

BULLETIN

HISTORIC FOUNDATIONS OF COOPERATIVE PHILOSOPHY

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The University of Wisconsin Center for Cooperatives maintains an extensive library of books, photos, pamphlets, proceedings and many other dusty remnants of co-op history. Recently, while relocating some of these materials, I was struck by the volume of those concerning “co-op philosophy.” While I cannot do justice here to all of these fine works, I thought it might be worthwhile to rescue a modest sample from the clutches of obscurity.

Moral Foundations

While scanning these materials, it soon became apparent that moral and religious concerns once motivated many advocates of cooperation. Indeed, it was striking how many pamphlets on cooperative philosophy were penned by so-called “men of the cloth”. A 1939 pamphlet by Father Moses Coady of Nova Scotia exemplifies this genre:

Religion dictates as a fundamental principle that social justice should (prevail) in the world. ...It is not sufficient to hold out a helping hand to our fellow-men in a time of crisis. It is more in keeping with the dignity of human personality that they should be given a chance to make their own contribution and to move under their own power. ...Through cooperation ...we can build a society where these needy brothers will have a chance to live and contribute to the general good and the greater glory of God (Coady, 1939, p. 9-10).

Coady was a charismatic leader of the Antigonish Movement, which sought to close the gap between rich and poor Canadians through adult education and group economic action. As Director of the Extension Department at St. Francis Xavier University, he promoted cooperatives as “the channels through which Christianity can operate in the world” (Coady, 1945, p. 23).

Not to be outdone, Dr. Benson Landis compiled a guide in 1959 for the National Council of Churches, “to aid in re-examining Protestant thinking” about cooperatives. He quoted a professor of Christian Ethics at the Chicago Theological Seminary:

We who are Christians... have a singular basis for interest and involvement in this movement ...to create the agencies and organizations which permit the fullest achievement of selfhood and mutuality which we understand God to have intended (Landis, p 26).

To be certain, adherents to cooperative philosophy were not restricted to Christians only. Indeed, Mahatma Gandhi, in seeking “the greatest good for all” (*Sarvodaya*),

was also a proponent of cooperatives. In a 1917 speech to the Bombay Cooperative Conference, he emphasized individuals' moral welfare over mere material concerns:

We will not measure the success of the movement by the number of co-operative societies formed, but by the moral character of the co-operators (Gandhi, p. 22).

“The Middle Way”

The sources referenced thus far were all written within a thirty-year period predating the conclusion of the second World War. It is instructive to consider the historical context. Faced with a global economic crisis and massive disparities of wealth, many proponents of social reform felt trapped between two extreme forms of social and political re-organization: fascism and communism.

In a 1937 address to the American Institute of Cooperation, Dr. Paul Douglas of the University of Chicago described these extremes at a meeting in Ames, Iowa:

Fascism... is primarily an attempt by the wealthy to freeze the existing class structure... and maintain its inequalities through a rigid control of the working and poorer classes. Communism is the attempt to establish state ownership without compensation of virtually all industry. Neither of these philosophies fits either the American temperament or American conditions (Douglas, p 3-4).

His portrayal of the cooperative “middle way” is worth quoting at length:

In their social aspects cooperatives are obviously democratic and provide for the maximum of local participation and control. They are purely voluntary institutions, which thrive only so long as men wish to sell, borrow or buy through them. They exist only because people want them and only to the extent that they do. They are not implanted from above or forced on people, but grow out of the soil of our common life. They do not confiscate existing capital, but merely aim to build up new social capital. They do not seek to divide classes into rich and poor, owners and workers, but instead to include all classes. They thus seek to unify social groups on the basis of their common interests. Within their ranks they follow, with rare exceptions, the principle of equality established by political democracy, of allowing each member one vote and only one irrespective of the amount of stock which they may own. They serve to temper the fierce and rugged individualism which, with all of the tremendous drive which it has furnished to men of energy,

has nevertheless many unlovely features. They help to give a sense of modest self-importance to the members who might otherwise feel lonely and unimportant in our huge society; and in so doing they furnish a superior moral equivalent for unifying popular emotions to those which fascism and communism have used to draw multitudes into their ranks (Douglas, p 6-7).

Dr. Douglas, who at the age of 52 was awarded a Bronze Star for heroic action at Okinawa and Peleliu, went on to serve as a U.S. Senator representing Illinois from 1948-66.

Cooperative Idealism

While co-ops may have been advocated as a unifying “middle way,” nevertheless a wide disparity of opinion has often co-existed under the banner of cooperation. At the risk of oversimplification, cooperative proponents can be divided historically into two distinct camps: idealists and pragmatists.

It is instructive to recall the conditions under which idealistic co-op philosophies were developed. In times of crippling economic crisis, for instance, or in a nation's quest for independence, it is perhaps natural that reformers would develop utopian solutions. Examples can be found in the histories of both India and Ireland.

Gandhi sought Indian independence through confederations of self-governing, self-reliant, village communities (*Swadeshi*). To that end, he supported cooperatives as a means of utilizing local talents and developing local cottage industries. In 1917 he declared:

This is not too ambitious a dream. God willing, it will be a reality some day. ...Let us be sure of our ideal. We shall ever fail to realize it, but we should never cease to strive for it (Gandhi, p. 26).

Likewise in Ireland, a decade before Irish independence was achieved in 1922, the famed poet and cooperator George Russell articulated a vision of an “organized rural community” which would:

...manufacture for its members all things which it profitably can, employing its own workmen, carpenters, bootmakers, makers and menders of farming equipment... feeding its members and their families cheaply and well... It should have a mill to grind their grain, a creamery to manufacture their butter... (Russell, p 63).

Russell envisioned a national network of self-reliant

local communities comprising a new Cooperative Commonwealth for Ireland.

By cooperative commonwealth more is meant than a series of organizations for economic purposes. We hope to create finally, by the close texture of our organizations, that vivid sense of the identity of interest of the people in this island, which is the basis of citizenship, and without which there can be no noble national life (Russell, p. 97).

In some cases, an anti-capitalist co-op idealism developed in reaction to severe economic conditions. A publication from the Cooperative League of the USA (known today as the National Co-op Business Association) included this 1938 social critique from Dr. Ordway Tead, president of the New York Board of Higher Education:

We rely now on private, autocratic, concentrated, competitive profit-seeking interests to operate industry in a planless way in the hope that out of a balance of selfish interests, the public interest will be served. The evidence indicates that this assumption is inadequate and outmoded. A profound question arises as to whether motives of individual and material aggrandizement are not to some degree anarchistic and antisocial in their effects (Bowen, p. 5).

In Canada, Father Moses Coady's social analysis focused on the prevailing system of childhood education, which he claimed

...has been an escape mechanism by which the bright and vigorous few from among the masses got away from the lowly classes in which they were born to join the elite of the nation. (It) is essentially a skimming process. We are robbing our rural and industrial population of their natural leaders. ...This was founded on the false belief that there was always room at the top (Coady, 1945, p 8-10).

Coady aimed to uplift the masses through an extension program of adult education and co-op development:

The basic ideas of the Antigonish Movement are that men, through adult learning and self-help, should work out the economic problems of their lives; that through personal improvement and group action rather than by appeal to governmental assistance they can better their circumstances; and that from amongst the people themselves can come the leadership and direction necessary to democratic action (Voorhis, p. 4).

Clearly, these idealistic co-op philosophers could wax eloquently about their grand visions. But they also achieved results. In Canada, Ireland, India, and indeed throughout the world, ardent cooperators have created thousands of mutual businesses, enabling untold millions to secure for themselves food, housing, credit, insurance, employment, market outlets for farmers and fishermen, and so much more.

Cooperative Pragmatism

To be certain, the co-ops promoted by visionaries would not have long endured without the steady direction of more pragmatic spirits, who did not hesitate to dampen undue enthusiasm.

Cooperation must more or less start from scratch and build up its own capital, while private industry has the tremendous head start which its previous accumulation of scores of billions of dollars affords. It is, therefore, essentially ridiculous for the advocates of cooperation to speak as though it could speedily overtake private enterprise even within the fields to which it is particularly adapted (Douglas, 1938, p. 8).

In the state of Wisconsin, long a fertile ground for cooperative endeavors, the practical voice prevailed as early as 1917:

...cooperation among farmers succeeds rarely except where it grows naturally out of the needs, experiences and aspirations of the interested parties. Most successful cooperation has started in a small way and grown gradually to greater proportions (Hibbard, p 43).

That advice from a University of Wisconsin professor was preceded by a state Department of Agriculture publication:

Cooperation is not by any means the unfailing 'cure all' for which fertile brains have sometimes been pleased to give it out, but a simple economic instrument, exceedingly useful in appropriate circumstances, for a great variety of purposes, but wholly ineffective under other conditions (Sanborn, p. 7).

In his classic 1942 essay on the place of cooperatives in our national economy, Dr. Edwin G Nourse declared:

When a cooperative has to maintain its position by constant and intensive evangelism, sentimental appeals to membership, or government favors and special aid, the presumption is justified that it has

overgrown or outlived its true economic need and value. Cooperation is hard-headed business, not an ideological crusade (Nourse, p. 107).

This pragmatic approach has certainly taken hold in the U.S. In a 1985 address to a co-op annual meeting, a former co-op executive declared:

My premise of cooperatives is that they are economic instruments existing and operating to increase the profitability of their owners—nothing more, nothing less. ...Neither do they have any particular role to play in promoting or defending social values, movements or structures, however desirable they may be (CT Fredrickson).

Indeed, a recent article from an esteemed consulting firm lamented that a “cooperative culture” exists in far too many co-ops today. It argued against rewarding members too much in the present so as to jeopardize the company’s long-term equity position. While sound advice, need it have been couched in such anti-cooperative language?

Over the last fifty years in this country, the pendulum has swung quite far in the direction of co-op pragmatism. The fact that co-ops have secured such a prominent place in our society may demonstrate the wisdom of that evolution.

Nevertheless, given the economic and social challenges facing us today, perhaps it is time for a new and robust social critique, inspired by cooperative ideals. Certainly a “cooperative culture” should not be disparaged. Rather, at the level of the firm, the community and the nation, could it not become our new ideal?

ADDITIONAL INFORMATION

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