

History of the Co-operative Movement

The Rochdale Pioneers are generally considered as the first properly established and documented Co-operative. Steam-operated equipment, and other advances brought about by the Industrial Revolution, simply replaced human labour. And there was wide-spread unemployment.

In 1844 a group of 28 workers, whose company had effectively been put out of action by these advances, pooled their resources and formed their own company - in the form of a small shop selling food items. It succeeded, and they formed the Rochdale Society of Independent Pioneers.

My own first knowledge of the History

I think this came from reading that wonderful book by Ricardo Semler, *Maverick* (published 1993). Semco is a Brazilian company. The history of the company and its development is a little unclear. But essentially, when Ricardo was 21, in 1980, his father resigned and made the company over to his son.

On his first day in charge, he fired 60% of his managers! He then went on to, in effect, form a co-operative. The visible effects were immediate. Parking lots were no longer divided into management and work areas. And everybody ate together in the canteen. But organisationally, managers (which now I suppose could more accurately be called team-leaders) were now appointed (and dismissed) by groups of workers. Decisions about salaries also.

Actually his changes were much more radical. He let his employees set their own hours. They designed their own workplace, selected their own IT, evaluated their bosses (appointed by them in the first place), and were taught how to read accounts so they could understand the company's books. They set their own salary, based on what they thought they could make elsewhere, what others in the company earned, what they needed to live and so on.

This is all described in the book *Maverick* which became a world-wide best-seller. I regard it as a highly useful description of what was, and remains, basically one sort of co-operative.

I use the term 'one sort' very deliberately, because this pattern is just one of many. And one thing that is difficult to precisely describe and characterise is the exact structure of the meetings at which decisions were made.

This is not peculiar to the company *Semco*. It seems to be often the case.

It seems important to add that *Semco* has now become hugely successful commercially. From making kitchen equipment for Brazil it now has links with companies world-wide, which make mixing equipment, cooling towers and other related industrial machinery. In partnership with other companies, it manages properties in other parts of Latin America. It manages large-scale facilities such as airports and hospitals. It offers high technology and Internet services. Also the management of human resources. In partnership with Environmental Resources Management (ERM) it has become one of the world's leading environmental consultants.

This is all described in Ricardo Semler's second book, *'The Seven-Day Weekend'* (published 2004). I find the descriptions in this book make it difficult - almost impossible - to disentangle actual decision-making structures (what I am calling 'co-operative structures') and I am not at all going to attempt to do so.

However. This is just the start of an account of the history and other characteristics of co-operatives. They seem to be not only good as a business model.

For me, they have another great importance. The need for constructive dialogue and interaction in a co-operative is of course imperative. And this means better communication between people. And this is what I am committed to and increasingly motivated by. So that we human beings can live together better in this world.