

Case Study 1.3

Rochdale Society of Equitable Pioneers

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 by. 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.

Beginnings

Rochdale, like the majority of English towns, was suffering record low levels of employment and living standards as a result of the Industrial Revolution. The town was home to a large number of weavers and mill workers, occupations that were marginalised and absorbed by the factories.¹ There was an attempt at creating a self-help organisation in the town in 1833 but the co-operative store in failed two years later because of credit problems. As the summer of 1844 waned, a group of local artisans decided that mutual action must be taken to alleviate their terrible living and working conditions. These men came from a variety of philosophical backgrounds. Owenites, trade unionists, Chartists; these men represented the working class of Rochdale.² On August 15th, 1844, the Rochdale Society of Equitable Pioneers was established. They were registered as a Friendly Society and, equipped with £28 capital, opened the co-operative store in December 1844.³

Commercial success

The society proved to be an efficient and effective retailer. From humble beginnings in 1844 with 74 members, capital of £181, revenue of £710, and a surplus of £22, the society grew to over 10,000 members, capital of around £300,000, revenue of the same, and a surplus of just under £50,000 by 1880.⁴ The society aimed to be more than a retailer however; 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 Owenite-style co-operative communities.⁵

Influences

The society was based on a combination of Robert Owen's ideals and William King's co-operative business practices.⁶ Owen provided the philosophical, moral and social foundation of co-operation while King theorised and subsequently implemented a number of business practices that were



essential to the success of co-operative societies. The Rochdale Pioneers also applied their considerable intelligence to the analysis of previous co-operative successes and failures.⁷

Significance

As we have established, Rochdale was not Britain's first co-operative. It was however, the first to establish a sustainable, viable business based on co-operative principles. The ICA has adopted Rochdale's principles as the de facto standards co-operatives should adhere to throughout the world. It was the first co-operative to ameliorate philosophic concepts such as democracy, mutuality, equality and economy. It was the first co-operative to establish a successful antithesis to the capitalist model of enterprise. For these reasons and more, the Rochdale Society of Equitable Pioneers is rightly regarded as the inspiration and model of the modern co-operative movement.

¹ J. Birchall, *Co-op: the people's business* (Manchester: Manchester University Press, 1994), p. 40.

² Ibid.

³ Birchall, *Co-op: the people's business*, p. 44.

⁴ Birchall, *Co-op: the people's business*, p. 45. The society did not grow in a linear fashion. It suffered some dips in trading performance throughout those 40 years due to a number of micro (the establishment of rival co-operatives) and macro (the cotton famine) environmental factors.

⁵ M. A. Abrahamsen, *Cooperative Business Enterprise* (New York: McGraw-Hill, 1976), p. 74 and Birchall, *Co-op: the people's business*, p. 48.

⁶ K. Zeuli and R. Cropp, *Cooperatives: Principles and Practices in the 21st century* (Wisconsin: University of Wisconsin Center for Cooperatives, 2004), p. 6.

⁷ R. Rhodes, 'British Co-operative History' Paper presented at the conference A Global History of the Co-operative Movement, 20th November 2009, p. 1.

