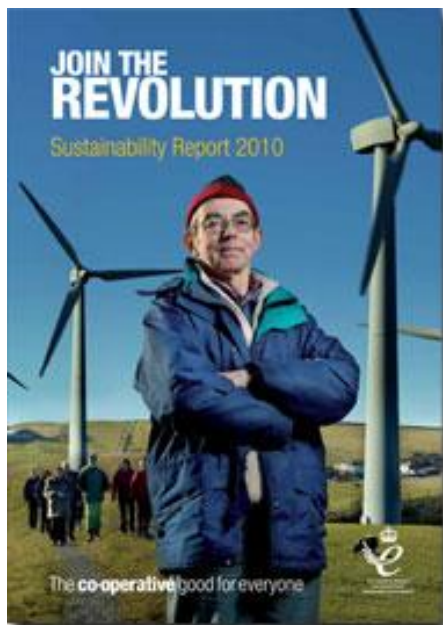
Co-operative renaissance

- Co-operative Commission puts co-operative identity at core of revival, 2000-01
- CWS and CRS merger forms The Co-operative Group, 2001; United merger 2007
- New governance structures & new role for individual members, 2003
- 'successful co-operative business' – with emphasis on all three words



The 21st century

- Co-operative ethics at the forefront
- Greater unity and co-ordination across businesses and across movement
- Increased member involvement



2013: new opportunities?

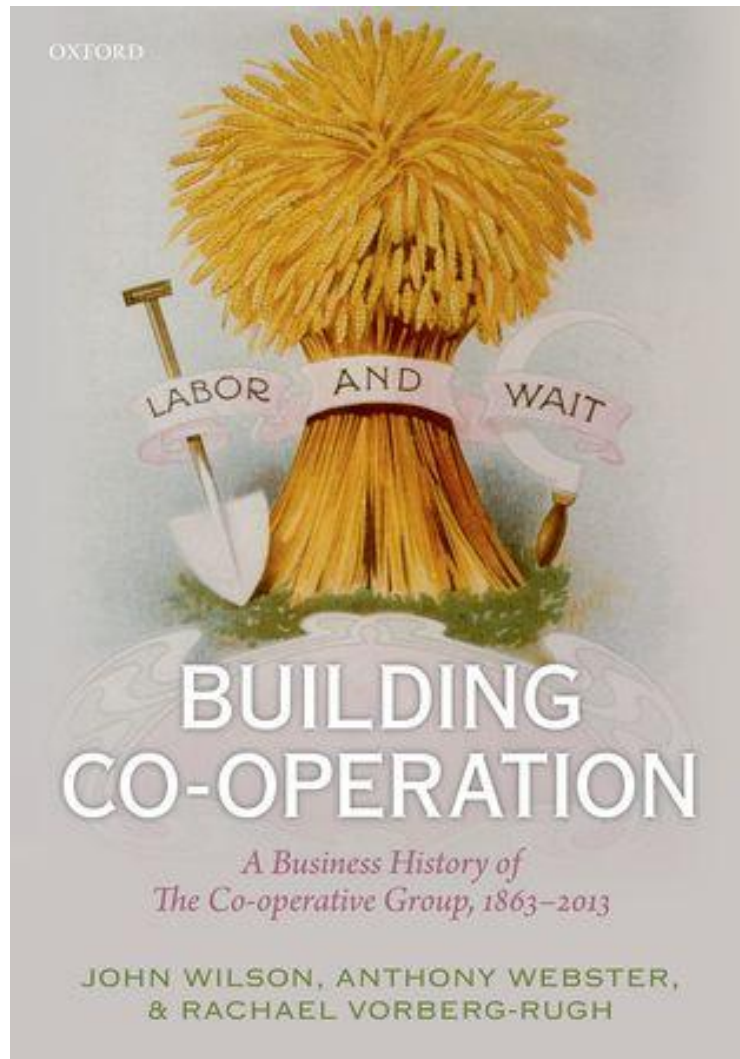


- Co-operatives have to adapt and evolve in periods of crisis – and they've done it before!
- Crisis as opportunity for co-operative, member-driven innovation?
- In turbulent times, opportunities for co-operatives as alternatives to both neoliberal and statist models
- Co-operatives rising on international agenda, post-2008 financial crisis
- Greater international co-operation among co-operatives, post-2012?

More ways to explore

- The Co-operative Group's website – <http://150.co-operative.coop>
- 'From Jumbo Farm to Jam Factory' – exhibition at Rochdale Pioneers Museum
<http://www.rochdalepioneersmuseum.coop/>
- National Co-operative Archive – www.archive.coop and www.archive.coop/hive





Thank you!

