

**Sidney Pollard's *Nineteenth century co-operation* revisited:
Periodisation, utopianism, and realism in the British co-operative
movement.**

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Since the time of Robert Owen's experiments in the early 19th century, the co-operative movement in Britain has held within it a utopian strand. Motivated by the recent creation of workers.coop, a new organisation of worker (producer) co-operatives (ww.workers.coop), this essay charts the course of this utopianism from the nineteenth-century to present day. Using Sidney Pollard's seminal account of co-operative utopianism vs co-operative realism in the mid-to-late nineteenth century, it asks whether a new periodisation of the British co-operative moment is now required. Since the 1960s, consumer co-operation as practiced in Britain has largely lost its transformative zeal, with utopian hopes now largely invested in producer co-operation. With both the Labour Party and the Co-operative Party promising to "double" the number of co-operatives in the UK going into the 2024 Election, what are the consequences of these developments for the Movement and the country? Does this represent a new phase in co-operative development? As post-capitalists identifying producer co-operatives as a potential successor to corporate capitalism, but with little to say about consumer co-operation, it is useful to now take stock on more than 200 years of history.

In June 2022, it was announced that a "new and independent federation of worker co-operatives, co-operators and supporters of industrial democracy" would launch in Britain (Harvey, 2022, para. 2). Such an organisation was required, the founders of workers.coop

explained, to enable co-operators once more to spread “authentic messages about democracy at work ... respond to changes in the ... political and policy realm ...[and] participate strategically in the wider autonomous workers’ and social justice movements”

(Whellens, 2022, para. 2). Following a “long drift” in the Movement since the 1990s – intensified following the merger of the Industrial Common Ownership Movement (ICOM) and the Co-operative Union in 2001 to form Co-operatives UK – for those concerned with living standards, endless austerity, the exploitation of migrant workers, rising rents, the green transition, wasteful production, and the allocation of labour, it was “now, or never” (Whellens, 2022, para. 11).

Some groups of workers are restless; some local councillors are tired of paternalistic initiatives accompanied by endless cuts and outsourcing. Even in the community and voluntary sector, some are realising that the rush to top-down social enterprise might have been a bit of a wrong turn, and that maybe collective ownership and democratic control of economic activity matters after all (Whellens, 2022, para. 11).

The creation of workers.coop presents scholars of the co-operative movement with a fresh opportunity to consider the historic development of co-operation in Britain. Indeed, the founders

themselves admitted that some “historical and political perspective” was required to understand the “present sense of urgency” (Whellens, 2022, para.2) which had prompted them to act, and offered a usable history to place their actions in the context of the development of the producer co-operative movement.

Their own account begins with the foundation of the Fenwick Weaver’s Society in 1761 as an association to defend wages, which later includes a credit union. The Weavers are followed by the Rochdale Pioneers, whose objects include an intent “to commence the manufacture of such articles as the Society may determine upon”, and to “arrange the powers of production, distribution, education, and government” (cited by Whellens, 2022, para. 6). Over the course of the next century, small and medium scale producer co-operatives are created – along with the Co-operative Productive Federation (CPF), which acts to “promote unity of action”, find markets for co-operative products, “and secure capital for growth and development” (Whellens, 2022, para. 7).

Then, in the 1960s and 1970s, “the demands of rising social movements and political currents ... ecology, libertarian socialism, second-wave feminism, anti-racism, and community organising” generate a renewed interest in producer co-operation (Whellens, 2022, para. 8). The Labour Government of 1974-79 passes the Industrial Common Ownership Act 1976 and the Co-operative Development

Act 1978 – which establishes the Co-operative Development Agency (CDA) to support co-operative development. Local authorities formed their own CDAs, “leading to more than 3,000 new registrations between 1975 and 1990” (Whellens, 2022, para. 9).

In the 1990s, a changing policy climate engineered by New Labour in opposition and in government promotes “technocratic approaches to development” focusing on American concepts of social enterprise, and outputs and outcomes are prioritised over ownership and control of social resources. ICOM and the Co-operative Union merge, and the number of co-operative registrations declines, with new members largely restricted to the tech, creative, and wellness industries: “labour intensive enterprises, which do not require significant capital to buy or rent productive resources” (Whellens, 2022, para. 10).

There is nothing fundamentally incorrect with this analysis. The CPF was the ICOM of its day, and its creation led to an increase in the number of producer co-operatives. The marginalisation of these “little utopias” by the Co-operative Wholesale Society (CWS), supported by intellectuals such as Beatrice Webb, “furnished state socialists with some of the standard arguments...deployed against worker co-operatives” for decades (Ackers, 2016, p. 529). The CPF subsequently stagnated. Beginning in the 1970s, “post-Communist doubts ... about the future viability of state-socialist solutions” and the decline of

consumer co-operation in Britain sparked a revival of interest in producer co-operation (Ackers, 2016, p. 527).

What their narrative does not explain is why the workers.coop founders felt unable to authentically express their thoughts about co-operation as members of Co-operatives UK. Was there a lack of ambition or ideology to its work? Co-operatives UK calls for increased participation in co-operatives in order to “grow the co-operative economy and create a fairer society” (Co-operatives UK, 2022, p. 2). It would be surprising if workers.coop disagreed with this statement, yet they felt compelled to forge their own path.

Was it case that they were just one set of voices within the Co-operatives UK membership? Certainly, their founding statement speaks of something more radical than those individuals identified by Semuels, who work in producer co-operatives, who are attracted by the idea of sharing responsibility and getting rid of bosses, and are sympathetic to the ongoing health and further development of their sector, but are otherwise content to operate in the private market (Semuels, 2015). These “non-political, usually job-creation co-operatives” which do not “differ much in behaviour from a small capitalist firm” appear distinct from those which are built on radical, ideological, “Owenite” lines (Jervis, 2016, p. 77). Whilst they may be concerned by the exploitation of workers and wasteful production, they may not see their work as a playing a direct role in bringing about

change, given the insignificant space they occupy in the world market.

This essay places the creation of workers.coop in the context of the broader history of the co-operative movement, and considers whether a fresh periodisation of co-operative history is now required. Does the creation of workers.coop symbolise a distinct new phase in co-operative development or the continuation of a longer standing trend? Is its direction of travel utopian or realist in complexion, in that it is attempting to change society or work within it?

The focus of this discussion will be Sidney Pollard's (1960) "Nineteenth Century Co-operation: From Community Building to Shopkeeping", arguably the most influential example of periodisation within co-operative scholarship. Given that co-operative or co-operative like solutions are increasingly spoken about in the political left as a tool for economic transformation, the creation of workers.coop is an opportunity to take stock of the development of the Movement, particularly as we approach the 200th anniversary of Rochdale.

A note on Robert Owen and co-operation

Since the 1850s, scholars chronicling the growth of the co-operative movement in Britain have identified a radical thread, derived from the teachings of Robert Owen, which describes co-operation as a mechanism for the transformation of capitalism, or a means to "opt

out of society into a New Moral World” (Birchall, 1994, p. 20). The history of Owen’s early experiments (New Harmony in 1825, the Equitable Labour Exchange in 1832), the Brighton Co-operative movement, William King’s *The Co-operator*, the creation of the Rochdale Society of Equitable Pioneers in 1844 and the subsequent growth of consumer societies, are stories story well told, beginning with George Holyoake (1853, 1875 and 1879) and subsequently Hall and Watkins (1934), Cole (1944), Bonner (1961) and Birchall (1994).

Each of these works pays homage to Owen and that earlier generation of co-operators – or socialists – who inspired the Rochdale Pioneers. All but Birchall wrote in times when the authors felt confident enough to speculate on some future time, as Owen and the Pioneers had, when co-operation might supplant capitalism as the pre-eminent organising principle of society. “Where does all this co-operative activity lead?” Hall and Watkins asked (Hall and Watkins, 1934, p. 472). If the Movement retained “the right to expand and grow” and remained “desired”, a Co-operative Commonwealth built upon the Rochdale principles was “well within the bounds of possibility” (Bonner, 1961, pp. 479, 486). “The Co-operative Movement [had]... cause to be proud”, Cole wrote on the occasion of the Movement’s centenary, but had to adapt itself to “the changing demands of the public [and] ...devise the appropriate instruments for taking control of the industries and services which they are...determined to take into

their own hands” if they wished to “see an approach to the “Co-operative Commonwealth” (Cole 1944, p. 401).

Owen and his supporters sought to achieve transcendence through a variety of means. Purists formed self-sustaining “villages of co-operation” away from industrial society; consumers sought “cheap and pure goods” and producers operated “labour exchanges” through which they hoped to keep “the total value of the goods” they produced, hitherto denied to them by non-producers (Birchall, 1994, p. 20). While these schemes ultimately all failed, the values behind them persisted as a thread running through the spine of co-operative history and are described as a prelude to the success of Rochdale. From the earliest days, the Owenites regarded storekeeping “not as an end but as a step towards the ‘Co-operative or Socialist Commonwealth’, which they envisaged partly in terms of producers’ self-government” (Cole, 1944, p. 170). Whilst these values remained widely shared within the Movement, the consumer movement ultimately predominated at the expense of the producer movement, and the Co-operative Commonwealth went unrealised. By the 1940s, producer co-operation in Britain existed “only as an adjunct of the Consumers’ Movement” on which it depended, having proven itself “the reserve” of those interested in craftsmanship and the small workshop, “unsuited to “mass production of cheap lines” (Cole, 1944, p. 396). “By Co-operative Movement” the *Society for Co-operative Studies Bulletin* explained in 1979, “we intend the

consumer Movement because in Britain other Co-operative organisations have different traditions, methods, and ambitions for political action” (Marshall, 1979, p. 11).

Since the late-1960s, however, a revival of interest in producer co-operation, partly inspired by Owen’s mixture of “self-help and utopianism” coincided with a relative decline in those characteristics in that consumer movement – those which made consumer co-operation “a way of life”, or a “complex signifying system” for the “moralisation of capitalism” (Thornley, 1981, p. 31). Thornley described the emergence of new leaders in the producer sector with an “enthusiasm not seen since the days of Owen” and the Christian Socialists (Thornley, 1981, p. 30). This was the period in which ICOM was joined by Job Ownership Ltd (JOL), Commonwork, the Mutual Aid Centre, local co-operative development groups, the Centre for Alternative Industrial and Technological Systems, and the Socialist Environment and Resources Association (SERA) – a comprehensive network of co-operative support organisations spanning the whole politic spectrum (Thornley, 1981, p. 31).

In the same period, consumer co-operation as a vital movement entered a precipitous decline. Between 1957 and 1962, the net earnings before payment of dividend of the London Co-operative Society, the largest retail society in Britain, slumped from £2,237,000 to £90,000 (Leonard, 1966, p. 52-53). Across all societies there was a

“proportional decline in voting” at consumer society meetings and “a decline in the membership of the auxiliary organisations such as the Guilds and youth groups (Burton, 2005, pp. 22-23). *Co-operative Consumer*, *Home Magazine*, and *Woman’s Outlook* all ceased publication, leaving the Movement without “a medium through which to inform ... readers” (Corrigan, 2018, p. 40).

Recent discussion of the future role co-operatives in Britain has focused almost entirely on the producer co-operative sector, a frequently rallying call from politicians being the desire to “double the size of the co-operative economy”, using producer co-operatives to fix “Britain’s ‘broken’ neoliberal economy” (Hadfield, 2018, para. 1). As Whellens explains, “the machinations of states and international finance capitalism” make it obvious that a large-scale reorganisation of production, “can only be achieved with the active direction of workers and their communities” and a serious discussion about the nature of useful production and waged and unwaged labour (2022, para. 12). Whether Labour Shadow Chancellor Rachel Reeves would echo these thoughts is unknown, but as recently as the 2022 Co-operative Party conference, she pledged to double the size of the UK’s co-operative economy (Hadfield, 2022, para. 1). Efforts to build new consumer co-operatives – Co-operation Town being a notable example – are gaining traction, but they exist on the margins of the debate about the role co-operatives can play in the British economy.

How should scholars periodise the collapse of consumer co-operation in Britain and the rehabilitation of producer co-operation? It is 50 years since E. F. Schumacher released *Small Is Beautiful*, which championed smaller economic units, communal ownership, and new patterns of ownership, based in part on his own experiences as a Director of the Scott Bader Commonwealth, which had introduced a form of communal ownership into its organisational structure and was a central player in the creation of ICOM (Schumacher, 1973, p. 232). The revival of interest in producer co-operation is nothing new, but workers.coop has identified a need to deviate from the trajectory this revival has charted since the 1970s.

From community building to shopkeeping

First published in *Essays in Labour History*, a 1960 volume of essays dedicated to the memory of G. D. H Cole, Sidney Pollard's *Nineteenth century co-operation: From community building to shopkeeping* divided the history of the British co-operative movement in the nineteenth century into two distinct periods; the first beginning with the publications of Robert Owen in the 1810s and ending with the failure of the Queenwood Colony in 1846; and the second, "heralded" by the establishment of the Rochdale Equitable Pioneers Society in 1844, which achieved consolidation twenty years later with the "foundation of the English Wholesale Society in 1864 and its Scottish counterpart in 1868" (Pollard, 1960, p. 74). Although the

activities of co-operators in these two periods were not dissimilar – they both opened stores, established productive workshops and wholesale agencies, and claimed “to be working for higher aims of social amelioration and moral and intellectual improvement”, Pollard noted fundamental differences which placed “the two phases of the movement far apart (Pollard, 1960, p. 74). Crucially, the former regarded storekeeping as a “temporary means towards the grander object of the ending of the capitalist social system” while the latter saw the stores as the “promise and fulfilment of a better world” within capitalism (Pollard, 1960, p. 102).

Considered “a workman-like job” by leading Owenite scholar (J. F. C. Harrison, 1960) *Nineteenth century co-operation* has nonetheless proven to be a useful reference tool for scholars. In the first phase we see the gradual emergence of the co-operative store as the “antechamber to the millennium”, the chosen mechanism for the accumulation of funds to purchase communal land to build communities based on Owenite principles, with an intermediate stage of co-operative production which allowed working men “the whole of the produce” (Pollard, 1960, p. 83). In the second phase, we see these values eclipsed by the success of the Rochdale store and its divided-on purchase – “the first major breach with Owenism” – which proved fatal to the ideal of lifting “the life of man on to a higher plane of existence” (Pollard, 1960, pp. 89, 98). “Ill-starred attempts” by Owenite “individualists” – the Christian Socialists - to bring in

middle-class mills and profit-sharing schemes failed to persuade the movement to move towards producer co-operation and, over time, the “Owenist impetus” became more diffuse. Whilst many co-operators retained “distant ideals”, they had “dissolved into misty vagueness” in the face of the promise of “higher standards of living, greater economic independence, fair dealing in pure goods, the end of indebtedness, perhaps even social security” within the present capitalist system (Pollard, 1960, pp. 99-102).

Pollard himself was “strongly committed to the Co-operative movement and its ideals” (Holmes, 2000, p. 532). He admired Owen for his “many-sidedness”, the consistency of his belief that the human character was malleable, and his revolutionary understanding, unlike most economists and philosophers at the time who assigned a subordinate role in civil society to labour – “condemned to struggle somewhere near the subsistence minimum” – that “the right to a full humanity was to be available ... even to the humble peasant and ... street sweeper” (Pollard, 1971a, p.viii, x). It was these “flashes of insight” that remained Owen’s most valuable contribution, for the process of overcoming prejudice and extending “full membership of the nation” and the “full rights of world citizenship” could be extended to all (Pollard, 1971a, p. xi).

Beginning in the 1980s, Pollard’s conclusions regarding the course of co-operative development in Britain were being challenged as overly

simplistic (Thornes, 1988, p. 29). The idea that Rochdale offered a clean break from earlier co-operative activity, Thornes argued, was based “on the misconception that the movement in the early period was an Owenite one, committed to the creation of communities ... and that the modern movement came about as the result of the founding of the Rochdale Society in 1844” (Thornes, 1988, pp. 48-49). Rather, co-operation in the pre-Rochdale era had been “adopted and adapted to meet the specific wants and needs of groups of working men” whose societies took on a variety of different forms. In many respects, these efforts could barely be considered a movement, nor did there seem to be much enthusiasm to create one (Thornes, 1988, p. 32, 39). For many, Owen’s ideas of “self-supporting purpose-built communities” appeared “neither practicable nor desirable” (Thornes, 1988, p. 30).

Pollard’s central thesis, that the creation of Rochdale marked the beginning of the end of co-operation as a tool for transforming capitalism, has also come under scrutiny. Pollard’s “teleological view” had rested, Gurney suggested, on “selective quotations” from *Co-operative News*, which marginalised the utopianism of the co-operators of the late Victorian period who built co-operation into a “way of life”, a “complex signifying system” (Gurney, 1996, p. 4,23). The songs co-operators sang, the “newspapers they read”, the bread they “baked in co-operative bakeries”, such activities demonstrated that modern modes of mass consumption should not “be regarded as”

having being inevitable (Gurney, 1996, pp. 22-3). Co-operation had sought to “moralise economic relations” and it was simplistic to suggest that Owenite, or utopian, ideals had been squeezed out of the movement because of the dividend (Gurney, 1996, p. 23). In the 1990s, a time when it was clear that “excess is likely to bring catastrophe, earlier attempts to moralise the market and invent a more humane language of need”, Gurney stated, deserved a hearing (Gurney, 1996, p. 238).

More recently, Mulqueen has offered a fresh periodisation of co-operative history, which suggests a more conscious effort to eliminate utopian ideals from the consumer movement. Rejecting the traditional narrative of a non-political pre-Rochdale Movement, followed by Owenite socialist “politic[s] *par excellence*” and a return to an unpolitical non-socialist but successful store movement, Mulqueen locates the “beginnings” of co-operation in “the moral economy of the crowd” and “ethos of mutual aid” described by E. P. Thompson in his analysis of the food riots of the eighteenth century (Mulqueen, 2019, p. 28). Historians had largely mischaracterised this “moral economy”, consolidating it with other “plural forms of co-operation” under the “unitary moniker” of Owenism, whereas Thompson’s conceptualisation “co-operative direct action” exposed “a thread of continuity from the earlier societies” to modern co-operatives (Mulqueen, 2019, p. 28). It was middle-class adherents of the latter – particularly the Christian Socialists – who saw co-operation as a way

of ameliorating tensions between capital and labour by granting the working-class “economic rights”, enabling them “to witness the operation” of the “natural laws” of the market” (Mulqueen, 2019, pp. 52, 59, 62). The legal recognition of the co-operative as a “body corporate” placed it in “conflict and tension with the ethos of mutuality that animates co-operatives ... [derived] from the moral economy” and with conceptions of co-operatives which did not conform to the notion of the co-operative as a commercial entity, with a conscious effort being made to expunge them altogether from the Movement (Mulqueen, 2019, p. 76).

These criticisms are valid. As Mulqueen admits, periodisation does have “homogenising tendencies” (Mulqueen, 2019, p. 75). The “moral economy” persisted long after the bringing of co-operatives into the law – politicians from across the political spectrum in Britain have spoken of the positive characteristics of co-operation. The “solidarity economy” is built upon a belief in the moral superiority of co-operatives and small-scale enterprises over capitalism (Scharzer, 2012). With its website stating its hopes of “building a more equitable and sustainable world” which values “collaboration, solidarity and care for others, our communities...our planet” and decent work, Workers.coop is part of that economy (<https://www.workers.coop>). Gurney’s interpretation of the radical potential of the consumer Co-operative Commonwealth holds true well into the 1930s. In 1922, A. V. Alexander, the Co-operative Party candidate – later Member of

Parliament - for Sheffield Hillsborough described the “ethical basis and a moral goal” of the Movement based on “that which is highest in man...a reformed social state” (Sheffield Co-operator, 1922, p. 7).

It is debatable however, whether the criticisms invalidate Pollard’s essential thesis. As he attested, the “best of the co-operators ... still had their distant ideals as men have had in all ages” but the contrast between the “firm outlines” of “Owen’s New Moral World and the shapeless yearnings of the latter-day co-operators” was striking” (Pollard, 1960, p. 102). It is probably correct that these “yearnings” had more substance than Pollard might have given co-operators credit for, yet, as Gurney admits, these activities themselves were often encouraged by the leaders of the movement to create a spirit of loyalty around the community of the store (Gurney, 1996). If Mulqueen is correct in asserting that the Owenite moral economy was consciously expunged from the consumer movement as part of its journey into the law, then it seems that the producer moment escaped this fate. It is ironic that Owen has long been vaunted as “the father of co-operation” when scholars line up to state that his practical ideas held little influence over the latter-day movement.

The co-operative ideal: Then and now

Pollard returned to the topic of co-operation numerous times throughout his career, often attempting to locate the strand within the movement that could stimulate its renewal. *Nineteenth century co-operation* appeared at a time of strife, as the retail societies struggled to come to terms with the recommendations of the 1958 Independent Co-operative Commission, the report of which recommending the mass merger of societies. In a 1965 Fabian Pamphlet entitled *Co-operatives at the crossroads*, Pollard explained that now was the moment for “the ideas and the ideology” of co-operation” to provide “new impetus and a new inspiration” (1965, p. 9). Aside from any practical initiatives regarding organisation – a closer relationship between the C.W.S., the S.C.W.S, and the Co-operative Union for example – the movement had to adjust itself to realities of the aspirations of the post-war generation who wished to escape their working-class origins partly by indulging in the glamour of new products over the “saving and scraping” image of the co-operative (Pollard, 1965, pp. 11-13, 39). He remained optimistic that the movement could identify such an impetus, using its purchasing power and productive forces to break monopolies (Pollard, 1965, pp. 9-14).

It must transform itself from an organisation engaged largely in the defence of the basic standard of living of an exploited

class, into an organisation which has a positive role to play in the interests of all consumers, both by bringing pressure to bear on producers, and by actively educating its members' and the public's taste, by raising their standard of values, and by improving the use made of their increased resources... those who enter it, as members, officials, or elected representatives, have the right to expect to find a movement dedicated to building a better future rather than one preoccupied...with the defence of the achievements of the past (Pollard, 1965, p. 44).

A decade later, Pollard delivered the Hodgson Pratt Memorial Lecture on the topic of the "The Co-operative Ideal – Then and Now." He reminded his audience that the early furtive efforts of the co-operators had been tinged with "an element of despair" as they sought to escape the harsh realities of industrial life for somewhere better (Pollard, 1980, p. 1). This is likely why Owen and his ideas attracted such interest. They had laboured so that group by group, society by society, they hoped to transform society into one free of "competition ... cutthroat hostility ... private property ... and before long the whole of society would be changed ... not by violent revolution ... but by showing them [people] something better" (Pollard, 1980, p. 3).

What was the use of this story, Pollard asked, in the modern era? What was left of this movement? The dividend had disappeared,

replaced by offers and sales which were common in non-movement supermarket chains (Pollard, 1980, p. 11). Consumer protection laws protected individuals from adulterated food and encouraged honest dealing. Education was now commonplace outside the movement. Democracy, Pollard noted, would be valuable if it were used, but in most co-operative societies it was “hardly used at all” with few people bothering to attend meetings (Pollard, 1980, p. 12).

What remained was co-operators, who still held the “Co-operative Commonwealth” in their hearts. Unlike the “association against the rest of the world” attitude prevalent in the trade union movement, the co-operative movement was about “us”. “Everyone has a Co-operative society; has a Co-operative Movement they can join ... there are no special interests ... they plead for everyone (Pollard, 1980, p. 14). It remained popular in the developing world in the form of production societies and farms. The colony plan of Owen had been “just a mechanism, the only mechanism that occurred to [him] ... [But] mechanisms change with changing social conditions, with changing opportunities, changing technical possibilities” (Pollard, 1980, p. 15). The important thing was to try to transform society from one that fosters an opposition away from the anti-social attitudes of competition towards the social aspects of human nature.

Discussions within the Movement have long reflected this soul searching. Whereas previous generations had “gladly called

themselves co-operators”, Roy Hattersley noted in 1979, “shoppers were now unsure” (Hattersley, 1979, p. 15). If the co-operatives were to mean anything, he explained, they had to promote principles “as well as...soap powder...[and] if that is all the Co-operative movement does it might as well leave the job to Fine Fair” (Hattersley, 1979, p. 15). The same year, one former Society Chief Executive lamented that the “human capital and goodwill ... the dedication, the skill, the reservoir of talent” had gone from the Movement (Edmondson, 1979, p.15); gone was “the sense of purpose ... the sense of pleasure and positive participation once enjoyed through membership of the auxiliaries ... the dividend ... the conscious role of a voluntary, self-governing association of consumers (Edmondson, 1979, p. 17). Another believed that the merger of societies had been a misstep, which had robbed the movement of its “presence ... ethos, the reality of a people’s enterprise ... the work of a century”:

It would certainly be understandable if many people thought they had been robbed ... of [the] opportunity to belong to, to share in, to participate in, to help direct and build a Co-operative I can identify with because it’s part of my community. That I cannot feel about any regional, much less national, society ... We ignored a philosophy... of democracy and equity, community and fellowship, self-help and self-reliance... We forgot or ignored that Co-ops are founded in community ... and draw their strength from ... a common

sense of purpose ... The Co-operative leadership searched for and selected a commercial solution instead of a co-operative solution (Edmondson, 1979, p. 8.)

There was, he explained, no road back ... But was there a way forward?

A usable history for producer co-operation

So why did producer co-operatives become the way forward? Why hadn't they before? Was there a philosophical change within the movement, or was it a question of the equilibrium between the relative strengths of the two forms of co-operation shifting?

Up until the 1850s, consumer and producer co-operation were considered as one and the same movement (Cole, 1944, pp. 88-96). The Rochdale Pioneers had established a milling society with a "bounty to labour" (Backstrom, 1974, p. 88-96). The Christian Socialists envisaged a country "studded with workshops", supplied by stores and wholesales (Backstrom, 1974, p. 109). Producer co-operatives would nullify the threat of exploitation of workers by co-operative society members whose primary focus was dividend maximisation:

"profits" would "cheer and not oppress labour" (Backstrom, 1974, p. 109, 111).

It was the disastrous failure of the Ouseburn Engine Works on Tyneside, partly funded by loans from the CWS Bank, which spread the belief among many co-operators that producer co-operation was “fundamentally unsound”, with some co-operators attempting to stop the CWS lending money to producer societies (Wilson, J. F, Webster, A., & Vorberg-Rugh, R. (2013, p. 80). Subsequently, the CWS opened its own factories, which it believed were more capable of meeting the demands of the growing consumer societies (Backstrom, 1974, pp. 111, 123, 175).

The Christian Socialists continued however, to advocate for the role of the independent co-operative production supported by the Wholesale (Backstrom, 1974, pp. 7, 113, 166). To further support this idea, they set up the Co-operative Productive Federation (CPF) in 1882 with the aims of promoting unity of action, securing capital for member co-operatives, and identifying markets for their products. Two years later, they founded the Labour Association, a propaganda effort that would also “launch co-operative workshops on its own initiative” (Backstrom, 1974, p. 165). Addressing the 1888 Co-operative Congress in Dewsbury, Edward Vansittart Neale explained that the consumers movement had answered half of the question of how to break down the barriers between capital, labour, distribution, and consumption. The retail societies had broken down the barriers between consumer and distributor. Now co-operators had to break

down the barriers between capital and labour (Backstrom, 1974, p. 182).

The combined efforts of Neale, the CPF and the Labour Association led to an increase in the number of producer co-operatives, yet they were insufficient to turn the tide away from the domination of the consumer societies and the CWS. Their cause was cast a blow by Beatrice Webb and her book *The Co-operative Movement in Great Britain*. “Perhaps more than any other volume on Co-operation”, Philip Backstrom explained, “[it] was responsible for branding ... [the] co-operative workshop ... as impractical and assigning many of their most valuable contributions to historical oblivion” (Backstrom, 1974, p. 185). Webb had however, been no more able “to capture the co-operative machinery for the service of socialism” than Neale, her admiration of the realism of the CWS leaders such as J. T. W. Mitchell “indicative of a lack of vision as well as a loss of imagination” that was ultimately fatal for “complete co-operation” – producer and consumer in tandem (Backstrom, 1974, p. 203). Relations with the CWS and the producer sector remained “more or less chilly” for the next century (Fletcher, 1976, p. 176).

As workers.coop explains, it was the creation of ICOM in 1971 which sparked a revival of interest in producer co-operation. ICOM was the successor organisation to the Association for the Democratic Integration of Industry (DEMINTRY), launched in 1958 by Ernest

Bader, Farmer Services Ltd, and Wilfred Wellock, as a “community of firms, industrialists, and those interested in industrial and social reform, along common ownership lines”. ICOM similarly dedicated to itself to the task of “creating a common ownership economy” (Anagnostelis, 1996, p. 3). For the first time in its history, the producer co-operative movement possessed an “assertive and radical” political programme, centred on “greater state support for the movement as a whole” (Da Costa Vieira and Foster, 2021).

The success of ICOM attracted the attention of the Labour government. Under the auspices of Tony Benn, the Secretary of State for Industry, worker co-operatives were established in three companies in 1974 where “co-operative production” had been considered by workers as an alternative to closure – Triumph Motorcycles at Meriden, Kirkby Manufacturing Enterprises on Merseyside, and the *Scottish Daily News* (Coates, 1976, pp. 14-15). That same year, pressure from the Movement resulted in the issuing of a joint statement of the Labour and Co-operative Parties endorsing a dedicated National Co-operative Development Agency (CDA) tasked with the application of co-operative principles to various sectors of the economy. The purpose was to create “an alternative sector of the...economy which might...offer a solution to the... problem of engaging all those who work in an enterprise in the pursuit of ends which should be complementary but are too often opposed – the success of the enterprise and the “self-respect of the work-

people”, and also “to support those who are sick, disabled, or needy” (Co-operative Union Central Executive and Labour Party National Executive Committee, 1974, p. 1-3). Established in 1978, the National CDA inspired local authorities to set up similar organisations, with a focus on worker co-operatives being a vehicle for stimulating local self-help (Sykes, 1981, p. 28,30).

Some scholars were sceptical of the extent to which these co-operatives could transform society or arrest industrial decline. Over half of the co-operatives created in this period, Thornley noted, were based in the “alternative movement”, built on the principles of the solidarity economy – wholefoods shops, bookshops, and printers being common outlets (Thornley, 1981, pp. 105-6). In common with the Owenite experiments of the nineteenth century, these “islands of socialism” shared “utopian and millennial ideas” of generalised sharing, and many refused to trade with private firms or borrow money from banks, only belatedly realising that they could not exist purely outside the orbit of capitalism (Thornley, 1981, pp. 3, 65, 106-7). While they could provide a means for workers to challenge capitalism and exploitation in employment, the utopian drive of many producer co-operatives meant they were more “inconsequential flotsam in the capitalist ocean” than transformative agent (Thornley, 1981, p. iv).

The election of a Conservative Government in 1979 derailed further co-operative development. Both the Thatcher government and that of David Cameron decades later, Da Costa Vieira and Foster have argued, used “ordoliberal” concepts to instrumentalise co-operation, utilising notions of self-help to depoliticise demands for state intervention and externalise responsibility to the Movement (Da Costa Vieira & Foster, 2021). In both periods, although many Conservatives viewed co-operatives as a “desirable expression of private enterprise”, it was emphasised that they were no more deserving of special treatment than any other form of enterprise. Why should the CDA, and not the Movement, promote and fund co-operative development? (Da Costa Vieira & Foster, 2021). Under Cameron, the Conservatives went as far as to suggest that the “welfare state” was holding back community action or self-help, particularly the “most virtuous” models of association: mutuals, friendly societies, and co-operatives (Da Costa Vieira & Foster, 2021). The values of the Rochdale Pioneers – courage, self-help, vitality, and entrepreneurship – would support a further act of depoliticisation, as self-help and co-operative ownership assumed responsibility for services cast off by the state (Da Costa Vieira & Foster, 2021). Very little was done to support communities to prepare for taking on the responsibilities of ownership, and unlike in the 1970s, few co-operative societies even still existed that were able to provide educational support.

Local CDAs did persist in their efforts to promote co-operative

development during the 1980s. In the 1990s, however, progress stalled. As workers.coop outlined, recent scholarship has charted the gradual marginalisation of the co-operative movement in the 1990s and 2000s under New Labour. Haunted by the legacy of the Benn co-operatives, New Labour instead touted “social enterprise” as part of its stakeholder society and partnership concepts (Huckfield, 2021). Prioritising outcomes over democratic structures, Huckfield argues, social enterprise appeared a more malleable agent for the delivery of low-cost public services, an attractive way to externalise services from the state without privatising them (Huckfield, 2021). Over time however, social enterprises and much of the third sector were co-opted as tools for the incursion of neoliberalism and capitalism into wider spheres of public life, such as welfare delivery for the long-term unemployed, with democratic, mutual structures of co-operatives “largely jettisoned” (Huckfield, 2021). The contemporary third sector, Huckfield notes, has become fragmented, undercapitalised, and unable to meet its core social welfare functions, public and social values being replaced by value for money, impact, and output measured, and cost of delivery (Huckfield, 2021).

Governmental support for social enterprise took its toll on ICOM. In the 1990s, ICOM provided significant support to the sector, joining the Coalition for Social Enterprise, but ultimately realised that it had “spread itself too thinly across the social economy sector ... trying to be all things to all people” (Cannell, 2000, p.1). Under the leadership

of Pauline Green, also the Chair of the Co-operative Union, the two organisations merged into “a new apex body” – Co-operatives UK (Huckfield, 2021). Since that time, there has been a limited revival in the form of “ownership hubs” and the “community wealth building” agenda, but these initiatives have largely been led by council initiative rather than grassroots organising (Huckfield, 2021).

From shopkeeping to community building?

It is reasonable to assert that the second phase of co-operative development outlined in Sidney Pollard’s *Nineteenth Century Co-operation* drew to a close with the 1958 Independent Co-operative Commission. The question therefore is: what followed? Consumer co-operation in Britain slowly ceased to constitute a movement for social change, the mantle instead being assumed by a resurgent producer movement. If we assume that the Benn Co-ops of the mid-1970s were an outlier – each of them an ill-fated top-down attempt to convert a struggling firm into a co-operative to save jobs – then it is more appropriate to look towards those worker co-operatives that worked to develop practical alternatives to consumerism – “small scale production and distribution, collective practice” and a concern with the “implications of their demands in terms of world economies” (Thornley, 1981, p. 107). Half a century later, it is hard to adequately assess whether these islands of socialism were seeking to build a new society, opt out of society altogether, get rid of bosses, or simply create an oppositional space for individuals to express their

dissatisfaction with consumerism.

When compared to the great achievements of the 19th century consumer co-operative movement, the progress of the producer movement since the 1970s has been slight.

While small-scale alternatives can occasionally flourish, Scharzer explains, their ability to create a new equitable society is severely curtailed by the power of capital and the inability of consumers to challenge it effectively (Scharzer, 2012, pp. 3-5). Those wishing to transform capitalism have been frequently driven by a nostalgia for a bygone era, creating “visions of community based on small-scale entrepreneurship” or fleeing into “fantasies of utopianism” – “the attempt to create ideal societies where the contradictions of capitalism don’t exist”, a form of elitism based on consumer choice (Scharzer, 2012, pp. 5, 104).

Perhaps this was never the point. What makes co-operatives unique, Ernest Bader explained in 1975, was the “individual acceptance of social and spiritual values of its members (Bader, 1975, p. 2). The broader objectives of co-operatives did not and do not arise from immediate economic necessity but from the underlying co-operative principles of concern for the welfare of members and of society, “whose ultimate goal is the co-operative commonwealth in which men and women will co-operate in production for use rather than profit” (Fletcher, 1976, p. 184). A more realistic aim might be to

encourage individuals to “change how...[they] act within capitalism”, supporting “ethical small-scale businesses” or by making and distributing products “outside the market” (Scharzer, 2012, p. 2). The belief that neoliberalism can be transformed by the creation of “self-organised relationships of care, co-operation, and community”, realised in the formation of producer co-operatives, Scharzer admits, can accomplish more than a “solely oppositional resistance movement can ever achieve”, no matter how unsurmountable the challenge appears (2012, p. 130).

For those with utopian hopes for producer co-operation, predications on how it might confront and defeat capitalism often focus on the idea of a reformation of corporate capitalism. “Imagine a corporation in which every employee has a single share that they receive when hired” Varoufakis writes. “This share cannot be sold or leased ... [and] grants a single vote. All decisions – hiring, promotion, research, product development ... are taken collectively (Varoufakis, 2023, p. 194). The impact might be to “liberate employees from the tyranny of self-serving managers ... eliminate the distinction between wages and profits ... [eliminate] the fundamental class divide between those who own and collect profits or rents and those who lease their time for a wage” (Varoufakis, 2023, p. 196). Similarly, writes Wolf, the failure of capitalism to “deliver the goods” presents advocates of co-operation with an opportunity to present a fresh idea to those whose response to traditional socialism is to say “been there, done that” (Wolf, 2014).

transforming capitalist enterprises into [Workers' self-directed enterprises] ...in this context would radically change workplaces, residential communities, and hence, the daily life of virtually everyone. It could realize the systemic change that traditional socialisms pointed toward but never achieved: a viable and attractive alternative preferable to capitalism. It offers leftists a means to overcome their frustrations and a focus around which to regroup, existing, as well as building, new left movements and organizations (Wolf, 2014).

Given the preponderance of the shareholder or hedge fund dominated multinational co-operations in our society, these ideas do sound utopian. Despite all of what was achieved, equally utopian at this juncture is the prospect of a revival in consumer co-operation. Close to a century ago, Hall and Watkins highlighted the central role played by the retail co-operative society in co-operative activity. If retail trade was unsuccessful, they warned, wholesale trade would stagnate, halting production and other auxiliary activities such as education and propaganda. The success of the retail trade was therefore crucial to the health of the Movement, and its greatest economic problem the challenge of bringing producers and consumers back into harmony. As the consumer societies continued to grow, the self-governing workshop had appeared increasingly impractical in servicing the movement. Yet ultimately, unless producer co-operation and

consumer co-operation could be reconciled and function as one, the movement would never reach its full potential. (Hall & Watkins, 1934, pp. 306-7).

The experience of the past sixty years of co-operative development in Britain suggests that Hall and Watkins might have been correct. What is a consumer movement if it sells the same commercial brands as any other supermarket and does not attempt to forge a community around consumers? What is a producer movement if it does not have stores with which to market its products? “We need to nationalise Google, Facebook and Amazon,” Srnicek argued in 2017 (Srnicek, 2017). Always sceptical of state power, a more palatable way forward for co-operators might be to return to Hall and Watkins, to return to Owen and the Pioneers, for producer and consumer to be reconciled, so that the next period of co-operative history might be born.

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