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Cooperative societies were created long before the advent of the fair trade movement to help workers improve their livelihoods and protect their interests.

Cooperatives are organizations of people who have the same needs. Most scholars recognize the business of the Rochdale pioneers of England as the first coop. In 1844, this group of 28 men (weavers and skilled workers in other trades) formed a cooperative society. They created business principles to guide their work and established a shop in which to sell their goods. Increased pressure from the changing market system was a driving force in their decision to move toward cooperation.

With the emergence of mass production during this time, entrepreneurs who had previously been capable of the sustainable production of high quality goods found themselves competing with large industries that sold less-expensive, poorly made products. In the tea industry, for example, large-scale producers added grass clippings to bulk up tea, sacrificing quality for quantity. Production was changing in order to accommodate consumers' desire for cheaper, plentiful goods. Those who rapidly produced high volumes could meet the demands of the shifting market.

Another significant change in the market system was that the new large industries relied on unfair labor practices in order to meet production quotas. Employees lost control over working conditions; low pay, long hours, unsanitary workplaces, and no mechanisms for claiming worker rights added to the growing frustration among laborers. In *Co-operatives and Community Development*:

Economics in Social Perspective, Brett Fairbairn and his coauthors describe the situation:

The monotony and cruelty are hardest on the children; they work fourteen-, even sixteen-hour days, standing, fetching, holding, with hardly a break. It is a long time. The speed of the machinery is calculated and they [the masters] know how much work it will do; and unless [the children] are driven and flogged up, they cannot get the quantity of work from them. The average life expectancy of an urban labourer is seventeen years.

Small companies that did not want to adjust their business practices in such a manner began to lose out in the new market. The local producers had typically used the finest materials and relied on traditional techniques for production. These smaller producers were not willing to resort to labor practices that did not respect the rights of individual workers. Thus, they did not meet the demands for quantity and speed that the changing market dictated.

The situation demanded new forms of organization that retained old modes of production while providing economic security for individual producers. Since the time of the Rochdale pioneers, the formation of cooperatives has continued and the notion of cooperative organization has reached many regions of the world.

The global rise of cooperatives is partially due to the work of the International Co-operative Alliance (ICA). The ICA was formed in 1895 by E. V. Neale of Rochdale and Edward Owen Greening, a supporter of worker cooperation, in order to “end the present deplorable warfare between capital and labour and to organize industrial peace, based on co-partnership of the worker ... [and to] promote the formation of central institutions for helping people to

establish and maintain self-governing workshops," writes Johnston Birchall in *The International Co-operative Movement*.

Neale and Greening recognized that coops had the power to combat the emergent market trends by empowering workers to own a share of the business and to govern themselves. They also realized that a worldwide organization that could support the mission of employee-owned business would help promote solidarity and their continued existence. Neale and Greening founded the ICA on the principles under which the Rochdale coops had been successfully operating for 50 years prior to the ICA's inception.

Over the last century, the ICA has flourished, particularly in Europe, Canada, and in some parts of Africa. In the United States, several of the major centers for cooperative business and study (which are primarily focused on agriculture) also adhere to the ICA's values. Whether or not cooperatives have an official connection with the ICA, they ascribe to essentially the same core set of principles. The ICA thus is recognized as a leader for cooperatives all over the world in terms of promoting the values of cooperative organization.

Principal Concepts

The seven ICA principles of coops are variously interpreted but generally followed in some manner in most cooperative organizations. The attempt to solve common problems by combined action is at the root of cooperatives, but empowerment, shared ownership, and democratic control are also key concepts of cooperative ideology. Members become bound to each other through values and principles as well as through their shared experiences in the cooperative.

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Cooperatives attempt to balance individuals' needs with those of the community as a whole by encouraging individual empowerment within the structure of membership and responsibility to the group. In a 1997 article in the ICA Review, J. Langmore says that cooperatives promote "the material conditions and well-being of members through their acting in concert; members [have] a greater say over their lives through their voluntary association in organizations controlled freely and democratically by their members."

Each member of the cooperative typically has a voice and a role in the daily operations of the cooperative. Cooperative principles place a strong emphasis on democratic processes such as majority voting systems, participation by all members in decision-making, and sharing work and benefits equally.

Cooperatives do not operate in isolation from their community, but are integrated into society. Some offer various types of educational opportunities to non-members; others support local projects benefiting their communities. As individuals, members are involved with groups outside the cooperatives and, according to anthropologist Christine Eber, are viewed as "people of action in their communities and beyond." Cooperative values and principles are intended to support the structure of the cooperative, which in turn supports the structure of society.

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