

Certificate in Co-operative Studies

History and Development of the Co-operative Movement

Higher Assessment - Teacher's Notes

Learning Outcome 3: Investigate the development of the co-operative movement during the 19th and early to mid 20th century.

Performance Criteria 3.1:

Demonstrate awareness of how the co-operative movement developed in Britain post -Rochdale.

Performance Criteria 3.2:

Demonstrate awareness of how the co-operative business model spread across the world in the 19th century.

Performance Criteria 3.3:

Consider different types of co-operative businesses which existed by the end of the 19th century.

Performance Criteria 3.4:

Investigate the benefits to members of working in a co-operative in the early 20th century.

Performance Criteria 3.5:

Analyse why co-operatives continued to thrive in Britain until the end of the Second World War.

Performance Criteria 3.6:

Comment on the setbacks suffered by the co-operative movement after the Second World War.

Assessment Strategy:

Students have to write a report based on the criteria given in PC's 3.1 to 3.6.

As well as being awarded marks for the content of their report, they must also be aware that the structure of the report will also be marked. They will receive up to 4 marks for having an introduction which sets the context and identifies the points they are going to discuss; clear and well structured paragraphs and a conclusion that sums up what they have found out.

The other 16 marks are awarded for well developed points that answer each of the performance criteria points.

Students should aim for roughly one paragraph per point.

Credit should be given if quotations are given or points are analysed.

You could also, if you wanted, get the students to produce their report as a class or group talk. If you decide to do it this way, evidence of where they have achieved the marks must be retained for moderation purposes.

Should any student fail to give at least one sentence for each performance criteria point, they cannot achieve the full learning outcome and therefore must be given two re-sit opportunities.

Where students do give at least one sentence for each point, a pass can be considered if they achieve 10 marks out of 20.

Students should be given a maximum of one hour and 30 minutes to write up their report under exam conditions.

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Higher Assessment - Student Guide

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The other 16 marks are awarded for well developed points that answer each of the performance criteria points.

You should aim for roughly one paragraph per point.

Credit will be given if quotations are given or points are analysed.

Should you fail to achieve each performance criteria point, you cannot achieve the full learning outcome and therefore must be given two re-sit opportunities.

A pass can be considered if you achieve 10 marks out of 20.

You have one hour and 30 minutes to complete the write up of your report under exam conditions.

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Higher Assessment

Learning Outcome 3

Write a report consisting of several paragraphs, an introduction and a conclusion that covers the following aspects on the development of the co-operative movement:

- how the co-operative movement developed in Britain post - Rochdale Society of Equitable Pioneers
- how the co-operative business model spread across the world in the 19th century
- describe the different types of co-operative businesses which existed by the end of the 19th century
- the benefits to members of working in a co-operative in the early 20th century
- why co-operatives continued to grow in Britain until the end of the Second World War
- what set-backs the co-operative movement suffered after the Second World War.

You must also have an **introduction** which sets the context and identifies the factors you are going to look at, clear **paragraphs** and a **conclusion** that sums up what you have found out.

You have 1 hour and 30 minutes in total to write up your report under exam conditions.

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Higher Assessment - Marking Scheme

Learning Outcome 3: Investigate the development of the co-operative movement during the 19th and early to mid 20th century.

Students can achieve a maximum of 4 marks for having an introduction which sets the context and identifies the factors they will investigate, clear developed paragraphs and a conclusion which sums up what they have found out.

The following points can be used as evidence for each performance criteria. However any other relevant and accurate pieces of information should also be accredited.

Some points that could be used as an introduction could include:

- In 1844 in the town of Rochdale, located less than fifteen miles from Manchester, a co-operative society was established that became the inspiration and model for the worldwide modern co-operative movement.
- The society was neither the first co-operative nor unique in having a set of values and principles by which to operate.
- The Rochdale Society's phenomenal success as a retailer and as replicable model of co-operation lies with its intelligent combination of sensible business practices and co-operative principles.
- The society aimed to be more than a retailer; heavily inspired by Robert Owen's philosophical ideas relating to co-operation, its objectives included building houses for members, setting up producer co-operatives, buying land and setting up co-operative communities.

3.1 - Development post-Rochdale:

- The Rochdale Society of Equitable Pioneers had established a viable and replicable model of co-operative enterprise and their success sparked a new generation of co-operatives throughout Britain.
- The number of co-operatives by the 1860s was estimated at around 300 with a combined membership of 77,000 persons.
- The movement experienced a period of consolidation during this decade, with the establishment of the Co-operative Union (whose task it was to collect statistics relating the movement) and two wholesale societies.
- The movement grew throughout the 19th century and was on secure foundations entering the 20th century.

3.2 - How co-operatives spread across the world:

- The business model developed by the Rochdale Pioneers spread quickly from 19th century Britain and its influence can be seen in such diverse countries as India, Kenya, Venezuela and South Korea.
- It must be said that while the co-operative model of enterprise in its current form was developed in Britain, there are many other nations where co-operatives have flourished, each with their own co-operative movements, sometimes founded on different principles.
- Credit unions developed in Ireland and in the US where agricultural co-operatives developed in the late 1800s.

3.3 - Different types of co-operative businesses:

- The period between the late 18th and early 19th centuries was characterised by extreme economic hardship and exploitation as the Industrial Revolution eradicated traditional methods of working and living.
- The **Consumer co-operative movement** was born out of a need to secure and provide food stuffs and household items at fair prices.

- **Worker co-operatives** were a response to the sudden disintegration of worker autonomy and conditions.
- Worker co-operatives were established as a means of protecting the livelihoods of artisans and weavers, who were trying to stem the impact of new technologies on their living and working conditions/ lives.
- These early attempts at worker co-operation were weak and it was only after the success of the Rochdale Pioneers that worker co-operatives began to find a foothold in the economy.
- The strength of the consumer movement hindered the development of worker co-operatives, for ideological reasons as well as practical (the consumer movement preferred to establish their own production facilities).
- It was only with the establishment of the Co-operative Productive Federation (CPF) in the late 19th century that the first worker co-operatives really developed, mainly in the footwear, clothing and hosiery industries.
- In 1871 the Co-operative News, the world's longest established **co-operative newspaper** was founded.
- In 1872 the UK's **Co-operative Bank** was founded as the Loan and Deposit department of the CWS.

3.4 - Benefits to members:

- Secure businesses.
- Fair prices for good quality goods.
- Livelihoods protected (workers helped one another, worked together, bought equipment to share).
- Profits split between members.
- Only members could benefit, which kept costs down and profits high.
- Every member was involved in a very democratic process that secured their living and working conditions.

3.5 - Why co-operatives continued to thrive:

- At the time of the Second World War, nearly 9 million people in Britain were members of their local co-operative societies.
- People relied on their co-operatives, especially during a time of war.
- Co-operative societies throughout the 1940s provided for the needs of their members from the cradle to the grave, providing doorstep delivery of milk through to services such as funerals.
- The social lives of many members revolved around their co-operative societies, with children's groups, adults groups, social events in the co-op hall, day trips, adult education courses and much more.
- Co-operatives have always been part of their communities and this included work towards the war effort.
- Before the outbreak of war, the Co-operative Wholesale Societies had played a part in the planning bodies set up, for example, on the control of food, worked on the development of Air Raid Precautions and on helping co-operative members to prepare their homes for war.
- Co-operative officials and board members from co-operative societies served on local Food Control Committees.
- The non-food factories owned by the Co-operative Wholesale Societies turned to war work, for example, just one of the cabinet works moved from fine furniture production to collapsible assault boats, fuselages for mosquito airplanes, parts for gliders, camp beds, air raid shelter bunks, petrol tanks and rifle butts along with tables and chairs for service messes and utility furniture.
- Other factories produced bombs, military uniforms, sand bags, anti-torpedo nets, rafts, tank transporters, ambulances.
- The food factories adapted their products to suit war conditions as some pre-war favourites were discontinued and packaging was simplified.
- Co-operative magazines included recipes to help co-operative members to make the most of the food that was available.

3.6 - Set-backs suffered after the Second World War-

- After World War II, the thousands of co-operatives had to either change or die.
- The post war economy created a very different world of retail and consumer demand.
- To grow and compete, co-operatives needed funds.
- At least two laws were passed to alter and benefit the running of co-operatives after 1945.
- The need for voluntary organisations for mutual aid and the principles of good neighbourliness and community were steadily reduced in the post war period as society became more affluent.
- With the rise of the affluent 1960s, the economic benefits of being a member of a co-operative became less clear and marketing strategies of discounting and trading stamps began to prevail. The cost of the dividend and its falling pulling power led to its withdrawal in many cases.
- Both co-operative membership and market share declined from the 1960's onwards.
- The clear lack of unity within the co-operative movement and the willingness of consumers to vary their purchases away from co-operative stores, made co-operatives less successful than equivalent capitalist firms.
- The core of the retail co-operative business was the effectively static food market.
- Non food products became the focus of much discretionary spending, due in part to changing demographics and the number of households.
- Technology and ease of travel influenced spending patterns.
- As consumers became more mobile and out of town shopping increased in popularity, many smaller food stores became less viable.
- As co-operative societies merged and became larger, they lost their close links with communities, which at the same time were becoming less cohesive and recognisable.

- The co-operative principle of democracy made it more difficult for co-operatives to close less viable outlets, therefore some outlets continued to operate longer than was viable in unsuitable premises.
- Production of own brand goods by CWS was too high as demand switched to the products of private manufacturers.
- By the 1990's, only profits from the Co-operative Bank were keeping CWS in the black, while CRS consistently reported losses due to a significant decline in market share and continued internal friction over strategy and structure.
- Co-operative shops were regarded as drab and resonant of an earlier age, especially compared to the retail 'palaces' being built all over the country by the likes of Tesco, Sainsbury's, Morrison's and Asda.