



## THE UK CO-OPERATIVE MOVEMENT IN THE XIX<sup>TH</sup> CENTURY

*Gillian Lonergan*

In the UK, the number of co-operative societies increased dramatically during the nineteenth century. It was estimated that there were around 350 co-operatives in the 1830s, by the 1890s, that number was approaching 1,400 with 1 million members.

The majority of these were consumer co-operatives but there were producer co-operatives in a wide range of manufacturing sectors. In 1893 Benjamin Jones – who had known several of the Rochdale Pioneers as a young man and later formally opened the Rochdale Pioneers Museum – travelled round the UK finding out about the productive societies, their history and how they operated. His book *Co-operative Production* is a fascinating read.

With the industrial revolution, more people were moving into towns and cities and they needed a supply of good quality unadulterated food at reasonable prices and using fair weights and measures. Working people in the first half of the nineteenth century did not have much control over their lives, as members of a co-operative, they could work towards improving their communities and living conditions. These factors helped to ensure the success of the consumer co-operative model.

Consumer co-operatives started to work together, sometimes informally, sometimes in formal arrangements, building a bakery or dairy to serve two or three local societies for example. In 1869, the Co-operative Union, the national co-operative federation was formed at the first of the annual UK Co-operative Congresses. The Co-operative Union helped co-operative societies with information and advice and brought them together in regular meetings so they could learn from and support each other.

Where a society had a problem, the Co-operative Union would offer help remotely, or would send a member of staff or ask someone from another society who had overcome a similar problem to visit and assist.

The Rochdale Pioneers had developed their original rulebook during 1844 though several of the Pioneers themselves had years of experience, they read widely and talked with other co-operators. Some of them had been involved in earlier co-operatives and other membership based organisations and they used the rulebook of a friendly society in Manchester as an example.

The strength of what quickly became known as the Rochdale Method was the way they put together the ideas they had gathered – using things that they knew or hoped would work and avoiding things that they knew might cause problems. For example, the co-operative society set up in Rochdale in the 1830s allowed credit to its members and quickly ran into difficulties.

Some of the 28 Rochdale Pioneers had been involved in that earlier society and had lost money when it failed. Probably as a result of this experience, the Rochdale Pioneers Society did not give or take credit – everything was cash only.

The rulebook was originally intended to be just for the Rochdale Pioneers society – they did not know that what they did would very soon be copied by others.

For me, the reason that the Rochdale Method became widely adopted was its simplicity and clarity. Any group of people could pick up and use the Rochdale Pioneers' Society rulebook to form their own co-operative. Earlier societies tended to be built around a particular group of people in a particular place, the Rochdale Pioneers always intended their society to recruit new members and to grow over time. One of the publications that they had and used is now in the National Co-operative Archive in Manchester, it is a periodical *The Co-operator*, written by Dr William King from 1828 to 1830. Dr King's approach was that people could achieve anything that they wanted to achieve if they worked together. He suggested that a co-operative should start small, become established and use the profits to extend into other areas. The first rule in the Rochdale Pioneers rulebook, Law First, gives the aims, starting with a shop, adding housing, manufacturing and finally building towards operating production, distribution, education and government through co-operation. The Rochdale Pioneers recognised that the world would be a better place if everything was run co-operatively, an idea that came to be known as the Co-operative Commonwealth.

The use of the Rochdale Method was not, of course, compulsory. It was up to the members of new societies to decide if that method was right for them. However, if a society was operating on the Rochdale Method, it did make it quicker and easier to have the society's registration approved by the Registrar of Friendly Societies who had to decide whether a new society was really a co-operative.

What became known as the Rochdale Principles were not set out until 1860. The Pioneers and their story had become well known and the Pioneers kept being asked for advice for people setting up their own societies. The Pioneers published an annual Almanac, a calendar for members, and in 1860 they included an article giving advice to people setting up a society. The items included there were taken up and started to be called the Rochdale Principles.

According to Martin Purvis's PhD thesis on the geographic spread of co-operation, the ideas seemed to move out from Rochdale probably as people moved to find work, steadily at first, then gaining momentum. This model of co-operation – the Rochdale Method as it was known – was replicated in many places. Copies of the Rochdale rule book were being sent to anyone who requested one and in the early 1860s, the Rochdale Pioneers published a version specifically designed to be used as "Model Rules". The fact that so many societies were using the same model was important in helping them to understand each other and to work together.

Following the formation of the Co-operative Union, it published model rules for consumer co-operatives based on the Rochdale Pioneers' rulebook. In the 1880s, Horace Plunkett working in Ireland with dairy co-operatives adapted the consumer co-operative model rules as the basis for model rules for agricultural co-operatives.

The Co-operative Wholesale Society is an interesting example of collaboration between co-operatives, it was up to each co-operative society and its members to decide whether to become members of the CWS. John Wilson, Anthony Webster and Rachael Vorberg-Rugh in *Building Co-operation: A Business History of the Co-operative Group 1863-2013* show how varied this involvement could be. Some societies chose not to become members, some joined and bought as much as they could through the CWS and others became members but only purchased a limited number of items from the CWS, preferring to buy other goods somewhere else. In the same way, some co-operative societies decided to become members of the Co-operative Union and some did not. When the Co-operative Union was compiling directories of co-operative societies and co-operative statistics, it included non-members as well as members, recognising the importance of co-operative societies having that choice.

There were sometimes tensions between the different sectors in the UK. At the same time as the consumer co-operatives were developing, productive societies were being formed. It was expensive to set up factories and the workers were often lacking the necessary capital. Consumer co-operative members put savings into their co-operatives as they did not have access to banks, leading to the societies having funds to invest in productive co-operatives. This support for productive societies helped to provide good employment and high quality products to sell.

There were many discussions over the years about what was known as Bonus to Labour – a share of the profits going to the workers. This was (of course) normal in productive societies but there were debates about whether it should also apply to workers in consumer co-operatives, mainly to those who worked in the factories owned by the Co-operative Wholesale Society and the Scottish Co-operative Wholesale Society but also to workers in the shops. Some co-operatives paid a Bonus to Labour, but the majority of the consumer movement decided that the distribution of profits should remain with the consumer members, the subject was debated many times over the years.

While the co-operative sectors are different and did not always understand each other, the need for co-operation between co-operatives and the fact that they can learn a great deal from each other have been recognised for a very long time.

Co-operators have always been interested in what is going on in other countries as well as different parts of their own countries. In 1862, the Rochdale Pioneers bought a visitors book to record these visits, many from outside the UK. The volume is now in the Rochdale Pioneers Museum and reading it shows that during 1862 and 1863 visitors came from Bavaria, Spain, Ireland, Germany, Russia, France and USA. The Rochdale Pioneers encouraged these visits, knowing that they would be learning as well as giving out information to the visitors.

Co-operators came together at congresses which were held in different countries. For example, in the UK, a Co-operative Congress was held in 1869 which led to the formation of the Co-operative Union, the national federation of co-operatives. When the 1869 Congress was being organised, invitations went to co-operatives in France, Germany and other countries to send delegates who would participate in the discussions and also give a report on

co-operation in their own country to the Congress. Similarly, UK representatives were invited to congresses in other countries.

An early international conference was held in 1889, when the French co-operative movement held a congress in Paris that was attended by representatives from ten other countries – England, Denmark, Switzerland, Norway, Italy, Belgium, United States, Mexico, Brazil and the Republics of South America.

The idea of extending the idea of ‘fraternal delegates’ to having a truly international congress was taking root. In 1890, a paper by Mr Nash was published in the UK suggesting the formation of an International Co-operative Union and an international co-operative journal. It was translated into French, German and Italian and distributed widely. The work took another five years, with several preliminary international meetings before the first International Co-operative Congress was held. One delay was sadly caused by the death of Edward Vansittart Neale, the long standing head of the Co-operative Union and one of the major promoters of the international congress. In August 1895, everything was finally in place and the delegates spent five days at the Congress at the Society of Arts in London, the venue of the 1869 Congress of the UK co-operative movement.

The 1895 Congress was attended by delegates from America, Austro-Hungary, Belgium, Denmark, Flanders, France, Germany, Holland, India, Ireland, Italy, Romania, Serbia, Scotland and Switzerland. The number of languages used was a bit of a difficulty, with delegates translating for each other. One of the decisions of the Congress was that there should be discussions about establishing on a core group of languages for future congresses.

Reading the *Co-operative News* reports of the Congress gives a real feel for how exciting it was for those who attended. The first time the delegates could get together was at the home of Edward Owen Greening, one of the major promoters of the Congress. Nobody ever knew how many delegates were at the meeting because they were too busy talking for anyone to take notes.

By the 1930s, of course, the business world had changed and the ICA carried out a review of the Rochdale Principles, looking at which parts of the original guidance for new societies were still relevant and which were relevant to a wide range of co-operative sectors and how they were used in practice across the world. Following that review, the principles started to be called Co-operative Principles. The review was repeated in the 1960s and 1990s and the materials produced from each review give a fascinating view of the international co-operative movement and how it has developed.

Co-operators today are just as interested in what is happening in other countries as they were 125 years ago at the first International Co-operative Alliance Congress and I am sure they will still be as interested in another 125 years.