Numerous attempts have been made to define Co-operation. In the widest connotation of the term, co-operation is regarded as a "way of working together" not for the individual alone but towards the attainment of social benefit and common good. To some co-operators it means a form of business organisation run on a democratic basis satisfying the multitudinous requirements of the millions from the cradle to the grove; while others hold that it represents a happy mean between individualism on the one hand and socialism and communism on the other. Some have found in co-operation a champion of justice, equity and fair dealing as between man and man and as an organisation of the weak who by isolated action cannot stand the exploitation of the haves.

C. R. Fay has defined a Co-operative Society as "an association for the purpose of joint trading, originating among the weak and conducted always in an unselfish spirit on such terms that all who are prepared to assume the duties of membership share in its reward in proportion to the degree in which they make use of their association."

Though the above definition is satisfactory in general, it does not cover within itself all the activities which can

be carried on co-operatively and that the twin attributes of honesty and a sense of moral obligation have not been given adequate emphasis. From that angle, the definition given by V. L. Mehta is comparatively more satisfactory:

"Co-operative credit is only one aspect of a vast movement which promotes the voluntary association of individuals having common economic needs who combine towards the achievement of common economic end they have in view and who bring into this combination a moral effort and a progressively developing realisation of moral obligation."

G. Richardson has defined co-operation as "the getting together of the people to do their own business with their own money for their own mutual advantage." This definition views co-operation as a form of business undertaking with self-help made effective by organisation to attain their common economic objectives by mutual aid and for mutual advantage. In the broadest sense, co-operation may be defined as a form of organisation in which persons voluntarily associate together on a basis of equality for the promotion of their economic interests and standard of living.

The forms of co-operative effort cover so wide a range of economic and business activity that the various expressions of co-operative organisation serve almost all the needs of men from the cradle to the grave in the field of

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1. V.L. Mehta: Co-operative Finance, Bombay Provincial Cooperative Institute, (Bombay, 1930), P. 2.
production, consumption and distribution. The Movement is as pervasive as the State itself and there are co-operatives which know no national boundaries federating themselves into international co-operative organisations. From Chungking to Chicago one may come across thousands of co-operators occupying their co-operative houses, supplied by their own stores, working in their own industries, financed through their own banks and entertained in their own theatres. The co-operatives in the world of to-day are of a "bewildering variety - the largest firm of wholesale grocers and flour millers in the British Isles, a little group of African village women collecting palm kernels in the wilds of Nigeria, a crew of Icelandic fishermen putting to sea in their trawler, careful French farmers insuring their cattle against loss by accident or disease, civil servants in war devastated cities rebuilding their bombed homes, Canadian farmers getting half their wheat of the prairies to market, Serbian peasants taking their sick to hospital, Malayan clerks running a bank, Russian tailoresses making army uniforms, Czech farmers wiring their houses and barns for electric light."

The division of co-operatives into the following main groups cover the whole range of co-operative activity in general.

1. Co-operative Credit Societies (known as Co-operative banks in some countries).

2. Co-operative Agricultural Societies.

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3. Co-operative Industrial Societies.

4. Consumers' Co-operative Societies (known as Consumers' Stores).

5. Lesser Co-operatives.

The co-operative credit society which finances the individual producers on comparatively easy terms, is of two kinds, the urban credit society and the rural credit society. The urban society generally deals with the industrial producers; the rural society serves the credit needs of the agricultural producers. The co-operative credit society supplies the producer with required capital for productive use at a reasonable rate of interest. It assists that class of people by providing cheap credit who would otherwise be driven to the moneylender for their financial needs. In rural as well as urban areas, wherever there are regular commercial banks, it completes with them for the custom of the small farmer or the townsman.

Structurally a co-operative credit society is very much similar to and in many cases intimately connected with an agricultural co-operative society. Both the agricultural co-operative society and the co-operative credit society assist their members without superseding their independence. The agricultural co-operative society covers a number of different channels as contrasted to the co-operative credit society which only deals with the financial requirements of the producer. In the first place, the agricultural supply society provides the farmer with the materials of agriculture.
such as seeds, manures, livestock, farm implements, etc. Secondly, there is the agricultural productive society which takes the produce raised by a member on his farm, standardizes it and sells it on the market. Thirdly, there is the agricultural sale society which takes the produce of the member that is ready for sale and markets it off in its original form without grading or processing.

"A co-operative industrial society, in the sense of a society of self-employed artisans, who use the society to provide themselves with materials or to sell their products is almost non-existent in the field of large-scale enterprise."^ However, in many countries of the world the co-operative societies have rendered invaluable help in the development of small-scale and cottage industries.

The consumers' societies or the co-operative stores as they are popularly called are organised from the standpoint of the consumer. A number of consumers organize themselves into co-operative societies to satisfy their requirements of consumer goods and services on terms of greatest advantage to them and to secure for the small man the benefits of large-scale operations. Such a co-operative organization undertakes retail distribution, wholesaling and sometimes manufacturing and processing of consumer goods and seeks to reduce trading costs by making buyers their own sellers as in the Scandinavian and other European countries.

The above forms of co-operative organization cover nearly the whole field of co-operative enterprise. There are,

however, other expressions of co-operative effort which may be passed on with bare reference. The prominent among these are: first, the workers' society where, "the daily work of the co-operating members is co-extensive with the actual co-operative processes, and the co-operating members are the workers themselves." In such a society the employees are their own employers, working under a self-appointed manager. Secondly, there is the Housing Society which is eminently co-operative owning the land and houses, and the members occupy the land and houses of their society. Thirdly, there is the co-operative insurance society which in recent times carries on all insurance business ranging from cattle insurance to life, fire, accident, automobile, electric and other plant-insurance. Fourthly, there are some Friendly Societies which while supplying medicinal requirements and such other aids serve the purpose of co-operation. An important form relates to the promotion of co-operative education which finds expression in the organisation of co-operative printing, publishing and propaganda work. There are among other co-operatives the transport co-operatives, co-operatives restaurants, hotels, recreationals, co-operative playgrounds, students' campus, etc. Building and loan associations, social clubs, athletic associations, mutual insurance companies and such other allied associations lie on the borderline of co-operation.

No theory or practice of the subject of co-operation is intelligible save in the context of its historical background. It is only in the light of the past that the principles, practice and the growth of the modern Co-operative Movement can be properly understood.

The co-operative distributive societies, which had been the subject of unsuccessful experiments during the earlier years of the nineteenth century, were started successfully with the establishment of the Rochdale Society of Equitable Pioneers in England in the year 1844 and that marked the beginning of the modern co-operative Movement. The laissez-faire policy of the State in relation to trade and industry at the time and the emergence of consequent abuses provoked much agitation against the Benthamite ideal of the greatest happiness of the greatest number in a society without any restraint from the State. Though no long and expanding series of successes had ever followed any efforts at co-operation before 1844, Robert Owen, Charles Fourier, William King, Charles Gide and their followers had by their efforts created an atmosphere for the successful thriving of the co-operative organisation. Earlier recessions in the establishment of co-operative efforts on a strong foothold were due to the emphasis more on idealistic than on practical side of things, and less opportunity for the emergence of ability and leadership, among the working classes of that period.

Modern co-operative Movement, as said above, dates back from the establishment of the Rochdale Society of Equitable Pioneers in 1844. Before the organisation of the
society at Rochdale, it was a woolen and cotton milling town inhabited by nearly 25,000 people who eked out a miserable living. The state of weavers at Rochdale was pathetic. Hours of labour were unbearably long. No safeguard or security existed against injury, ill-health or old age. Insanitary and unhealthy conditions prevailed in Rochdale factories — typical of conditions in other industrial towns of the country. An early writer said, "even the sun had given up all attempts at shining, either in disgust or despair". Wages were incredibly low and the workers were startled at the rapidity with which they were being displaced by machines in the first flush of the Industrial Revolution.

History abounds in richness with the records of man's search for practical means of working together for service and the spirit of mutual aid. As a result of a loss of strike in 1843, the weavers finding them unemployed, organised themselves into a society of 28 members including a woman, to realize their old dream of owning the factories and the stores. At a meeting they decided to become their own merchants, bankers, traders and captains of industry.

The following were the objects of the Rochdale society as set out in its rules for purposes of organisation:

"The objects and plans of this society are to form arrangements for the pecuniary benefits and improvement of the society and domestic conditions of its members, by raising a sufficient amount of capital, in shares of one pound each, to bring into operation the following and arrangements:
"The establishment of a store for the sale and provisions and clothing, etc.

"The building, purchasing or erecting of a number of houses in which those members desiring to assist each other in improving their domestic and social conditions may reside.

"To commence the manufacture of such articles as the society may determine upon, for the employment of such members as may be without employment, or who may be suffering in consequence of repeated reductions in their wages.

"As a further benefit and security to the members of this society, the society shall purchase or rent an estate or estates of land, which shall be cultivated by the members who may be out of employment or whose labour may be broadly remunerated.

"That as soon as practicable, this society shall proceed to arrange the powers of production, distribution, education and Government, or in other words to establish a self-supporting home colony of united interests, or assist other societies in establishing such colonies.

"That for the promotion of sobriety, a temperance hotel may be opened in one of the society's houses as soon as convenient." 1

With a constitution drawn up and a meagre capital of £28, they appointed a committee to rent a store. On a payment of three months' rent in advance, they could secure with great trouble a store on the groundfloor of the Toad Lane, "then a dirty, winding and as unattractive a street as the name implies," 2

but to-day the shrine of co-operators all over the world who visit the first successful co-operative store. Half of the £28 capital went for the equipment and improvement of the building and the other half was invested in a small stock of flour, sugar, butter and oatmeal. On the 21st of December, 1844, Samuel Ackworth, the first employee of the co-operative, declared open the doors of the store, announcing that the society was ready for business. The society expanded decade after decade until recently its membership numbered more than 45,000 persons, and the capital was over half a million £s.

From an humble beginning, the group worked out what are known as the Rochdale principles, the tested methods of the co-operative Movement capable of adaptation to different countries and climes. The key to their success and continuity depended upon the following just and democratic principles.

1. **Open membership:** The membership shall be open for everyone irrespective of sex, religion and race. It shall be voluntary. Membership is denied to a person who would injure the society.

2. **Democracy of control:** A co-operative society shall be democratically controlled. Each member shall have one vote and no more irrespective of the number of shares held. Voting by proxy shall not be allowed. There shall be a limit to the holding of shares by an individual member. Members shall have by such an arrangement equal voice and influence in the management of the affairs of the society. Women shall enjoy the same rights as men.

3. **Sale at market price:** Sale of goods and services by a society shall be at a price prevailing in the competing
profit businesses in order to avoid antagonism of other traders by a policy of undercutting. It is almost impossible to determine the price of a commodity in advance due to a number of uncertain economic factors. Again, such a policy of selling goods at the current market price supplies capital for the business, makes expansion possible and permits assistance to other weaker co-operatives.

4. **Fixed limited "wage" of capital:** Capital invested in the society if it receives interest, shall receive a fixed percentage not exceeding the prevalent rate in the market. Capital shall be the servant of the people and not their master.

5. **Distribution of profits:** After making provision for the payment of interest on capital, on any loans or deposits which the society might use and for the accumulation of reserves, what remains as residue shall be distributed as a dividend to the members who patronize the society on the basis of purchases. Such a policy eliminates the profit motive in business and industry which is the fundamental objective of co-operative undertakings. It also means sale at cost price to the members of the society. This reward on the purchases is the best form of advertisement and attraction to non-members. Such a policy claims loyalty of the members who are attracted to purchase from their society to expand its business cumulatively.

6. All business shall be done strictly on cash basis.

7. A fixed percentage of the net profits shall be used for educational purposes in the field of co-operation.
8. Labour shall be fairly treated.

9. Co-operatives shall be strictly neutral in religion and politics. Women shall be equally enjoying rights as men.

10. Beginning with distribution or the rendering of service to the members, the society shall aim to expand its business into other fields of service, such as undertaking the production of goods needed by their members, and finally to secure access to raw materials.

11. Co-operatives shall help one another. A co-operative society shall unite with neighbouring co-operative society to form regional co-operative federation, which in turn shall try to unite into national and finally into international co-operative organisations.

Though the Rochdale pioneers did not discover anything new in the sense that there existed co-operative societies many years before the Rochdale period applying some of the principles formulated by them, they combined the stray principles and business methods which time has proved essential to success and which serve as a guide to co-operators all over the world.

The principles formulated by the Rochdale pioneers aim at a co-operative organisation which shall endeavour "to supply such needs of its members as a social organisation can supply, to attain the control of production, to encourage the membership, to create national organisation in every country, and to effect a union of societies of the world into an international organisation having the same common purpose.
as the primary societies." ¹ These simple principles propagated by the Rochdale weavers as a basis for domestic thrift and rudimentary social service are being used "through Chinese industrial Co-operatives to equip the land-locked armies of China; to raise the standard of life of the native population of the African colonies; to market the agricultural products of the new World; to finance the agriculture of Denmark and many other nations; to get the Indian ryot and the Illinois mechanic out of debt; to provide houses for civil servants in Mexico or the Argentine; to provide medical services for the American clerk; convalescent treatment for his English counterpart; to run a factory in Cuba or California; and to sell milk to a third of the population of Great Britain."²

Whether depression or war, the Movement has grown phenomenally. The peaceful revolution wrought by the Rochdale principles have proved that the cooperative system stands for the recognition of human values. Benefits in a number of ways have followed the adoption of the Rochdale principles into practice; such as the high standard of service, quality goods, straight and just dealing, elimination of profiteers and middlemen, higher standards of remuneration, reasonable hours of labour, education in democracy, fostering of a sense of responsibility and placing of human interest above that of property.