The Father of Co-operation

Molly Scott CATO (MSC) and Richard BICKLE (RB), co-editors of a recent book on the legacy of Robert OWEN (1771-1858) published 150 years after his death, discuss the significance of the Welsh industrialist in his own age and today in an interview with Matt GARDNER (MG).

MG: What significance does Robert OWEN have to research into the Co-operative movement?

RB: I think the most significant thing from the Co-op point of view about Robert OWEN was the enormously inspirational impact he had on the people who were to set up the Co-operative movement in the 19th century. He was a very successful philanthropic businessman. He was an autocrat and there was nothing all that co-operative about his activities, but he was an extraordinary social innovator. A pioneer of mass trade unionism, he invented the idea of local currencies, and he was an educational and industrial reformer. I suppose you might say he was a pioneering humanitarian. He believed that people were basically good and that the world could be remade.

MSC: He was quite patriotically Welsh I think, which is quite crucial for the Wales Institute for Research into Co-operative Studies, and he's a completely unsung national hero. What I really like about OWEN was that he didn't take anything for granted at all; he questioned everything. He was around at a time when capitalism was first getting a stranglehold on the economy, and you could still look at the way money and work were organised and ask questions about what that would do to the human spirit and social justice. He came up with really interesting answers, and then he spent all his money trying to put those answers into practice. And the fact that everything he did in some sense failed is completely irrelevant I think, because he was bold and did interesting alternative things.

MG: OWEN had a wide range of interests, and the book reflects that, with chapters on education, community, food, and so on. Which do you think is the single most important topic, either to OWEN at the time, or to us today?

MSC: I think it's about organising the economy in a different way. That was his central interest. He did start out in factory organisation, but beyond that, he started to look at the fact that value in the economy really changes with people's work, and he tried to apply that to the organisation of productive activity, which is how he arrived at the co-op. I think there's quite a lot that's useful there for how we need to reorganise our economy in the 21st century.

RB: I think it was his educational ideas which were actually the best.
MSC: They haven't been influential though, have they?

Robert Owen

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RB: I think they have. I don't think they're always attributed to him, but I think that all the thinking behind early years education very much reflects his priorities. Ideas such as child-centred learning, which are still controversial, were pioneered and put into practice by him, as was providing classes for the adults working in his mills.

MSC: This is the difficult thing with OWEN - some people try to imply that there's a continuous line between his thinking and radical things happening now, but it's fairly hard to see that continuity. But that means he was in a way even more brilliant because he just sat there and thought up all these incredibly radical things in a whole range of areas. Certainly a lot of what he thought about seems terribly relevant today, like the issue of food supply - good quality food produced without exploiting people. He was living at the first wave of capitalism, when people were terribly exploited as producers and were sold crap food, and the Co-operative movement and governments responded to that and we went through an era where there was a lot more justice. Then, starting from the 1970s, we've had a lot more exploitation; so now we're responding with some of the same kinds of ideas.

RB: I think the other striking thing that you find in a lot of early industrial writing was this incredible belief in progress, in the possibility for things to be different - hope in the future. That was a dominant intellectual theme for most of the 20th century, but from the 1970s onwards we've lost it – people today don't believe that things will be better for their children than for themselves.
MSC: And they believe that people are greedy, selfish and stupid as well.

MG: What would you say about the relationship between MARX's ideas and OWEN's? Was MARX fair to dismiss OWEN as a utopian idealist?

MSC: That's an endless tension. I see it as socialism versus anarchism, Marxists versus Kropotkinites. OWEN himself was an authoritarian, but he wasn't particularly good at building huge movements and organising people on a massive scale. What he wanted was these little communities, just like William MORRIS, GHANDI, KROPOTKIN and all those other people. Whereas the socialists went for big power structures, mobilisation of the masses and political power. And then they got corrupted and not much change happened.

RB: OWEN coined the term socialism, didn't he?

MSC: Well so they say. But I don't think he meant by it what it was turned into by the internationals. MARX was a very Germanic thinker, he was Hegelian, he thought in systems theory, he had that way of looking at the world, and he ended up as an economist writing all that down in great detail.

RB: Whereas OWEN wasn't a grand theorist, he was a very practical person. He had a go at things. OWEN changed the community at New Lanark by being quite socially controlling – taking children away from their parents. But the people he inspired, with his ideas about getting education right and providing a toolkit to then be applied, had much more of an anarcho-syndicalist approach. OWEN didn't try to control things for all time – he was on to the next thing. Before he had finished one project, he had the next big idea. Whereas actually the kind of movements that MARX inspired were much more organised and much more controlling.

MSC: You can also ask what has achieved more, has so-

cialism achieved more than the Co-op movement? That's an interesting question, because the Co-op movement has achieved a huge amount as an organisation that has become a mass movement.
RB: But equally, MARX was a very influential thinker. And it was also an incredibly energetic melting pot of ideas at the time. Much more so probably than we have today.
MSC: And MARX's social theory is just invaluable, isn't it? OWEN did nothing like that.

MG: Could OWEN's ideas be of any use in post-communist countries where Marxism has to all intents and purposes failed?

MSC: Well the key thing about those countries is that there was a co-operative movement there, and it was destroyed by communism. They eradicated their own history of co-operation.

RB: In terms of consumer co-ops and retail co-ops, they survived throughout the communist era, but they became instruments of state planning. They were also quite useful tools, because they co-ordinated consumption and allowed goods to be distributed to local people, particularly in rural areas. But when communism collapsed, in some countries they were assumed to be part of the state and were privatised. In others, they were given back to the members, but there hadn't been any democracy or participation for 80 years so people didn't know what to do.

MSC: When GORBACHEV looked at the Russian economy, and the chaos that resulted from socialist planning, he thought that the only way to deal with this was to create local co-ops – which effectively he did, because he gave the people who worked in the factories shares in their own factories. The problem was that people were disempowered and they didn't understand the value of their shares. When the economy collapsed, they sold their share in the factory for a loaf of bread, and thus Roman ABRAMOVICH and a small group of others now own everything because they bought everybody's shares. It wasn't intended as the privatisation that it became; it was intended as Co-operativisation. So I think the answer to your question is that there's a very strong strand of mutual aid, self support and also self-provision in those countries, for example the dachas where they produce vegetables, and a lot of communitarianism as well, which could be turned into a useful economic form. And perhaps it is being. Perhaps it's just that capitalism was sold so strongly and with so much American ideological force following 1989 that that third way wasn't given a chance. But from the level of the people, communitarianism does have a lot to offer.

RB: I don't know a great deal about the socio-economic position of those transition economies. But I would be surprised if things like local currencies and time-based currencies – a barter economy effectively – isn't actually in operation in a lot of places where the conventional economy collapsed. The interesting question now is whether that can be consolidated into a serious parallel economy which actually meets people's real needs and provides a viable alternative to the market, or whether, a bit like in Europe and North America in the 1930s, as long as economic collapse continues it survives but then, once the mainstream economy gets itself going again which eventually it may, it either gets squashed and crushed, or just burns out.

MSC: I don't think the real economy's going to get going again though, because of resource constraints.

MG: So what is a co-operative response to the current financial situation?

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RB: Well I think the first thing to note is that certainly in the UK the financial institutions which have gotten into trouble are not mutuals, not member-owned organisations. A lot of them were former mutuals that were privatised for short-term profit and greed and then took reckless risks and lost their customers' and investors' money.

MSC: And that's inevitable, because what capitalist businesses do is extract value and turn it into profit, so there's less to go around. Then in harsher economic times that extra is just not available, and there's much less for everybody. What's been sucked out of the global economy is basically cash; so we ought to see an increase in informal systems of exchange, which might be exactly like the time bank that Robert OWEN proposed, or like his barter card where businesses exchange IOUs – I'll provide something for your business if you'll take photographs or do printing for me. In Argentina, when their money disappeared, that's exactly what happened. There are all sorts of ways in which mutual solutions could help people through difficult economic times, but the real questions are these: do people believe in the goodness of human nature, and do people have the globalisation of skills and education to make these things work? At the time of Robert OWEN, there was a huge amount of self-education.

MG: Is co-operation best working on a small scale, or is it practical on a very large scale? There is a story in the paper today about Mondragón, the huge co-operative in the Basque region.

MSC: The way I see this is that people start co-operatives up because they're desperate, and then gradually the co-operative becomes more successful, and as it does it tends to move out of the control of the members. First you have representative democracy in the co-op and then beyond that it becomes so huge that members simply lose interest altogether, which happens a lot once you get to this sort of scale. But in a sense that doesn't really matter, because now they're an example for smaller co-ops to follow. And if the worst we had in the economy was this, I'd be really happy, because we wouldn't have Tesco, we'd just have Mondragón. And then we'd have our own little co-ops around; I can have my community farm, and so on, which is fine.

RB: If you look at the most visible part of the co-operative sector in Britain, the Co-operative Group, with a £12 billion turnover, all the profits from that enterprise are returned to members or returned to local communities or invested back in the business. This delivers real benefits to real people up and down the country. Because of the size and scale of that business, it has a representative democracy. Though you can be more or less cynical about how democratic it is, it is democratic on its own terms. The point is that it provides an infrastructure which can then support all kinds of small-scale community-owned village shops, up and down the country, by giving them equal buying power.

New Views of Society, edited by Richard BICKLE & Molly Scott CATO, is published by Scottish Left Review Press (2008) and is available at www.scottishleftreview.org.

Further reading:
Wales Institute for Research in Co-operatives: www.uwic.ac.uk/ubs/research/wirc
Mondragon Co-operative Corporation website: www.mcc.es