



THE FUTURE OF
CO-OPERATION

A. HONORA ENFIELD

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by A. Honora Enfield

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The Future of Co-operation was first published in 1927 as *Co-operation: Its Problems and Possibilities* by the Workers Educational Association.



PREFACE

The extracts that make up this pamphlet are taken from A. Honora Enfield's book, *Co-operation: Its Problems and Possibilities*, published by the Workers Educational Association (WEA) in 1927. Almost completely forgotten today, Enfield was a key figure in the growth of international co-operation amongst women in the 1920s and 1930s, first as General Secretary of the Women's Co-operative Guild from 1921-1926 - succeeding Margaret Llewelyn Davies - and then as Secretary of the International Co-operative Women's League from 1926 until her death in 1935. It was while serving in the latter position that Enfield wrote the chapters included in this pamphlet, which is renamed in honour of its most notable chapter, *The Future of Co-operation*.

Born in Nottingham in 1882, Alice Honora Enfield, or Nora as she was sometimes known, came from a family well-disposed to radicalism. Her ancestor Dr William Enfield (1741-1797) was a Unitarian minister who was sympathetic to the Dissenters. It was William who seemingly sparked the family interest in philanthropic efforts, be it supporting the poor during the Napoleonic Wars, to supporting education and social housing for the poor in Nottingham and London, to Toynbee Hall and the Women's Co-operative Movement in the 20th Century. Honora's grandfather was Edward Enfield, also a Dissenter, who retired from the Royal Mint to philanthropic work, overseeing a great deal of work supporting the poor in the East End.

Honora was educated at St. Leonard's School, St. Andrews, in Scotland, and then Somerville College, Oxford. Always a convinced pacifist, she was a strong opponent of the Great War. She very quickly became enamoured with the co-operative movement, which she identified as the best means of encouraging men to find peaceful solutions to the problems of the world, rather than resorting to war.

Among her siblings was Margaret Elinor Enfield, later Elinor Burns, a member of the Independent Labour Party and Communist Party. Elinor was also involved in the co-operative movement, particularly the Edmonton Co-operative Society and then the London Co-opera-

tive Society. In the 1950s, she wrote several pamphlets and articles on Co-operation - *The Co-operatives in the Peace Front* (1950), *The Co-ops and the Crisis* (1952) and *A Call to Co-operators* (1954). She also speculated on the future of the Movement in an article for the original *Marxism Today*, arguing that the co-operative movement should expand its influence through vertical integration and shops selling products of co-operative farms and factories.

Unlike her sister however, little information about Honora Enfield and her life exists. Although her work in the International Co-operative Women's Guild was well known, the precise location of its archive is unknown, although it is believed to be in Vienna. A small selection of sources can be found in the Enfield family archive, which is held by the Norfolk Record Office. A bound selection of obituaries and letters of condolence can be found at the Bishopsgate Institute in London.

Members of Principle 5 first came across Honora while studying the back issues of the *Sheffield Co-operator* newspaper. For the first edition, published in May 1922, she wished the editors of the *Co-operator* "all good wishes for a useful and prosperous career in carrying the message of co-operation to the electors of Sheffield" who had "listened long enough to the voice of the capitalist preaching through the press and Parliament the false doctrine of self-interest and profit making" that was "destroying the world." It was time, she claimed, for "co-operation to speak in the home and the house."

It was to these ends which Honora worked tirelessly throughout her time in the co-operative movement. A talented and precise writer, with a "clear cogent style" she was praised for the "sheaf of brochures" which came from her pen. After her death, the extracts you are about to read were marked for particular praise as "one of the clearest and most logical outlines of the future of Co-operation of which we have knowledge. It marks Miss Enfield's grasp of the true vision of the Pioneers and a way to realise it."

For anyone seeking to understand co-operation and its possibilities it is helpful to take a careful look at how it was seen in the context of past times. Are the principles and aspirations of the Co-operative Movement the same in 1927 as they are now? *Co-operation: Its Problems and*

Possibilities explains how the co-operative societies eliminated 'profit on price' by returning the profit to the customer-member. This, along with member education, helped to foster a new sense of independence, of power and self-reliance, in place of crushing economic helplessness.

The final chapter of the book 'The Future of Co-operation' is reproduced in full. By 1927, there was a growing political confidence, that commerce, industry and services not only could, but eventually would, be brought into social ownership. Such was the poverty and misery which capitalism had brought to most of the population, progress towards common ownership in some form seemed inevitable. There was a political optimism in those days. Enfield discusses the way forward. Municipal and State ownership as well as Co-operation are considered. What is clear is that Co-operation is nothing if it is not political.

Succeeding years have shown how difficult the political task of socialising the economy has been. But in 1927 Honora recognised that by simply creating national Boards and municipal undertakings, the continuation and stability of social ownership would always be fragile. Governments change and can sweep away everything that the previous government has created. A much more robust, and arguably more democratic form of common ownership already existed. Co-operative societies were less vulnerable to the vicissitudes of national and local government, and their members had more direct control. She writes:

Collective effort was shown to work, its modest achievements were thought to give place to a greater and more universal system of communal enterprise owned and controlled by the State itself. "Many things have happened to change this view. There has been a gradually growing distrust of the State's power even among those who have no love for 'private enterprise.'

The moral value of democracy lies in the fact that it is the nearest possible approach to government by consent, for it gives everyone the opportunity of expressing an opinion and acts on the opinion of the greatest number. This opportunity to express an opinion is given to everyone by the Co-operative Movement as much as by the State or municipalities, for

the Co-operative Movement is open to all. The fact that there are those who do not take advantage of their opportunity no more invalidates the democratic character of Co-operation than the failure of its citizens to vote detracts from the democratic character of the State. The machinery of the Co-operative Movement is indeed more democratic than that of the State or municipality, which give no such frequent opportunities of expressing an opinion or such direct means of control as the co-operative members' meetings afford”.

These words raise questions for us all. By 1927, the Co-operative Movement had succeeded in occupying a significant part of the economy. The co-operative commonwealth was there in the making, it was a tried and tested model, and well capable of delivering the services which were not appropriate under the municipal and national models. But all three had a role to play.

Importantly:

Is a society where empathy, kindness, consideration and humanity are the guiding principles possible? Or is such a possibility a lost cause in the 21st century? How far have the retail societies progressed towards these ideals and possibilities? Is the vision still there? And if it is not, is it possible for it to be recaptured? Has the wider co-operative movement still got the kind of vision which many earlier co-operators had?

A Honora Enfield's words can inspire creative thinking for the future of co-operation. Even though, *Co-operation: Its Problems and Possibilities* was written nearly a century ago, in a sense it still looks to a future not yet written, in which the co-operative commonwealth finally begins its ascendancy, shareholdings are truly democratised, and all citizens are allowed a stake in society regardless of their personal wealth.

- *Sheffield, February 2022*

THE FUTURE OF CO-OPERATION

by Alice Honora Enfield

There is probably no great Movement that is so little known as the Co-operative Movement. Yet there is none which has exercised a stronger attraction or called forth a greater devotion among those who have learnt to know it. It is the most profoundly revolutionary of all the workers' movements; not in the sense of seeking a violent upheaval, for force and violence are utterly alien to its spirit and hurtful to its progress, but in the sense that it means the most complete and fundamental alteration of the whole social and economic system. It abolishes profit-making, usually regarded as the indispensable motive of economic activity; it makes consumption, not production, the test of prosperity; it is gradually working out a new principle in the distribution of the world's wealth based neither on ownership of capital nor on work done, but on human needs. This great Movement, spread all over the world, has made during the last ten years tremendous strides, and now stands as the greatest constructive effort of the workers.

ROBERT OWEN AND PRODUCERS' CO-OPERATION

The Co-operative Movement, like the Socialist Movement, sees its founder in Robert Owen, who was born in 1771 when the worst evils of the newly developed factory system were at their height. From a childhood of poverty which sent him to work at ten years old he rose to be eventually a wealthy manufacturer. But throughout his life he waged unceasing war against the system which produced the poverty and misery and degradation he saw everywhere around him. His thoughts

could never escape from it, and all his wealth and boundless energy were devoted to plans and organisations and experiments for setting up a new industrial order. For Owen saw clearly that poverty and all its attendant evils were neither accidental nor inevitable, but the result of the economic system under which people lived.

Under this system the private ownership of capital allowed thousands of men and women and little children to be employed and exploited for the profit of one; the making of “profit on price” placed them as much at the mercy of the private trader as of the private employer, till money wages bore no relation either to effort or to needs; it was a system of competition for profits and competition for employment in which always and everywhere the devil took the hindmost.

Owen was convinced not only that he could make the whole world see the hideousness of this system as he saw it, but that once he could show them the remedy, they would very quickly alter it. He believed the remedy to lie in the development of co-operative communities of workers owning in common the land they lived upon and the capital necessary for their industry and sharing alike in the products of their common labour. Then the capitalist would disappear: the workers would employ themselves; money wages would no longer be necessary when the results of labour belonged to all, and there would be no such thing as profit or exploitation. Save for the abolition of money wages in this ideal has found expression in that form of Co-operation known as Producers’ Co-operation – the association of workers as producers for the purposes of collectively engaging in some productive enterprise, the proceeds being shared amongst the members or used for their common benefit.

Several Co-operative communities were started by Owen and his followers, the first in America in 1825 and others in Great Britain. Estates were bought, workers were settled upon them and started in agriculture and industry with capital for the most part subscribed by Owen and his wealthy sympathisers. None of these communities continued for many years. After the failure of the earlier ones Owen turned his attention to more limited schemes for assisting workers to make a livelihood by exchanging the products of their labour without money transactions.

Meantime, the establishment of “Union Shops”, advocated by Dr. King of Brighton, was proceeding. These were retail shops owned and patronised by the workers in a particular industry; the profits were accumulated to form a fund which should be used first to purchase a factory in which the members would employ themselves, and ultimately to found co-operative communities. A few factories were started, but these efforts all ended in failure, usually because the members withdrew their accumulated profits before their object was attained. This idea of factories owned by the workers themselves was however considerably developed in France, and later the Christian Socialists – Charles Kingsley, Frederick Maurice, Vansittart Neale, Thomas Hughes, and others – working on the same idea, started a movement for “self-governing workshops” in this country. Here, too, there were many failures, and it was in a much-modified form and through close association with the consumers’ societies which had meantime arisen that Producers’ Co-operation was able to survive in the foremost industrial country of the nineteenth century. The seed which Owen sowed was about to bear a different fruit.

THE ROCHDALE PIONEERS AND CONSUMERS’ CO-OPERATION

Among the many “Union Shops” started as the result of Owen’s teachings was one opened in 1844 by some flannel weavers in Rochdale. These weavers have come to be known in co-operative history as “The Pioneers” because they gave a completely new application to the co-operative idea and devised the method which at last brought it success. Though they started with the large ideals set to them by Owen and kept constantly in view the possibility of developing production which might give employment to their members and ultimately of re-organising the social system, yet they were far too practical to attempt more than one thing at a time. They concentrated on the success of their store which was to provide its members with articles of good quality at a just price and eliminate the profits of the middleman. Each of the twenty-eight members of the society contributed a share of one pound on which he was to receive a fixed rate of interest; each had one vote in its affairs: and when the little shop in Toad Lane was opened each took his turn as salesman.

But the new feature they introduced was the method of sharing the profits. This question had given rise to considerable difficulty in some of the earlier societies. Some had followed Owen's scheme of letting the profits accumulate in a common fund, only to find that success was frustrated by disagreement as to how these profits should be utilised. This was the case in the Brighton Society, started by Dr. King, where half the members wanted to start a factory and the other half to buy a fishing boat. Other stores tried the experiment of selling at cost price; this proved impossible to calculate accurately and miscalculations led to disaster. Charles Howarth, who drew up the constitution of the Pioneers' Society, devised the system of the "dividend on purchase." By this system the goods were to be sold at the market price, and after all expenses, including a fixed interest on shares, had been met and provision had been made for a reserve fund, the remaining profits were to be refunded to the members in proportion to the amount which each had spent in purchases from the Society. What each member had paid over and above the cost of the article and the expenses of conducting the business was returned to him.

This simple device of the "dividend on purchase" had the most far-reaching effects. To begin with it offered an obvious and tangible advantage that every man or woman could understand and gave to co-operation just that power of growth that Owen's schemes had lacked; moreover, it largely removed the temptation to restrict the membership, which existed in those Societies where the profits were distributed to the shareholders in proportion to their shares.

In the second place the regular distribution of the dividend every quarter or half year considerably lessened the difficulty, which earlier societies had suffered from, of a sudden withdrawal of accumulated capital; the financial basis of the Society became much more stable, and this in its turn inclined members more and more to leave their dividends to accumulate as savings in the Society. Thus, the mere fact that members were at liberty either to withdraw or to leave their "dividends on purchase" helped the building up of capital for development purposes.

Thirdly, it succeeded in abolishing completely and quite automatically, within the limits of the Co-operative Society, the greatest because the most fundamental of the evils, against which Owen had fought, that of

“profit on price.” For when the profits are given back to the purchaser from whom they come they cease to exist; in the Rochdale system there is no such thing as profit or profit-making. Trade and manufacture are carried on with their original single purpose of satisfying the needs of the consumer. Thus, a further all-important effect of the “dividend on purchase” was to reveal Co-operation as a Consumers’ Movement, based on the needs and controlled by the wishes of consumers. This recognition of the importance of the consumers opened the way too for the married women in the home to take their place in modern industrial organisation. Receiving no money payment for their arduous work they could not join in the producers’ trade unions, based on the common interest of wage-earning. But their essential function of wage-spending made their support the foundation of the Consumers Co-operative Movement, and through this movement they can make a valuable contribution to the building up of a new industrial system.

All these consequences of their method were by no means realised by the Pioneers themselves; still less did they understand the profound effects which the automatic elimination of profits might have on the whole economic system, effects which are only now coming to be fully recognised. The significance of the method only became apparent gradually as consumers’ societies spread from town to town, from land to land, and extended the application of their principles from distribution to production. But these developments were very rapid. Members soon flocked to the Rochdale Pioneers’ Society and the fame of its success spread fast. In 1863 fifty-four societies representing 18,337 individual members federated in the Co-operative Wholesale Society. By the end of the century the consumers’ movement had established itself in almost every European country.

THE CONSUMERS’ MOVEMENT

In all these developments, the motive has been to bring an ever-larger part of industry within the orbit of the consumers’ movement, for so long as Co-operation is only, as it used to be thought, “a state within a state”, a system operating within the alien system of capitalism, dependent on capitalist production, governed by capitalist finance, and competing with capitalist rivals, the full effects of co-operative principles cannot make themselves felt. It is like a plant growing in a dark

cranny, distorted and cramped through necessity of adapting itself to its surroundings. To judge of its social significance and ultimate value it is necessary to measure it by its tendencies and possibilities as much as by its actual achievements, and to try and see where its principles will lead and if and when they can be followed out to their logical conclusion.

The dividend on purchase does much more than eliminate profit from co-operative transactions. It eliminates the profit-making motive. For whatever may be said about the “dividend hunting” of co-operators – a charge which is usually made by those with a very superficial knowledge of the Movement – it is something quite different from profit seeking. The essence of profit-making is the retaining by one party of a surplus paid by another party to the transaction: the co-operative dividend on the other hand is a restoration of that surplus to the party by whom it was paid. Moreover, in the consumers’ movement, sellers and purchasers are the same people in their collective and individual capacities respectively. The members collectively sell to the members individually, the whole business being owned and controlled by the members.

Under the present profit-making system, it is to the interest of the owners of industry to charge as high a price as the consumer will pay. There is a point beyond which prices cannot be put up because the reduced sales and consequent increase in costs would more than counterbalance the high prices. But the motive towards raising prices is always there, and wherever the consumer can be exploited with impunity he is. Thus, prices do not necessarily correspond to the real cost of production at all, and as they are continually changing the workers never know what the real value of their wages is. Where there is a scarcity in any essential commodity for instance, or even the probability of scarcity, prices go up. This is not necessarily due to any increase in the cost of producing the articles but occurs because capitalism sees its chance of playing off the needs of consumer against those of another and of getting the biggest price either is willing to pay. In industries largely controlled by trusts and monopolies prices are even kept high by restricting production, so as to create an artificial scarcity. Under a co-operative system these things would not happen. As the surplus is returned to the purchaser and there are no profits made, there can be no reason for raising prices except where the cost of production or distribution really rises.

THE BRITISH CO-OPERATIVE MOVEMENT

The original idea of early co-operators that one of the objects of the movement would be to find employment for its members has had to be modified. Yet co-operation has had a very distinct effect upon the conditions of employment generally and has been one of the factors making for shorter hours, higher wages and better conditions. It has not yet been able to accomplish all in this way that its founders hoped of it or that some of its workers demand as in other things it is hampered by competition with its capitalist environment and can only slowly improve the position of its employees as of its members. But taken as a whole the British Co-operative Movement has not only a decidedly better average as regards wages, hours and conditions than industry generally, but it has set a standard to which Trade Union pressure has in many instances succeed in raising conditions outside of the movement.

An inestimable asset which co-operation has brought to the workers has been the insight it has given into the management and mechanism of industry. Lack of knowledge as to costs, organisation, finance, and other aspects of management have been, and are, a constant handicap to the workers in their relations with capitalism. It is in the Co-operative Movement that practical knowledge of all these things is being acquired by thousands of working men and women on management and other committees, whose experience is turned to account for the workers generally in their Trade Unions, on local governing bodies, in Parliament itself.

Above all Co-operation has brought a new sense of independence, of power and self-reliance, in place of the crushing economic helplessness of a hundred years ago. What Trade Unionism has done to break down the strangle-hold of the employer over the employed, and compel a recognition of labour's rights, is everywhere recognised. But Co-operation has done just as much. It has demonstrated the workers' power to help themselves, and their ability to construct an enterprise as great as that of any of their employers. In Great Britain, a series of events, culminating in the unfair discrimination against Co-operative Societies during the First World War in matters of supplies, staff, permits for new premises, and capital issues, led co-operators in 1917 to the much-discussed decision to use their strength politically. By the formation of

the Co-operative Party, which should run co-operative candidates on a co-operative programme, it was hoped to avoid that clash with the older parties from which pessimists foresaw a cleavage in the Movement.

The few seats won in the 1918 and subsequent elections and the valuable work of co-operative members of the House showed that Co-operation, standing for the special interests of the consumer, has a very real contribution to make to political life. But it at once became obvious that it takes more than a name and a programme to make a party. A Parliamentary Party of five members could not even be a makeweight. Inside the House, co-operators had to act with some other party, and the only possible party was the anti-capitalist Labour Party. To win more seats, the Co-operative Party had either to come to an agreement with Labour as to constituencies, or to fight all parties, Labour included. The formal agreement signed at the Co-operative Congress at Cheltenham in 1927 gave official recognition to relations which have existed in practice between the two Parties for some time. The Co-operative Party retains its identity, machinery, and funds, and affiliation of local co-operative parties to local labour parties (the only affiliation contemplated) is optional for the Society concerned. The value of the agreement lies just in this public recognition on both sides of the need for collaboration. It should be a mutual strength of advantage to Labour as compensating in some degree for the handicap placed by the Trade Union Act on Trade Union representation, and a guarantee to Co-operation for the wider representation of consumers' interest.

But its success demands more than a willingness to collaborate. It means that Co-operators will have to take politics seriously, and that Labour will have to give Co-operation a place not only on its platform but in its programme. Co-operators cannot be expected to be enthusiastic about a Party which intends to supersede the Co-operative system at the earliest possible moment by a State and municipal one. Will the Labour Party revise its views on the best methods of socialising trade and industry in the light of Co-operative achievements and possibilities? Can Co-operators look to the Labour Party to help in building up and strengthening the Co-operative Movement by legislation if necessary, or must they expect to be merely tolerated, like capitalist institutions, till the Socialist State is completed? Will a Labour Government recognise Co-operation, as the Austrian Socialist Government of 1918

did, as a public service carried on for the community as a whole and entitled on that account to the privileges and facilities accorded to other public services? Or will it treat the Co-operative Movement merely as one of a number of trading interests, with fairness but without favour? Can Co-operation in fact look to political action for constructive or merely for defensive purposes? It is clear that the extent to which the Movement is going to invest so to speak its brains, energy, and material resources in politics depends greatly on the answers to these questions.

THE FUTURE OF CO-OPERATION

The great growth of the Co-operative Movement, particularly in recent years, has upset the expectations even of many among its own supporters. A generation ago, many co-operators regarded their Movement largely as a demonstration of what collective effort could do and contemplated the time when Co-operation would have done its work, and its modest achievements would give place to a greater and more universal system of communal enterprise owned and controlled by the State itself. Many things have happened to change this view. There has been a gradually growing distrust of the State's power even among those who have no love for "private enterprise." Since the war with its experiments in State control, often applied largely through the capitalist machinery, the credit of the State in this respect has been badly shaken, in other countries perhaps more than in Great Britain. And all this has coincided with the extraordinary growth of the Co-operative Movement.

Co-operation has shown itself capable of developments which a generation ago were un-thought of, and the question arises afresh as to what the place of the Co-operative Movement in the economic system of the future is to be. Are Co-operation and Capitalism both to give place to a socialist system in which the State owns the means of production and distribution and controls trade and industry through Government departments, or through Boards of some kind set up by the Government? Or is the system foreshadowed by the Guild Socialists the right one of a State-owned industry controlled by the workers as producers through their Trade Unions? Or is the Co-operative Movement itself the nucleus of that future economic organisation by which industry will be owned and controlled, asunder a socialist system, by the people for the people, but by and for the people organised voluntarily as consumers and not

compulsorily as citizens? Is the Co-operative Movement capable of developing to such an extent? And what are the relative advantages and disadvantages of these systems? Or should the future system be a mixture of these various methods of applying communal ownership and control?

It is difficult to suppose that mankind will ever arrive at one logical, uniform system of regulating its economic life. Nevertheless, while recognising that the new order to which the workers look forward may not be the final form of organisation and is not likely to be all of a pattern, it is worthwhile to consider on what kind of pattern we should like to build it, for it is only by trying to see how economic systems would work if they could be applied universally that the relative merits of different systems can be determined.

Nor is the question an academic one merely; indeed, in some countries it is one of the most burning and crucial problems of the workers' movement. For in many, Labour is approaching or has already entered upon political power, which makes it possible to begin the transformation of the industrial system by legislation, and it is essential that such legislation should not take the wrong direction. The Co-operative Movement is an existing and very powerful fact. If it can become the industrial system of the future, it would be a tragic waste of effort to legislate in disregard of it, or to set up new and competing machinery instead of strengthening that of Co-operation. And it is not only the relative merits of Co-operation and other possible systems in the abstract that have to be taken into account. Unless one has a very distinct ultimate advantage over another, the questions of which would work best during the difficult period of transition from the old to the new system, and which could be established most easily and quickly and with the least amount of disturbance, become important considerations.

It is between some form of State Socialism and some form of Co-operation that the real alternative for the future lies. Two main reasons are generally advanced in support of a State and municipal system as against a co-operative one – that it is more democratic seeing that the State and municipalities are all-embracing, and that for the same reason it would be more easily put into operation. It is obvious that the State and municipalities are at present more comprehensive than the Co-

operative Movement, for they are compulsory associations while the Co-operative Movement is a voluntary one. But to suppose that because they are more comprehensive, they are necessarily more democratic is to mistake the letter for the spirit of democracy. The moral value of democracy lies in the fact that it is the nearest possible approach to government by consent, for it gives everyone the opportunity of expressing an opinion and acts on the opinion of the greatest number. This opportunity to express an opinion is given to everyone by the Co-operative Movement as much as by the State or municipalities, for the Co-operative Movement is open to all. The fact that there are those who do not take advantage of their opportunity no more invalidates the democratic character of Co-operation than the failure of its citizens to vote detracts from the democratic character of the State. The machinery of the Co-operative Movement is indeed more democratic than that of the State or municipality, which give no such frequent opportunities of expressing an opinion or such direct means of control as the co-operative members' meetings afford.

Obviously as industry passes more and more under public control, whether through co-operative or State machinery, their existing institutions would have to be modified in many directions to meet the new demands upon them. It is not suggested for a moment that the Co-operative Movement just as it is today could take over the whole of trade and industry. But neither could the State. The process of transference from private to public control must in any case be a gradual one, with time to develop the necessary machinery. But as far as democratic control is concerned, as things stand, today any vital service such as the milk trade, or even the mining industry, would be more susceptible of public control by that part of the public sufficiently interested to exercise it, if administered by the Co-operative Movement, than if administered by the State and municipalities.

The fact that the State and local government authorities cover the whole country while the Co-operative Movement does not is also urged as a conclusive reason from the practical point of view for a State and municipal rather than a co-operative system. If the new system is to be brought about by legislative action, it is argued, by a gradual expropriation of private enterprise from one industry after another, how could the Co-operative Movement be the organisation to take over these en-

terprises when there are places where it does not exist at all?

How could the milk trade for instance be trusted to the Co-operative Movement when there are villages where there is no Co-operative Society? This argument is again based on confusion of thought. The municipal and other local authorities cover the whole country in the sense that there is no part of it outside their jurisdiction for the purposes of which they exist. In this country, the Church legally covers the whole country in the same sense. *But neither exists for distributing milk, and the mere fact that it covers the whole country is no argument for thinking any organisation best for a purpose for which it has no machinery or experience. The Co-operative Movement, on the other hand, has a very considerable machinery for distributing milk; over 300 British Societies, among them many of the largest, are already doing an extensive milk trade. Certainly, there are many and large gaps in the areas covered by co-operative operations. New machinery will be necessary whether co-operative societies or municipalities are entrusted with the milk trade. But it would be easier to extend the machinery of the Co-operative Movement, which exists to carry on trade, than to set up a wholly new trading organisation through municipalities, which exist for quite other purposes, and whose only commercial enterprises are entirely subsidiary to their functions as housing and town planning authorities.

It would not be difficult to extend co-operative machinery. Extensions are always being made, and a guaranteed trade would greatly facilitate them, as it did in Russia and as it did during the war in several countries where the Co-operative Movement was used by the Government. In Austria, for instance, the distribution of certain army rations was entrusted to the Co-operative Movement, and in France the Movement was the sole distributor of imported meat and was also responsible for the organisation of the communal kitchens. State assistance in the way of capital would no doubt be necessary; but there are several precedents for such loans to the Co-operative Movement in countries where its public character is recognised, as it ought to be recognised. There seem in fact to be no limits to the possibilities of co-operative development, given the intention of the Government to let it develop.

One great advantage of trying to socialise trade and industry through co-operative rather than State or municipal machinery is that such en-

terprise would not be dependent on the fluctuations of political power. Under any democratic system of government these fluctuations must be allowed for. But those who see clearly how Labour could use a political majority to introduce State and municipal trade, seem quite unable to envisage what might happen when political power reverted to their opponents, and reverted very probably on an issue wholly irrelevant to the success or otherwise of their trading policy. There is no guarantee that a Council which established a successful municipal milk supply would not be turned out because it raised the education rate or spent large sums on a housing scheme. And there is no guarantee that its successors would not dispose of the milk business to protect private traders. This in fact is exactly what has happened in the few municipalities where a milk supply has been started. The British Government was a large manufacturer during the war, but where are its national factories now? There is no kind of permanence about these public enterprises so long as those who stand for individual enterprise and private profit are able to secure control of the Government or municipalities through the inevitable confusion of issues at election times.

Neither is there any guarantee that if municipal and State enterprises were continued by a reactionary majority they would really be carried on in the best interests of the people. Even here political considerations would be too apt to intrude. Apart from the power of patronage which such a system would give, the risk is great that control over essential services would be used in times of crisis to enforce the will of the authorities. The treatment meted out to the miners' families by many Boards of Guardians during the great lock-out should make trade unionists think twice about putting the milk supply or the distribution of bread into the hands of anybody that can be controlled by capitalism, and that has only to refuse credit in order to secure submission. The truth is that control of the necessaries of life is a two-edged weapon in the hands of Governments that can be used by one against the profiteer and the sweater, by another against the striker, or the conscientious objector, or even the elector.

These difficulties during the period of transition from a private to a public industrial system would not arise if co-operative machinery were used, and the Co-operative Movement became the instrument through which this public control was exercised. An enterprise that passes into

the hands of the Co-operative Movement does not run the risk of reverting to private enterprise with every change in the personnel of the Committee, for though Co-operative Management Committees vary even in political complexion, they can never, in the nature of things, be dominated by capitalist interests. Co-operative Societies may and do occasionally have to part with a particular undertaking, as may happen in any business concern, owing to unforeseen circumstances. But this is exceptional, and it remains true to say that enterprises, once taken over by the Co-operative Movement become permanent possessions of the people.

And because the Co-operative Movement exists to supply the needs of the people and not to govern them, because its province is trade and not the whole complex of affairs that occupy a government or even a municipality, it has no temptation to sacrifice the interest of the members as consumers to their interests, or supposed interests, in some wholly different sphere, or to use its control over the necessities of life to secure extraneous objects. In deciding whether to give credit to the railwaymen in 1919 or to the miners in 1926 Co-operative Societies did not concern themselves with the merits of the disputes or the talk about "strikes against the community". Apart from the strong feeling of sympathy for those engaged in the struggle, they were guided by the business interests of the Society and its members, and it is always to the interest of a Consumers' movement to maintain its members health and comfort and its trade intact to the utmost extent possible. The food supplies and other necessities of the people are much safer in the hands of an organisation which exists to provide them than those of any organisation, however representative, that has a number of other quite separate functions.

There is another very strong reason for making co-operation rather than State machinery the instrument of public ownership and control. The Co-operative Movement is an international movement; its interests, activities and ideals today are necessarily international, and its structure is becoming constantly more so. The State on the other hand is the embodiment of the national idea, and while every extension of co-operative trade means a closer welding together of the nations through the union in one common enterprise of an ever-increasing proportion of each nation's consumers, the tendency of a State system

is to maintain and concentrate, the separate commercial interests of the nations, and reinforce opposed or rival claims with all the strength of national sentiment. Each under the capitalist system international connections are so numerous that while one set of industrialists or financiers may be anxious to use the power of the State in support of their own interests, there are others whose interests are in an opposite direction and who act as a restraining influence. But in a system of State trade and industry there would be no such counterbalancing interests; those of the entire population would be identified with the commercial success of their own State, and the risk of conflict would be great. For a state system affords no machinery for the automatic elimination of profits between the nations like that of an International Wholesale Society or International Co-operative Bank, working on the Rochdale methods. International trade would be a buying and selling between different States as it is between different individuals or companies today, not a joint enterprise of all nations, and the nations which could secure the best markets or the richest supplies of raw materials would have the highest standard of life, which it would be to the interest of all its citizens to maintain.

Certainly, an international trading organisation of which the various States should be the members is conceivable, and the proposals sometimes made for rationing of raw materials by the League of Nations are a suggestion in this direction. But it is difficult to see how such an organisation could be brought about. It seems that no method that has yet been thought of, except that of Consumers' Co-operation, can accomplish the gradual socialisation of international trade.

For all these reasons it is impossible to contemplate the extinction of the Co-operative Movement in favour of a State and municipal system of industry. To set up a competing municipal system, which while having no guarantee of permanence itself, undermines and prevents the development of Co-operation, would be to weaken and retard the real progress towards the new order. But the idea of State and municipal trade has taken so deep a hold of the thought of the entire workers' movement that some reconciliation between this—now old—idea and the newer one of Co-operation will have to be found. It can be found in the very interesting experiments made in Austria of a partnership between State (or municipality) and the Co-operative Movement. Under

the socialisation law passed by the Socialist Government of 1918-20, "Public Utility Companies" were set up in the textile, boot and shoe, and other industries in which the State and Co-operative Wholesale Society (or in the case of local undertakings the municipality and local Co-operative Society) each held part of the shares. As a rule, an equal or larger part is held by the Co-operative Movement, and in some cases the Trade Unions concerned are also among the shareholders. All the shareholding bodies are represented on the governing authority, but the actual management of the enterprise is entrusted to the Co-operative Movement. In this way national factories, such as in England were sold to private enterprise, became in Austria virtually co-operative factories.

Such a partnership recognises the public character of Co-operation equally with that of the State. There is no weakening competition between the two; on the contrary co-operative development is strengthened by the provision of State capital. There need be no fear of the enterprises reverting to private traders, as successive changes of Government in Austria have demonstrated; the worst that can happen is that the State may sell out its shares; while the fact that the practical administration is in the hands of the Co-operative Movement prevents any dangers that the interests of the consumers may be sacrificed to those of the politicians. International co-operative developments are not impeded but strengthened, for every growth of Co-operation at home brings nearer the realisation of its international ideals. And the way is left open for the gradual withdrawal of the state when public opinion recognises that Co-operation meets its needs, and that there is more to be gained in freedom and happiness for the community by giving mankind different channels for expression of their needs as consumers, producers, or citizens, than by concentrating all power in the hands of an omnipotent State.

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THE FUTURE OF CO-OPERATION

Principle 5 Pamphlet No: 3

This startling collection of excerpts from A. Honora Enfield's book Co-operation: Its Problems and Possibilities remains as relevant now as when the original volume was published in 1927. With razor like clarity, Enfield (1882-1935) a former Secretary of the Women's Co-operative Guild and founding Secretary of the International Women's Co-operative Guild, outlines the history of the co-operative movement and its radical potential to bring peace and transform the world economy into one that runs on co-operative lines.

Believing that the real alternative to capitalism lays between state ownership and co-operation, it is time for Enfield, a forgotten figure, to once again speak for the co-operative movement. At a time when people are once again questioning the long-term sustainability of a free market in which so much wealth is diverted to so few individuals and organisations, her thoughts ring true, and with a new wave of automation threatening long established working patterns, they can offer a potential guide for how co-operation might help write a future which is yet unwritten.

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