

The CWS

The Co-operative Movement as it was known up until the end of the twentieth century has all but vanished. Of course there are some good consumer retail societies which are based on the mutual model and offer a much needed alternative to the mainstream supermarket chains. But co-operative culture has receded into the margins. It's driving purpose towards the co-operative commonwealth has evaporated. The co-operative auxiliaries as they were known, in many cases, have been lost. Such organisations include The British Federation of Young Co-operators (1942-1961), The Co-operative Women's Guild (1883 - 2016), The National Guild of Co-operators (1926 – 2019), many more could be added to the list. Every Co-operative Society had its Education Committee which linked the membership with these auxiliary organisations in active participation. And through all sorts of networks, co-operators kept alive co-operative education and culture. The network of co-operative societies which drove this movement have been swallowed up into much larger societies and something of co-operative culture has been lost. And a vital ingredient of this culture was the social and recreational life of the movement.

Fortunately, a potential co-operative movement for the future is growing. The storytellers of the early 19th century movement such as G.J. Holyoake and succeeding historians and co-operators throughout 20th century have told the co-operative story. What is needed now is those who can tell the story of the 21st century co-operative movement. But is it sufficiently cohesive to call it a movement, and does it have a purpose, for example 'to build the co-operative commonwealth'? Or is it a number of individual enterprises which work on the co-operative model but do not form a cohesive movement towards a specific aim? Is it time to dispense with the idea of a movement, after all, co-operatives contribute enormously towards quality of life and are based on self-help, self-responsibility, democracy, equality, equity, and solidarity. The world is certainly a better place because of these enterprises.

The history of the Movement has been studied and recorded, resources are available at Principle 5, the Co-operative College, The National Co-operative Archive, and The Working Class Movement Library. The material is there to study. It will be argued by some that the Co-operative Group is somehow a continuation of the Movement for the twenty-first century.

Until the 21st century the Co-operative Movement was made up of co-operative retail societies:

- In 1900 there were 1,400
- by 1950 there were 1,000
- by 1960 there were 875
- in 2021 there are 15

They were served by The Co-operative Wholesale Society (CWS) which manufactured, farmed, imported, processed food products and supplied to the co-

operative movement. It also created the infrastructure for an active co-operative movement. The CWS played a federal role which gave cohesion to the Movement.

The CWS was collectively owned by the retail societies, it was a secondary co-operative. Until the middle of the 20th century it was an extremely successful business and served the co-operative movement very well. One of the strengths of this business model was **Vertical integration**. This gave the co-operative movement complete ownership of the supply chain.

From the early days of the Co-operative Movement, the CWS owned and controlled farms which produced food, the factories which processed and packaged the food and distribution to co-operative outlets. Likewise, they took control and ownership of the manufacture and production of everything saleable. Banking and insurance and other services were also under their control and ownership. They owned tea estates in Ceylon and ships which transported it. And they had a presence in all the major capitals of the world. The commercial success of the CWS meant that the Movement could be funded and the path laid towards creating a co-operative commonwealth to gradually replace the capitalist system which had produced so much poverty and countless wasted talents.

The Co-op was not prepared to be dictated to by private profiteers. In 1933 the CWS produced a wireless called 'Defiant' with two models available in Co-op shops. This was when private sector manufacturers refused to supply the CWS with wireless sets on acceptable terms.

Control of the supply chain meant that they could ensure that the working conditions and standards in their places of work were decent and in keeping with the standards of a co-operative. It meant that the quality of their products were under their control and supervision. They were in control of the terms of their business dealings and in control of price. And all this in the service of their members, the owners of the co-operative and in pursuit of the vision of a co-operative commonwealth.

See:

<https://archiveshub.jisc.ac.uk/search/locations/c0e3eaca-cba5-3c18-8d3d-3fde15994bf8>

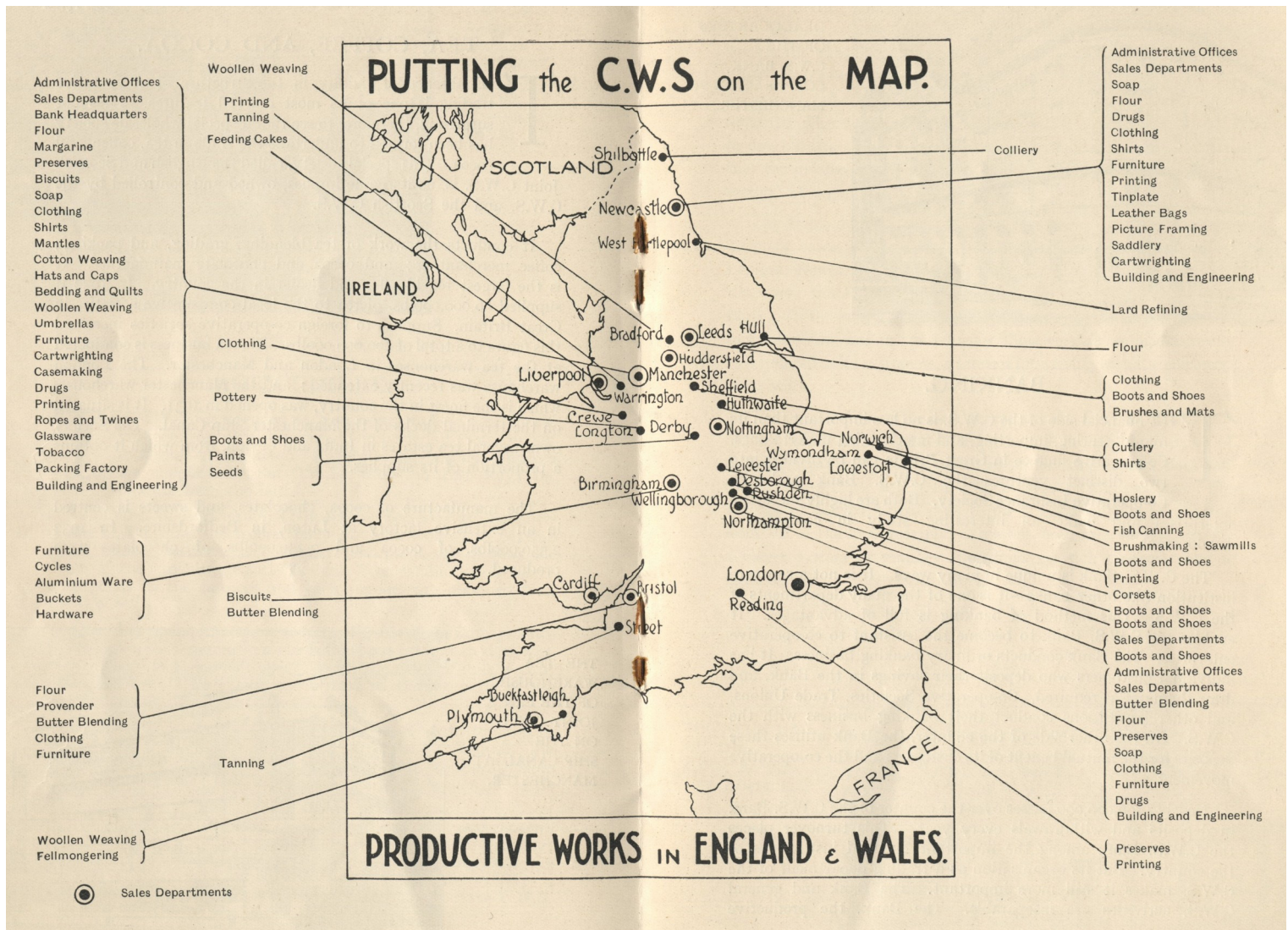
and

<https://www.youtube.com/watch?v=jHo7egh94Jo#action=share>

Decline of the Co-operative Movement

The concept of vertical integration was abandoned in the 1960's - the CWS changed its function from production, processing and selling to the co-operative societies to

buying on their behalf. This fundamentally changed the way in which the movement operated and represented a loss of control over the supply chain.



The CWS in the mid 20th century

Increasingly in the 20th century, as private multiple retailers became more competitive, co-operative societies started to buy more produce from sources other than the CWS. This undermined the once successful co-operative model.

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.

but

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’!

Anthony Webster 'Building Co-operation'

This became a big problem in the latter half of the 20th Century and the CWS business model began to fail. The findings of the Co-operative Commission of 1958 and other reviews pointed to the need to reduce the number of co-operative societies through mergers and for the CWS to have greater control and leadership. This was strongly resisted by the co-operative societies which valued their independence and autonomy. As society changed with the loss of working class neighbourhoods when the manufacturing and mining industries closed down, and the private sector became dominant, co-operative societies found that they could no longer give a dividend to members. This further undermined member loyalty and any particular significance of the co-op.

There followed many mergers including the merger of the CWS with its retailing arm (CRS), the new society became known as the Co-operative Group which in turn began to eat up independent Societies. It became one big retail co-operative society which controlled 85% of co-operative trade in Britain. After disastrous financial mismanagement in 2013, it sold off all of its assets except for food and funerals. As a result, the Co-operative Group became just another supermarket chain, not much different to Marks & Spencer, Sainsbury or Waitrose. Whilst the Co-operative Group remains technically a co-operative, it has lost its co-operative vision and purpose.

NOTES

The Co-operative Union/Co-operatives UK

Note: The The Co-operative Union began providing administration services for the **United Kingdom Co-operative Council (UKCC)** and the **Industrial Common Ownership Movement (ICOM)** in 2000. This ultimately led to the UKCC deciding to wind up and allowing the union to take over its functions, and ICOM merging with the union to bring together the retail and worker co-operative sectors for the first time since they split in 1880.

The Co-operative Union changed its name to Co-operatives UK in 2002

from A Century Story by Desmond Flanagan (Preface)

“The Co-operative Union ... has been and still is the keeper of the Movements ideals and principles, the social educator, the technical advisor, the arbitrator, and the watchdog. It is the all embracing central organisation which knits together the whole

Movement, provides the machinery for policy making, for negotiation on its members' behalf and for communication to and from the Movement.”

The membership of the Co-operative Union/Co-operatives UK consists of retail co-operative societies and all other kinds of co-operatives. In 1900 there were 1,400 retail societies in membership, in 1950 there were 1,000, by 1960 there were 875. Today there are 15. This is due to societies merging and forming fewer but much larger societies. Much of this was facilitated by Co-operative Retail Services (CRS). Apart from the Co-operative Group and the remaining co-operative retail societies, the Co-operatives UK membership is made up of hundreds of co-operatives (worker owned and multi-stakeholder co-ops, credit unions, educational, community and federal). It is these co-operatives which have the potential to be the Co-operative Movement of the future.

Steve Thompson
January 2021

Some of the useful books in the Principle 5 collection (in random order).

A Century Story of the Co-operative Union 1869 -1969. Published by the Co-operative Union. 1969
Desmond Flanagan

Industrial Co-operation. Published by the Co-operative Union 1910
Southern Co-operative Education Association. Edited by Catherine Webb

British Co-operation. Published by the Co-operative Union 1961
Arnold Bonner

A Century of Co-operation. Published by the Co-operative Union 1944
G. D. H. Cole

Co-operative Education. Published by the Co-operative Union
Co-operative Union Education Department

The British Co-operative Movement. Published by Hutchinson & Co. 1955 revised 1960
Jack Bailey

Co-op: the people's business. Published by Manchester University Press 1994
Johnston Birchall

Building Co-operation. Published by Oxford University Press 2013
John F. Wilson, Anthony Webster & Rachael Vorberg-Rugh

New Views of Society, Robert Owen for the 21st Century. Published Scottish Left Review Press
2008
Edited by Richard Bickle and Molly Scott Cato

Background of The Co-operative Group

Time-scale of the founding of the Co-operative Wholesale Society (CWS)

There had for a long time been an aspiration amongst co-operators to have a wholesale to serve the co-operative movement. This began to take form on the 12th August 1860.

Lowbands Farm, Jumbo, Middleton where discussions began (a co-operative farm).

- 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
- 4th November 1860 - first entry in the ‘Jumbo minute book’
- 25th December 1860 - report to conference at ‘Temperance Hall’ in Hewitt Street, Manchester.

Six of the original Rochdale Pioneers played a part in the establishment of the CWS. Other founders came from Middleton, Oldham and Manchester Co-operatives.

Founded as the North of England Co-operative Wholesale Society and registered on the 11 August 1863

- 1st official meeting; 10 October 1863
- 1st members’ meeting; 21 November 1863
- Commenced trading; 14 March 1864

The CWS came to an end in 2001 with its merger with the retail arm (CRS) to form the Co-operative Group.

Independent Co-operative Commissions.

[1958 – Chaired by Hugh Gaitslell MP](#)

[2001 – Chaired by John Monks](#)