<table>
<thead>
<tr>
<th>CHAPTER III</th>
<th>Page No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMERGENCE OF CONSUMERS' CO-OPERATIVE STORES AS THE EVER FIRST IN GREAT BRITAIN</td>
<td></td>
</tr>
<tr>
<td>1. INTRODUCTION</td>
<td>29</td>
</tr>
<tr>
<td>2. BIRTH OF CONSUMERS' CO-OPERATIVE STORES</td>
<td>29</td>
</tr>
<tr>
<td>3. OWEN AND MODERN CO-OPERATIVE MOVEMENT</td>
<td>31</td>
</tr>
<tr>
<td>4. WILLIAM KING AND 'THE CO-OPERATOR'</td>
<td>31</td>
</tr>
<tr>
<td>5. ROCHDALE PIONEERS</td>
<td>32</td>
</tr>
<tr>
<td>6. OBJECTS</td>
<td>33</td>
</tr>
<tr>
<td>7. ADMINISTRATION</td>
<td>33</td>
</tr>
<tr>
<td>8. RULES OF CONDUCT OF BUSINESS</td>
<td>34</td>
</tr>
<tr>
<td>9. CONCLUSION</td>
<td>35</td>
</tr>
</tbody>
</table>
CHAPTER III

EMERGENCE OF CONSUMERS’ CO-OPERATIVE STORES
AS THE EVER FIRST IN GREAT BRITAIN

1. INTRODUCTION

Co-operative Movement was reared up in different countries. In this chapter, we have to discuss on the emergence and development of consumer co-operative store in Great Britain.

2. BIRTH OF CONSUMERS’ CO-OPERATIVE STORES

England is the motherland for consumer Co-operative movement. In the latter half of the 18th Century, the impact of Industrial Revolution was felt. The rural population started to shift from villages to towns and cities. The change was a boon to some which to others it was a source of great insecurity, turmoil and poverty. The factory system created so many problems to the Government and the people viz., low wages, payment in truck, unemployment, labour disputes, exploitation of child labour and slums.

In the political sphere too, there were strong demand for universal suffrage, freedom of speech, press and association and the abolition of privilege. The economists, political thinkers and social workers all started applying their mind towards finding out a solution to these problems.
Adam Smith and his followers expounded the theory of competition. On the other hand, Robert Owen pointed out the way of escape from the evils of competition through organisation of equitable distribution.

According to Beer, “Owenite Socialism though, supplemented by deductions, from the Ricardian Theory of value was pacific, constructive, educational and non-political, class war-fare, passionate appeals to labour, demands for legal enactments and Government reforms were regarded as not only futile but directly detrimental to the cause of the people”.

Robert Owen was born on 14th May 1877. He was the captain of Industry. After the death of his father-in-law he became the proprietor of mills. When he began his career at New Lanak, he found the workers “idle, intemperate, dishonest, devoid of truth and pretenders to religion which they supposed would cover and excuse all their shortcomings and immoral proceedings”. For changing, Owen reduced the working hours, improved the working places into places of comfort, health and happiness. He refused to employ children. He employed all these methods at New Lanak and made it a success. He had a novel idea of establishing villages of co-operation on the same lines of as the New Lanak Establishments. But, all these ended in a failure owing to the unsuitable colonists, inadequate capital and poor sites.
3. OWEN AND MODERN CO-OPERATIVE MOVEMENT

As already stated, his schemes ended in failure, his principles and ideals had continued to inspire the co-operative movement. These principles are (i) abolition of private profits (ii) voluntary association (iii) common ownership of the means of production (iii) the utilisation of wealth of the community for increasing the happiness of mankind.

The modern co-operative movement is also adhering to the principles of association which was so dear to Owen, who believed in association, but not at the sacrifice of individuality of members. In modern co-operative movement, the identity of individual merged into that of the association, but there is a vast scope for the members to develop their individual personality. Owen's aim was to establish uniform colonies, but the modern movement had diversified its form. Despite of the deviations, the modern co-operative movement owes its existence to the ideals and principles advocated by Owen.

4. WILLIAM KING AND 'THE CO-OPERATOR'

In 1826, William Thompson started a Co-operative magazine and emphasised that the communities could be established by the working classes alone. It was Dr. William King of Brighton, who showed them the way in his 'The Co-operator'. Two co-operative organisations were formed in Brighton in 1827.


The first aimed at spreading the knowledge of co-operation.

The second was engaged in retail trade with the object of accumulating capital from the profits and eventually to establish a colony.

The co-operator was a monthly paper and spread these ideas. Dr. King was an ardent follower of Robert Owen, like whom he argued that poverty, disease and crime were chiefly the result of existing economic and social conditions. According the King, the getting of knowledge was one of the first principles of co-operation. Secondly, he advocated for a voluntary co-operation. He said, "Co-operation is a voluntary act and all the power in the world cannot make it compulsory, nor is it desirable that it should depend on any power, but its own - the interference of Governments would only cramp its energies and misdirect them". By 1830, when the co-operator was stopped.* More than 300 trading associations were productive undertakings were in existence, a number of co-operative journals were in circulation and the credit goes to Dr. William King.

5. ROCHDALE PIONEERS

In 1830, 'the Rochdale Friendly Co-operative Society' was formed by 60 flannel weavers. The period 1840 was popularly known as hungry forties,
which was worst in Rochdale. On 21.12.1844 the Rochdale Pioneers established a society with a working capital of £ 28 by 28 weavers, who were well-off, and running their own business. The aim was to show people the way to new and better social order.

6. OBJECTS

1. For the monetary benefits and improvement of its members.

2. Store a sale provision.

3. Build, purchase houses for its members.

4. Manufacture such articles for the benefits of unemployed and underemployed members.

5. Purchase and lease land for cultivation of members.

6. Production and distribution of commodities required by members.

7. Open a temperance hotel for the promotion of society among the members.

7. ADMINISTRATION

The pioneers framed elaborate rules for the administration. It was to be democratic. An Executive Committee was formed with the President, a Treasurer and a Secretary, three Trustees and five Directors. They were elected annually by the members. Quarterly general body meeting was conducted, where accounts and audit report submitted.
Weekly meetings were conducted for the Executive Committee. Duties, rights, responsibilities of members were clearly specified. Credit was to be neither taken nor given. Profits were shared among members in proportion to their purchases, and on shares 3½ per cent interest was given. Specific rules were framed to govern the management of the store. They were revised in 1885. There is no mention of selling the goods at current market prices of dealing in pure commodities, of true weights and measures and of political and religious neutrality.

8. RULES OF CONDUCT OF BUSINESS

In 1860, the Rochdale Society did make a statement in its annual meeting of the rules of conduct of business.

a. Common capital with fixed rate of interest
b. Pure provisions are procured and supplies
c. Full weight and measure should be given
d. Sale at market prices - no credit was given or asked.
e. Profits should be divided pro-rata upon the amount of purchases.
f. One member; one vote.
g. Democratic management.
h. Definite percentage of profits should be allotted to education.
i. Frequent statements and balance sheets should be presented to members.
The Rochdale Society went on with success. At the year end, the membership was 74, sale to £ 710, capital increased to £ 181, profit amount to £ 22. In 1847, the society, suffered a set back due to general depression in trade. In 1850, the membership increased to 600, capital to £ 2300. The savings rose to £ 13180 and profits to £ 9910. This enabled the society to undertake more services like drapery, tailoring etc. In the same year, they started a Co-operative Marketing Society, 'the Rochdale Equitable Provident Sick and Burial Society', the Co-operative Building Society, the Co-operative Insurance Society. In the field of education, they served a lot. The Rochdale Pioneer’s Society’s tremendous success is not restricted to their own locality or society, but to the entire world.

9. CONCLUSION

Thus, the Great Britain became the homeland for the emergence of the consumers Co-operative Stores. By following the footsteps of the United Kingdom, many countries formed these types of Co-operative Stores, Modern Consumers’ Co-operative Stores have been established on the foundations laid by Robert Owen and the Rochdale Pioneers.