

Pre-Print Version. For the final version of the chapter, please refer to: Freire, Dulce; Pereira, Joana Dias (2015), Consumer co-operatives in Portugal: debates and experiences from the 19th to the 20th century, in Mary Hilson, Silke Neunsinger and G. Patmore (Eds.), *A Global History of Consumer Co-operation since 1850: movements and business*, Leiden: Brill Publishers.

Consumer co-operatives in Portugal: debates and experiences from the 19th to the 20th century

Dulce Freire¹

Instituto de Ciências Sociais, Universidade de Lisboa
(Institute of Social Sciences, University of Lisbon)

Joana Dias Pereira²

Instituto de História Contemporânea, FCSH, Universidade Nova de Lisboa
(Institute of Contemporary History, FSSH, New University of Lisbon)

¹ This book chapter is part of the research project «Portuguese agriculture: food, development and sustainability (1870-2010)», funded by Fundação para Ciência e Tecnologia and that is being developed in ICS-Universidade de Lisboa (PTDC/HIS-HIS/122589/2010) [<http://www.ruralportugal.ics.ul.pt>].

² This book chapter is part of the PhD research project, funded by Fundação para a Ciência e Tecnologia developed at FCSH- Universidade Nova de Lisboa (SFRH/BD/46634/2008), pursued in a post-doctoral project about civil society global history (SFRH/BPD/93482/2013).

Introduction

This chapter seeks to deepen the current state of knowledge concerning Portuguese consumer cooperatives. The analysis is focused on the period between the first legislation on co-operatives promulgated in 1867 and the fall of the dictatorship in 1974. Portugal is not considered an example of success in consumer co-operation. Instead, successive generations of co-operators have stressed the difficulties experienced in developing a sustainable and integrated co-operative movement. This interpretation has also been adopted in the historiography³. It has been argued that the debility of the national co-operative movement is partly explained by the feeble industrialization and the low proportion of the working class within the Portuguese population. The crisis of liberalism in the last decade of the nineteenth and early twentieth centuries, conservative reaction, and the rise of fascism and the implementation of a corporative and authoritarian state in Portugal also need to be considered. Finally, the bicephalous character of Portuguese industrialization and urbanization - with a significant development only in Lisbon and Porto - prevented the creation of a national network.

Further research revealed, however, that co-operatives played an important role in a significant number of local communities, together with other grassroots associations. Focusing on the Portuguese case, we use transnational comparisons to help achieve a broad understanding of the influence of political processes on the development and global diffusion of consumer co-operatives.

Historically, the rise and the development of a *third sector* can only be understood as part of a global phenomenon related to the expansion of capitalism, state construction and civil society initiatives. As this analysis covers a long period, which was marked in Portugal by different political regimes and the impact of several economic crises, this study aims to explore the relationship between consumer co-operatives, capitalism and the state, within these complex historical conjunctures.

The concept of civil society will be used to provide a perspective on voluntary civic investment in autonomous associations, their historical meanings and political impact. In the Tocquevillean tradition, the concepts of civil society and social capital tend to be related to processes of popular political integration in analyses of the *third sector* or *voluntary sector*. The European scholarly tradition, however, has stressed the dissident and autonomist dynamic of associations and social movements. Despite the ambiguity of these concepts, their analytical validity has been demonstrated in studies relating civil society to the construction of the modern state, drawing attention to social organizations and their repertoires, trajectories and social and political impact.⁴

We will consider cooperatives as collective actors and their structures as containers of social capital based on trust, inherited from ancient craft and communal solidarities. Their evolution cannot be understood other than within the general political process, since liberalism, reformism, conservative reaction and authoritarianism powerfully shaped collective action and organizational resources.

³ Cristina Granado, *Cooperativas de consumo em Portugal. Percurso para a integração económica*. Lisboa 1998.

⁴ Robert I. Rotberg, *Patterns of Social Capital: Stability and Change in Historical Perspective*. Cambridge 2000, pp5 et seq.

The article is divided in two parts. In the first part, we consider the role of political elite inspired by nineteenth-century philanthropic values, who imposed a top-down dynamic on the development of co-operatives. Rescuing the original theoretical construction of the concept of social capital, we analyze co-operative relationships as a resource⁵ likely to be appropriated by different actors⁶. As will be shown, while co-operatives were containers of social capital within communities and in a national public sphere, they were also appropriated by subordinate agents as a means of resistance against the market economy and state strategies, especially during economic crises and repressive political regimes.

As we will illustrate, growing state intervention in the economic and social spheres, which accelerated during the First World War, instigated the translocal articulation and politicization of the co-operative movement. Like other national contexts where the outcome of the crisis of liberalism was an authoritarian regime, the Portuguese case provides insights into how the state's inability to integrate the demands of civil society induced its politicization and polarization, leading to the fall of democracy.⁷ The regime forced most associations, like friendly societies or unions, into official corporatist structures. As economic societies, however, co-operatives preserved a relative autonomy, even though they were kept under government surveillance.

In the second part of the article, the intention was to complement an analytical reading of co-operation with empirical data related to the concrete experience of Portuguese consumer co-operatives. Unfortunately official statistics are scarce and unreliable and thus do not allow a precise characterization, while the gap in research also leaves unanswered questions. Nevertheless, the information available on the location of co-operation, the involvement of different social groups and the organisational forms that were adopted allows us to complete this essay with a deep grassroots analysis, also drawing on the best-known case studies.

As has been observed for several different national contexts, such as Britain,⁸ consumer co-operatives in Portugal were rooted in neighbourhood networks and emerged particularly in working-class socio-spatial contexts, such as the emerging industrial belts of the two main Portuguese cities Lisbon and Porto. Empirical studies and theoretical discussions⁹ have pointed out the importance of spatial networks as a fundamental tool to understand the relationship between the uncertainty of the everyday life of working-class families and the different strategies adopted to deal with it. These could diversify into informal networks of mutual aid or the foundation of a consumer co-operative.¹⁰ Social capital theory, understood as the ability of individuals to act collectively and create networks, allowed historians to trace the line which connects traditional solidarities with the nineteenth-century popular associations and the workers' movement, showing how ancestral networks of trust are the containers of collective action.¹¹

⁵ Pierre Bourdieu, "The forms of capital" in J. Richardson, (ed.), *Handbook of Theory and Research for the Sociology of Education*. New York 1986, pp241-258

⁶ J. Coleman, *Foundations of social theory*, Cambridge 1990.

⁷ M. Diani, B. Edwards & M. W. Foley, (eds), *Beyond Tocqueville: Civil Society and the Social Capital Debate in Comparative Perspective*. Hanover 2001, pp7 et seq.

⁸ Nicole Robertson, *The Co-operative Movement and Communities in Britain, 1914-1960: Minding Their Own Business*. London 2010.

⁹ Joana Dias Pereira, *Produção Social da Solidariedade Operária: o caso de estudo da Península de Setúbal 1890-1930*. PhD Dissertation, Lisbon 2013.

¹⁰ Michael Savage, "Space, networks and class formation". in *Social Class and Marxism*. Aldershot 1996.

¹¹ Robert I. Rotberg, *Patterns of Social Capital: Stability and Change in Historical Perspective*. Cambridge 2000, pp5 et seq.

We also intend to highlight some common points observed between the Portuguese case and the shared history of the international co-operative movement.¹² We will show how Portuguese co-operative legislation was related to the international discussion on state intervention in social questions. We will also analyse the transnational diffusion of ideas or cases and show how different models were imported and adapted in different socio-political conjunctures.¹³ Observing how transnational ideas and projects were received by Portuguese co-operatives, we can present an overview of how co-operatives were embedded in community practices. Finally, we focus on the efforts of Portuguese co-operators to establish relations with international organisations. With these contacts they wish to upgrade proposals and know new experiences that could promote the development of cooperatives in Portugal.

1. Co-operative ideals: debates and proposals

1.1 The era of liberalism (1867-1933)

Modern co-operative values were disseminated in Portugal from the second half of the nineteenth century, following the initiative of the Rochdale Pioneers (Manchester, 1844) and the revolutions of 1848. Political elites, intellectuals and workers sought to foster the creation of cooperatives in various economic and social spheres. Between the last decades of the 19th century and the first thirty years of the 20th century, co-operative initiatives were strongly disputed by social and political agents seeking to transform Portuguese society.

On 2 July 1867 the first legislation on co-operatives in Portugal was promulgated. This recognized “spontaneous and free association, (...) the co-operation of individual wills and forces, based on mutuality or reciprocity of services”. Until then, the only formula for the recognition of working-class associations was mutualism. The so-called *Basilar Law*, one of the first statutes in the world to recognize co-operatives, was inspired by the Rochdale Pioneers and the development of the co-operative movement in Europe and was intended to change this reality.

The 1867 legislation was compatible with the 19th century liberal philanthropic movement inspired by Saint-Simon and Charles Fourier. The law gave legal existence to “societies organized with variable and indeterminate capital, for an unlimited number of partners, with the objective of assisting each other by developing industry, credit and domestic economy”. Government leaders believed that workers’ associations could prevent the labour unrest arising from industrial progress. The *Basilar Law* on co-operatives falls within the broader process of the emergence of social legislation in Portugal. The law made a distinction between employers and workers, as well as recognising the existence of conflict between capital and labour.¹⁴

¹² Michael Werner & Bénédicte Zimmermann, “Beyond Comparison: Histoire Croisée and the Challenge of Reflexivity”. *History and Theory*, 45, 1., 2006, pp30-50.

¹³ André Gueslin, *L'invention de l'économie sociale: idées, pratiques et imaginaires coopératifs et mutualistes dans la France du XIX^e siècle*. Paris 1998, p16.

¹⁴ *Colecção de documentos acerca de sociedades cooperativas* (Collection of cooperatives society’s related documents). Lisboa 1871.

Within this context the government sought to encourage the moderate current of the labour movement. It instructed one of their organizations – *Centro Promotor de Melhoramentos das Classes Laboriosas* (Central Organisation for the Improvement of the Working Classes) - to distribute a collection of laws, opinions and models of official statutes. In January 1872 the organisation published a manifesto in which it “advises countryside and city workers to embrace each other fraternally and to constitute a national society of class solidarity, forming cooperatives of consumption and production.”¹⁵

Among the liberal elites were some outstanding intellectuals who promoted the social role of civil society. The most prominent of these in the second half of the nineteenth century was Costa Goodolphim. He was the author of the most important works on welfare and associations¹⁶ and also a key activist in the international political arena, representing Portugal in several international congresses, like the *Congrès scientifique international des institutions de prévoyance* in 1878, and as a honorary member of many different voluntary associations and federal structures in Europe. However, Goodolphim stressed the influence of his predecessors as the “true apostles of cooperatives”, such as the intellectual and philanthropist Sousa Brandão and the founder of the *Partido Socialista Português* (Portuguese Socialist Party) José Fontana.¹⁷

The impact of the Commune of Paris and industrial development during the second half of the 19th century provoked a rupture in the Portuguese working-class movement, giving rise to a radical current which turned away from the collaborationist philanthropic tradition. In 1872, following the outbreak of the first strikes, the workers' movement was divided. A second trend emerged from an integration of the original liberal and democratic current with republicanism, which resulted in the *Partido Socialista Português* (Portuguese Socialist Party). In the same year date, the *Centro Promotor de Melhoramentos das Classes Laboriosas* was replaced by the *Associação Protectora do Trabalho Nacional* and the *Fraternidade Operária* (Workers' Brotherhood). The newspaper of this second association – *Pensamento Social* (Social Thought) - already conveyed the Marxist conception of class struggle.

The PSP tried to cover all the workers' organizations and included representatives of co-operatives in its first central council elected in 1876. For socialists, co-operatives were understood to play a leading role as “islands of peace” in the current exploitative society and would provide the “foundations” of a new social order. Unlike the liberal philanthropists, socialists advocated “the exclusion of owners and their representatives from workers' societies... in order to avoid domination and servitude.”¹⁸ The co-operatives were designed as means of action for the proletariat, intervening either politically or through strikes.

The agenda of the third national Socialist conference in June 1901 included the specific question of “how to raise the party's cooperatives and guide them in socialist ideals”. Socialists advised that the profits of cooperatives should have three uses: the promotion of socialist propaganda, working-class education and creation of funds to help disabled

¹⁵ Manuel Joaquim de Sousa, *O Sindicalismo em Portugal*. Porto 1972, p35

¹⁶ Such as *A Associação, historia e desenvolvimento das associações portuguesas*, Lisboa 1876 or *A previdência: associações de socorro mutuo, cooperativas, caixas de pensões e reformas, caixas económicas*. Lisboa 1889.

¹⁷ José Costa Goodolphim, *A previdência: associações de socorros mútuos, cooperativas, caixas de pensões e reformas, caixas económicas*. Lisboa 1889, p43

¹⁸ César Nogueira, *Resumo Histórico dos Congressos e Conferências do Partido Socialista Português (1871-1926)*. Porto 1932, pp13 et seq.

workers.¹⁹ Until the early 20th century, cooperatives were thus closely related to workers' associations, believing in the associative principle as an instrument of social emancipation. This postulate encouraged the general working-class movement and was also at the root of other platforms, such as the *Grupo de Propaganda Social* (Social Propaganda Group), which brought together socialists, anarchists and 'pure' syndicalists under the banner of unity and political neutrality. This project gained significant moral and material support from cooperatives. Nevertheless, cooperatives continued to be linked to the trade union movement, as demonstrated by the holding of the first syndicalist and cooperative congress at the premises of the most important Lisbon cooperative, *Caixa Económica Operária*.²⁰

Simultaneously, however, an ideological current defending the autonomy of the cooperative movement was becoming increasingly influential. The political ties connecting cooperatives to socialists, anarchists and syndicalists were being progressively blurred. As Sérvulo Correia, Rebelo de Andrade and other authors have observed, cooperatives became associations open to all consumers, politically and religiously neutral.²¹

Several factors contributed to these changes in the cooperative movement. From the beginning of the 20th century Republicans fought for the hegemony of urban popular sociability against socialists, anarchists and syndicalists, spreading the ideas of the Nîmes school co-operator Charles Gide whose work was first translated into Portuguese in 1908²². In Gide's conception of co-operation, sovereignty belonged to the consumers who would lead a social and economic transformation through three stages: ruling distributive trade, extending cooperatives to industry and, finally, to agriculture. In this way it would become possible to extinguish profit. Portuguese co-operators, such as João Henrique Ulrich and Emygdio Fernando da Silva, emphasized in their articles and speeches the importance of "establishing the fair value of things" and "suppressing the constant concern for profit" or "controlling production and distribution of goods".²³ These arguments gained significance in the context of World War I, stressing the social function of consumer cooperatives.

After the war, socialists attempted to take control of the consumer co-operative sector. In September 1919, the PSP agreed to give co-operatives a central role in the campaign against the profiteers. Socialists mobilized to try to influence cooperative movement and connect it to the mutual aid associations, the other mass organizations under their control. The party sought to set in motion a political movement, arguing that "cooperation is a means of Socialism" seeking to challenge the leading role of capital in distribution. In this sense, socialist proposals were based on the cooperatives' role as price regulators, for wish they demand State support."²⁴

The foundation of the Federação Nacional das Cooperativas (National Federation of Cooperatives - FNC) in 1920, as the first organization seeking to coordinate consumer cooperatives, mirrored this eclectic amalgam of ideological tendencies in the cooperative movement. The Federation was supported by very different and in some cases antagonistic social and political agents. Nevertheless, the cooperative movement sought to play an important political role in the exceptional context of the economic and social crisis of the

¹⁹ Ibidem.

²⁰ Joana Dias Pereira, *Sindicalismo Revolucionário: a História de uma Idéia*. Lisboa 2011, pp42 et seq.

²¹ J. M. Ribeiro Sérvulo Correia, *O sector cooperativo português: ensaio de uma análise de conjunto*. Lisboa 1970, pp44 et seq.

²² Charles Gide, *As sociedades cooperativas de consumo*. Lisboa 1908 (translated by Ricardo Jardim).

²³ I. Rebelo Andrade, *Cooperativismo em Portugal: das origens à actualidade*, Lisboa 1981, p20

²⁴ *O Combate: Órgão do Partido Socialista Português* (The Combat: organ of the Portuguese Socialist Party), September and October 1919

1920s. At the first cooperative congress, in June 1921, the FNC's President stressed the movement's role as a "fruitful, fair and great achievement of man against the brutally creative, expansive, dominating and transforming action of capitalism", defending consumers from the "*oligarchy of profiteers*". The President wished for the political and religious independence of the movement in order to ensure the "economic, moral and national emancipatory conversion of Portuguese society."²⁵ But the Federation had a short life, ceasing its activities in the mid-1920s.

It is to emphasize the support of the State for this initiative. In fact, as in other national contexts, it was during and especially after the war that the Portuguese authorities showed real intentions of promoting the movement as a way to mitigate the serious problem of shortages. Indeed, it was noted that the "public authorities view with sympathy the emergence of an institution that could help them combat the cost of living."²⁶ In 1921, the president of FNC was even invited to join the government. The invitation was refused, but the Federation took part in an official committee to study the economic situation.

In the years following these proposals were prevented by economic crisis and the increase in unemployment, in parallel with the rise of conservative political tendencies. It is important, however, to emphasize their historical relevance. The attempt to extend state intervention in economic and social spheres with the support of civil society has been tried in other areas, for example by implementing general social insurance through friendly societies. This was a radically different path from the one imposed by the authoritarian regime, which liquidated voluntary associations in order to extend state control of economy and society.

1.2 The era of dictatorship (1926-1974)

The military coup of 28 May 1926 changed the course of national politics with a severe impact on civil society, which lasted until the Carnation Revolution of April 1974. During these decades, the country was ruled by two dictatorships: a military dictatorship (1926-1933) and a kind of fascist corporatist State called *Estado Novo* (New State, 1933- 1974).

Despite the many limitations imposed by the military dictatorship, the years before the consolidation of *Estado Novo*, in 1933, were particularly favourable to the diffusion of cooperative ideas and many voluntary associations were able to maintain some of their activities. This renewed interest was rooted in external and internal factors. Among the first, the impact of the Great Depression from 1929 was particularly relevant. The deep economic crisis, making visible the negative effects of the capitalist system, stimulated the search for alternatives to the prevailing organisation of economic activities. In the Portuguese context, the intense political disputes that characterized these years gave opportunities to the cooperative movement to gain relevance in the strategies of some of the political and social agents who were seeking to impose themselves. For example, before it was banned in 1933 the Portuguese socialist party created a committee to monitor the cooperative movement and the party's newspaper continued to provide information about cooperatives.

²⁵ Call for the 1st Cooperative Congress, 1921. Arquivo Histórico-Social. Instituto de Ciências Sociais, Universidade de Lisboa

²⁶ «A obra da Federação Nacional das Cooperativas» in *A Acção Cooperativa*, 6 de Janeiro de 1923, p1-2

With the new political constitution of 1933 and the consolidation of the dictatorship, *Estado Novo* began to create an extensive network of corporate bodies. Corporatism, denying the existence of class struggle, did not recognize the contradictions between labour and capital. The corporatist institutions, presented as a platform which harmonised the interests of employers and workers, became the main institutional intermediary between state and society. The supporters of the dictatorship also disputed and sought to appropriate cooperative proposals, integrating them into the doctrine and corporative system of the regime. In the 1930s corporatism was presented as an alternative to economic and social organization - a third way between capitalism and socialism – in which cooperatives could play an important role.

From 1933 onwards, the parties were outlawed, the press censored, the voluntary associations strongly persecuted and most working-class organizations forcibly closed. Trade unions and other associations were banned and replaced by dozens corporatist institutions controlled by the State. Legally, consumer co-operatives could continue to exist because they were not considered associations but commercial societies, formed in accordance with the commercial code of 1888, which was not amended by the *Estado Novo*. Despite the legal framework that allowed cooperatives to continue their economic and social functions, any suspicion of political activities could be considered subversive enough to cause the compulsory closure of an institution. It became obvious that the authoritarian *Estado Novo* was not compatible with the democratic and emancipatory values of the cooperative movement. Despite the restrictions imposed by the dictatorship, it is still not known how each organization sought to preserve cooperative principles. Nor is much known about the fate of most of the 336 consumer cooperatives recorded in 1926.²⁷

The *Estado Novo* regime had no interest in fostering a cooperative spirit, but sought to use cooperatives in order to impose the authoritarian system. The functions of cooperatives were discussed, for example, at a National Assembly session in April 1937²⁸. In this session, the Portuguese situation was analyzed in comparison with the existing institutional systems in countries such as Switzerland, France and Italy. The regime favoured the producer cooperatives related to agriculture. The main concern of the state was not to promote the participation of small producers, but only to control the prices charged by various economic agents, especially merchants²⁹. In that, cooperatives could play a useful role within the corporatist system. Corporatists argued that this system would ensure an efficient coordination of the network of cooperatives.

The dictatorship regime encouraged the creation of new cooperatives, particularly in productive subsectors dominated by small farms (wine, fruit, milk, olive oil). This cooperative network, greatly expanded after World War II, was always dependent on corporatist institutions and its activities were limited by its position in the economic and political custody of the dictatorship. Before the fall of the regime in 1974 there emerged about 400 cooperatives involved in activities associated with agriculture production³⁰.

²⁷ Cristina Granado, *Cooperativas de consumo em Portugal. Percurso para a integração económica*. Lisboa 1998, p53

²⁸ One of the sessions took place on April 10 (*Diário das Sessões da Assembleia Nacional. I Legislatura (1935-1938)*). Lisboa 1937.

²⁹ Fernando O. Baptista, *A política agrária do Estado Novo*. Porto 1993.

³⁰ Dulce Freire, «Cooperativas», *Dicionário História Portugal 1974-1976*. Porto 2015; Fernando O. Baptista, *A política agrária do Estado Novo*. Porto 1993; Henrique Schwartz Silva, “Cooperativas de Portugal” in *Anuário de Estudos Cooperativos*. Bilbao 1995

In practice the cooperative movement was divided into two spheres of action between 1933 and 1974. The cooperatives linked to production were subject to strict government approval through the Ministry of Economy and were controlled by the interest groups that supported the dictatorship. On the contrary, the consumer cooperatives that remained, covered by the commercial code of 1888, were influenced by different strands of opposition to the dictatorship that sought to keep alive the original cooperative spirit.

With the consolidation of the dictatorship and the destruction of the network of free popular associations, consumer cooperatives and the democratic values that they represented were to be defended by several groups resisting authoritarianism. One group gathered around the journal *Seara Nova* (New Harvest), which since 1921 had included some of the most renowned Portuguese intellectuals from various political tendencies, including republicans, socialists, anarchists and communists. From the military coup of 1926 this movement was seen as a front to fight the dictatorship. Several cooperative enthusiasts belonged to this group, among them António Sérgio, intellectual and politician, who became the leading theoretician and booster of Portuguese cooperatives.³¹ In 1937, members of this group translated Charles Gide's cooperative programme into Portuguese and published it in the *Seara Nova* collection with a foreword by António Sérgio.³² In the same year a small book written by this author was also published under the title of *Introdução ao actual programa cooperativo (Introduction to the current cooperative program)*³³, which follows the text published in the preface to the Gide work.

From the 1930s the role of consumer cooperatives in the constitution of a national and international cooperative movement became more consistently theorized. On the one hand, this type of association was not a target for the controlling actions of the dictatorship, thus allowing the democrats to maintain spaces of sociability. On the other hand, the works of Charles Gide and Georges Fouquet became more widely disseminated and discussed, due to the influence of António Sérgio, who had had contact with these authors during his exile in France. The reflections of António Sérgio were changing, but the consumer cooperatives had always been at the centre of his conception of a social model.

In 1937, when the effects of the Great Depression were still fresh and the Spanish Civil War (1936-1939) threatened the regularity of supply in Portugal, António Sérgio stressed the role of consumer cooperatives in allowing the suppression of profit and pursuing distribution instead of selling.³⁴ Consumer cooperatives could suppress profit and stimulate the expansion of cooperatives in all areas of economic activity. The creation of a cooperative retail warehouse, a cooperative federation and a wholesale would extinguish intermediary profit. By promoting the creation of industries and the distribution of goods at the cost of production, cooperatives could abolish industrial profits. By acquiring land, engaging in agricultural production and distributing goods through the members, the movement could eliminate land profit. Finally, by founding banks, financial gain could be eliminated. In this system there was no selling, so there was no profit, promoting low prices and abundance. The consumer cooperatives could end wars and economic conflict. If basic needs were met, the human spirit would be free to focus on reflection, arts, science and literature. For António Sérgio, the consumer cooperatives were the key instrument for social change, since they met basic material needs and performed educational duties – such

³¹ João S. Leite, *Boletim Cooperativista. António Sérgio e Discípulos*. Lisboa 2012.

³² Charles Gide, *O programa cooperativista*, Seara Nova. Lisboa 1937.

³³ António Sérgio, *Introdução ao actual programa cooperativista*. Lisboa 1937.

³⁴ António Sérgio, *Introdução ao actual programa cooperativista*. Lisboa 1937, p12.

as the diffusion of fraternal spirit and initiative to solve problems - essential for the expansion of democratic values.

In the context of political dictatorship, consumer cooperatives had at least one advantage: without policy interventions, integrated in the environment of capitalism but outside the State, they would be allowed to begin solving problems immediately “through the free initiative of cooperative members, and so in a calm, peaceful, essentially creative and experimental form: suppressing the danger of creating a class of bureaucrats who tyrannize the rest of the population”³⁵. Defending these ideas after World War II, António Sérgio became one of the main leaders of the consumer cooperative movement.

In his book *Confissões de um cooperativista* (Confessions of a Cooperativist), published in 1948, António Sérgio reaffirms his view of the cooperative movement as a “more perfect civilization, in which the reality of state intervention and economic planning is reconciled with the freedom of worker’s control and with the existence of the initiative of consumers.”³⁶ In his view, the cooperative movement reflected the “people’s march to emancipation”, which should be based on an institutional and economic domestic organization. Sérgio proposed the creation of an Economic Congress of the Portuguese People. The economic plans for the whole nation would be integrated into a global master plan, outlined by a council chosen by the Universal Cooperative Confederation or the International Cooperative Alliance. Trade between the nations would be managed by the cooperative federation, through the international cooperative bank and the Co-operative Wholesale Society³⁷. For António Sérgio, and for many of his followers, these ideas were utopian in the sense that they were prospective ideas.

The group that gathered around António Sérgio and met regularly at his home promoted theoretical discussion and activities related to consumer cooperatives. In 1951, the group started the publication of the *Boletim Cooperativista* (Cooperative Bulletin). Four years later, they constituted the UNICOOPE- União Cooperativa Abastecedora (Cooperative Union’s Supplier or second level cooperative). Many of these initiatives were developed on the threshold between legality and illegality, which led to the arrest of some activists, including António Sérgio, and they brought together various political tendencies such as socialists, republicans, communists, anarchists and social catholic’s to reinforce the democratic front that fought the dictatorship since the end of Second World War.

By the mid-1950s, Charles Gide’s dream of the Cooperative Republic was becoming more and more criticised. It was stressed that business objectives outweighed the cooperative values. In 1958, Henrique de Barros, agronomist and a member of the António Sérgio group, published a study attacking these projects of universal cooperative organizations. He considered that agricultural production businesses belonging to consumer cooperatives were functionally similar to private companies³⁸. His approach contributed to raising theoretical obstacles that hindered integration of production and other kinds of cooperatives created since the Second World War into the wider movement.

The theoretical debates and the growing number of new specialized cooperatives led António Sérgio to review the initial proposals. He abandoned his previous conceptions,

³⁵ António Sérgio, *Introdução ao actual programa cooperativista*. Lisboa 1937, p17.

³⁶ António Sérgio, *Confissões de um cooperativista*. Lisboa 1948, p11

³⁷ António Sérgio, *Confissões de um cooperativista*. Lisboa 1948, p14-15

³⁸ Henrique de Barros, *Alguns problemas da estrutura agrária portuguesa perante o cooperativismo, Iniciação Cooperativista*. Lisboa 1958.

adopting the theory of a *complete cooperative sector*. Although there were other interpretations of the role of cooperatives in Portuguese society, the proposals and initiatives inspired by António Sérgio (who died in 1969) dominated the debate until the 1974 Revolution. In fact, after the Revolution many changes occurred in the Portuguese cooperative movement. For example, the UNICOOPE was extinct and replaced by other federations aiming to frame the consumer cooperatives explosion that emerged with democracy³⁹. In 1976, was established the Instituto António Sérgio do Sector Cooperativo (António Sérgio Institut for the Cooperative Sector) and, in 1980, was published a *cooperative code*, the specific legislation for cooperatives. For both initiatives was crucial the influence of Henrique de Barros. Some of these new initiatives that became possible in a democratic system were closely related to the debates and experiences developed during the previous decades of dictatorship.

2. The Trajectory of the Portuguese Cooperative Movement 1867-1974

2.1 The era of liberalism (1867-1933)

In this part of the chapter, we examine the development of cooperatives from the perspective of social movement research. In our analysis, we found that competition among republicans, socialists, anarchists and communists empowered the cooperative movement, because it implied the involvement of different social and political groups. In some periods and socio-spatial contexts, popular participation in the advance of consumer cooperatives can be interpreted as a bottom-up movement, since its development turned to be rooted on a complex mobilization process.⁴⁰

The lack of empirical evidence and its fragmentation hinders the analysis of the cooperative sector in Portugal. The available information is scarce and contradictory, preventing a rigorous description of the chronological evolution founded from the second half of the 19th century onwards and their spatial and sectorial distribution. Still, the primary sources and published studies indicate that consumer cooperatives have always been the most numerous economic societies based on mutual aid.

As other studies on other southern European contexts in this volume show, the emergence of consumer cooperatives was deeply linked to other forms of worker association, such as friendly societies or trade unions. This can be interpreted as a reflection of their relationship to the ancestral ties that bound manual workers and that were reconfigured after the dissolution of the typical structures of the *ancien regime*, such as corporations. The role of consumer cooperatives in the evolution of these old solidarities is noteworthy, however. If the mutual aid societies, producer cooperatives and even the early unions were marked by a strong corporative heritage, reflected in their exclusive character, consumer co-operatives tended to assume a more inclusive role. In fact, monographic studies in

³⁹ The number of consumer cooperatives growth from 193, in 1974, to 310 in 1976 and to 417 in 1978. The total number of cooperatives growth from 950 in 1974, to 1743 in 1976 and 2715 in 1978. (Henrique Schwartz Silva, “Cooperativas de Portugal” in *Anuário de Estudos Cooperativos*, Bilbao 1995, p.281).

⁴⁰ Doug McAdam, Sidney Tarrow & Charles Tilly, *Dynamics of Contention*. Cambridge 2001.

Portugal show that the integration of different strata was achieved mainly by this type of association⁴¹.

There was a significant proliferation of cooperatives after the publication of the 1867 law, but it is likely that prior experiences existed. In 1883, 53 cooperatives were known by the national authorities. Most of them (about 32) operated in Lisbon or on its outskirts, while 10 were established in Porto, the second largest city located in the north of the country. The remaining cooperatives were distributed between the other major cities - Coimbra, Évora and Setúbal - and on the islands of Madeira and Azores. A considerable part of the cooperatives had a clear class identity, visible in designations such as 'popular', 'workers', 'laborious' or 'poor'. In the first decades of their existence most of the seventeen cooperatives devoted to consumption also had a credit component. The vast majority of production cooperatives were found in Lisbon, while the consumer and credit cooperatives were disseminated throughout the country.

Some of the cooperatives were run or supported by industrialists or landowners, whose beneficiaries were their workers, as exemplified by the cooperative society Lezírias do Tejo e Sado. There were also societies created by members of intermediate social strata: civil servants and technical staff, among others. Others were promoted by military personnel after the law of July 1886. In 1889 there were 25 military cooperatives with a total of 579 members⁴².

As stated above, consumer cooperatives tend to be more inclusive than other forms of nineteenth-century associations. Nevertheless, corporatism persisted among certain professional groups. The *Cooperativa de Consumo dos Oficiais do Regimento de Cavalaria* (Cooperative of Cavalry Regiment Officers) included only military personnel of that group. The management of these societies often reflected professional hierarchies, for example in this case the general meetings were always chaired by the most senior officer.⁴³ Later, military personnel had their own Military Cooperative, housed in a building donated by the government and considered for all purposes an official institution of public utility⁴⁴.

Most consumer cooperatives were however located in urban and industrial areas, they were multi-purpose and linked to friendly associations and trade unions. Among these can be named the *Caixa Económica Operária* (Workers' Savings Bank), founded in Lisbon in 1876, with 810 members in 1889 and an impressive headquarters built by its partners. It had a library with over nine hundred titles and housed "solemn sessions, concerts and brilliant *soirées*, where the working class gives clear evidence that civilization is a reality today"⁴⁵. In Portugal's other industrial city was founded the *Casa do Povo Portuense* (Porto Peoples' House) in 1900, an institution which had grown to nearly 10,000 members by 1930. The Porto Peoples' House worked both as a cooperative and as a friendly society. The grandiosity of its headquarters, similar to Workers' Saving Bank in Lisbon, was a source of pride for the organized working class⁴⁶.

⁴¹ Joana Dias Pereira, *A produção social da solidariedade operária: o caso de estudo da Península de Setúbal 1890-1930*, PhD Dissertation, Lisboa 2013.

⁴² *Diário do Governo*, April 30, Lisboa 1883, pp1021-1022.

⁴³ *Estatutos da Cooperativa de Consumo dos Oficiais do Regimento de Cavalaria* n.º 5. Lisboa 1883.

⁴⁴ *Estatutos da Cooperativa Militar*. Lisboa 1909.

⁴⁵ José Costa Goodolphim, *A Previdência: associações de socorros mútuos, cooperativas, caixas de pensões e reformas, caixas económicas*. Lisboa 1889, pp65-66.

⁴⁶ José Costa Goodolphim, *A Previdência: associações de socorros mútuos, cooperativas, caixas de pensões e reformas, caixas económicas*. Lisboa 1889, pp65 et seq.

Part of the 19th century consumer cooperatives bankrupted, contributing to hinder the growth of the movement and leading cooperativists to actively seek solutions to the existing problems. In the opinion of Costa Goodolphim, the greatest difficulty facing consumer cooperatives were poor management capacity⁴⁷. However, the main problem affecting the whole movement was the lack of cohesion and the consequent isolation of small cooperatives. This was one of the issues discussed by the 30 cooperatives present at the cooperative congress held in January 1894. Activists defended the need to converge all efforts in a united movement, which would require the promulgation of specific legislation and advised the creation of a federation to promote connections between all cooperatives. However, these proposals were not implemented and most of the problems identified in the late 19th century persisted⁴⁸. It should be stressed that, by the end of the nineteenth century, the major obstacle to the expansion of the movement was the preference for investment in production cooperatives, which were considered more in line with socialist ideals, despite the greater success of the consumer cooperatives. As the following Table 1 demonstrates, this would change during the first decades of the twentieth century, when there was a significant outbreak of consumer cooperatives. During dictatorship this tendency inverted as production societies progression overcome the one of consumers associations⁴⁹.

Table 1 - The Cooperative movement⁵⁰

Year	Number of Cooperatives	Number of consumer cooperatives
1889	29	21
1921	421 ⁵¹	-
1930	271	210
1974	950	193

As the movement's political and ideological orientation was changing during the early twentieth century there was resurgence in consumer cooperation, especially in more industrialized regions such as Lisbon and Porto. The deficiency of the statistical data does not allow a more rigorous characterization of this expansion, but a survey conducted in the late 1920s provides some quantitative evidence. The major cooperatives were located in Lisbon and were streamlined by professional groups employed in the tertiary sector or by military personnel (working in banks, postal and telegraph services, in the army and navy). In Porto, the largest cooperatives were linked to civil servants and construction workers.

The other cooperative members did not correspond to a specific professional group, as for example in the case of the Porto Peoples' House. In the late 1920s, as in the 19th century,

⁴⁷ José Costa Goodolphim, *A Previdência: associações de socorros mútuos, cooperativas, caixas de pensões e reformas, caixas económicas*. Lisboa 1889.

⁴⁸ José Macedo, *Cooperativismo*. Lisboa 1898, pp29-30.

⁴⁹ Henrique Schwartz Silva, "Cooperativas de Portugal" in *Anuário de Estudos Cooperativos*. Bilbao 1995, pp233-304.

⁵⁰ José Costa Goodolphim, *A Previdência: associações de socorros mútuos, cooperativas, caixas de pensões e reformas, caixas económicas*. Lisboa 1889, p50; R. Tamagnini Barbosa, *Modalidades e Aspectos do Cooperativismo*. Porto 1930, pp206-216; Henrique Schwartz Silva, "Cooperativas de Portugal" in *Anuário de Estudos Cooperativos*. Bilbao 1995, p281.

⁵¹ Official data do not distinguish typologies, but according to several authors consumer cooperatives were dominant in this period.

names including the words “working class” and “popular” continued to dominate⁵². With the exception of these examples, the movement was characterized by modest projects, based on ancient ties of solidarity and mutual aid. The detailed study of the social bases of cooperative founded in the suburbs of Lisbon during this period reveals the hegemony of the working classes, but also traces of informal social networks of migration and trade⁵³. As reflected in the Table 2, the preponderance of small-scale societies pointing in the same direction. Were mainly in face-to-face relationships that structured these organizations.

Table 2- Consumer cooperatives according to number of societies and membership in 1930⁵⁴



These associations involved different social strata and pursued several aspirations, projects and forms of management. Despite their diversity, it is possible to define two main features already noted in this analysis: the movement was divided between worker cooperatives and other professional groups. The first type, though economically weaker, was dominant. Among other projects, co-operators aimed to create libraries, schools for members and their families and also to assist members unable to work. They could also provide support to associates, such as canteens, soup kitchens, and labour exchanges, among others. In most cases the vision of social emancipation was implicit, but sometimes statutes clearly refer to aims such as “to protect in general all the working classes” or “to contribute to propaganda useful to the interests of the producing classes”⁵⁵. In these cases, text could specify the promotion of conferences, lectures, readings, soirées or propaganda sessions.

In most of the cases the essential factor in the emergence of the movement was collective effort. The construction of the cooperative *Almadense* is reported thus: “After three months of paying fees and gathering together in the same place, where we had a carpenter as desk, we felt the need to own a home. At last we rented a shop on the street Garret (...). And so it was beautiful to see the eagerness with which all worked in the preparations of the society: (...) the ones who knew less about these things, were building rough shelves, while the more educated were in charge of writing (...). To pay the costs of installing the

⁵² R. Tamagnini Barbosa, *Modalidades e Aspectos do Cooperativismo*. [s.l.: s.n.], Porto, 1930, p207-217.

⁵³ Joana Dias Pereira, *Produção Social da Solidariedade Operária: o caso de estudo da Península de Setúbal 1890-1930*. Phd Dissertation, Lisboa 2013.

⁵⁴ R. Tamagnini Barbosa, *Modalidades e Aspectos do Cooperativismo*. Porto 1930, pp207-217.

⁵⁵ *Estatutos da Cooperativa de Consumo de Alcântara*, Lisboa 1896, p10.

Cooperative it was decided that each of us would contribute with a small amount”⁵⁶. Thirty-eight years later, “the Cooperative was established in its beautiful building, divided into seven sections, the service being made by 27 members of the 300 that are currently part of the cooperative and without remuneration of any kind.”⁵⁷

Although it is clear that professional solidarities are the basis of much of the known examples, the exceptions reflect the aspiration to inter-class collaboration. For example, the statutes of the *Cooperativa de Consumo do Funchal* (Madeira Island) promulgated the reconciliation of capital and labour, and even considered that “the institutions founded on the cooperative principle are designed to restore the harmony of divorced classes”. This association was established by eight medical doctors, thirty landowners, two members of the armed forces, five members of the church, two professors, thirteen civil servants, one employee, one lawyer, one judge and five politicians⁵⁸.

In some cases, there were significant reconfigurations over time. For example, the profiles of the leaders of a consumer cooperative founded in the outskirts of Porto city deeply changed during this period. Founding members in 1892 were employers and well-paid employees but in 1932 the direction board included on a tailor, a smelter and a locksmith.⁵⁹ Other examples of this kind of processes, in which workers move on to the leadership of consumer cooperatives, demonstrate the growing social appropriation of these organizational structures by lower social strata. To illustrate this, let us remember also philanthropic initiatives which became associations with a clear class identity. In the Lisbon suburbs, a few cooperatives were created in the major factories with the employers’ support. In the period of social unrest of 1917-1920 these societies helped workers to resist during long term strikes⁶⁰.

Both the *basilar law* of 1867 and the commercial code of 1888 required these societies to be democratically administered. All bodies were elected by secret ballot. The members elected to the management and supervisory boards were responsible for managing the society’s accounts. The general meeting was the highest cooperative organ. In this meeting all members who fulfilled their obligations were eligible to participate and vote. The restrictions that prevented the eligibility of members were related to gender, age or literacy.

As regards the division of profits cooperatives were divided. Some distributed the surplus by the shareholders others by the partners, in the proportion of their annual consumption. The mixed solution was dominant, part of the incomes were distributed concerning the capital and the other regarding the consumption. The proportions were quite distinct, and, once again, the border was established between workers’ cooperatives and societies destined for more privileged social strata. The latter favoured the shareholders while the first type encouraged the consumers. With time these fields got more defined - a considerable proportion of the cooperatives established in working-class areas distributed their interest between the reserve fund, social projects such as economic houses and the consumers. The cooperatives founded by members of the elite tended to distribute profits only in proportion to the capital invested.

⁵⁶ José da Costa Leal, um dos fundadores em entrevista ao *Almadense*, 6 de Janeiro de 1929, p3.

⁵⁷ «O 38º aniversário da fundação da S. Cooperativa Almadense», *O Almadense*, 6 de Janeiro de 1929, p3.

⁵⁸ *Estatutos da Cooperativa de Consumo do Funchal*, 1875, pIV-V.

⁵⁹ *Estatutos da União Familiar Operária de Consumo e Produção de Ramalde*. Porto 1917 and 1932 .

⁶⁰ Joana Dias Pereira, *A produção social da solidariedade operária: o caso de estudo da Península de Setúbal*. PhD Dissertation, Lisboa 2013, p256.

The 1894 aspiration to form a federation finally materialized in the 1920s. The initiative came from Andrade Saraiva, member of the Labour Ministry, and began to develop in 1919. Mobilization in the Lisbon area and the drafting of the statutes was undertaken by five cooperatives in the municipality of Almada (*Almadense*, *Piedense*, *The Fenix*, *April 10, 1918* and *Pragalense* cooperatives), an important working-class community in the capital's industrial belt. In order to mobilize the rest of the country, a Cooperative Federal Board was created and a newspaper called *O Informador* (The Informer) was published, which reported on the work in progress to create a national structure. The great assembly, which approved the establishment of the *Federação Nacional das Cooperativas* (National Cooperative Federation) – FNC –, was held in July 1920 at the headquarters of the Employees' Association. Despite the efforts to mobilize support, official data show that only 167 of the 365 existing cooperatives were federated in the 1920s, a majority of which were working-class associations.

The first cooperative congress organized by the FNC, was held in Lisbon over three days in June 1921. The main concerns were focused on two directions: internal organization and the international framework. On the first point, it was reaffirmed that cooperatives were one of three types of workers' associations. The movement distinguished itself from trade unionism or mutualism by its specific purpose - the suppression of intermediaries in the distribution of goods. Another concern expressed in the Federation's journal, *Ação Cooperativa* (Cooperative Action) was fundraising. The Federation argued that cooperatives should use their profits for the spread of education, the establishment of production workshops and other initiatives bringing greater efficiency to cooperativism.

On the second point, the relations of the Portuguese federation with its foreign counterparts, the promotion and the intensification of international economic cooperation were the main concerns. For the Portuguese, the International Cooperative Alliance, its wholesale and its various national federations should become the main regulators of international transactions, prices and exchange rates. Since the 19th century, cooperative activists had expected that the international cooperative system would replace speculative trading. This was an issue that regained relevance in the economic context of the First World War and the years following. This was one of the utopian visions that Portuguese co-operators shared with their European counterparts despite the difficulties they had in agreeing with the international movement⁶¹. However, since the formation of the national movement came late to Portugal, so too did international integration, despite the propaganda of some authors about the importance of an "inter-cooperative union."⁶²

In fact, only "late and by indirect means" did the national cooperative federation come to know about the circular released by ICA in 1923 on an International Day of Co-operators in the first Saturday of July, with the motto "Cooperativists of the world, unite!" Nevertheless, solemn sessions were organized in Portugal in 1923 and the following year, involving several structures and political agents. As has been noted, however, crisis and dictatorship wiped out the associative movement. It should be stressed that one of the nationalists' impositions on the associations converted to corporatism was the prohibition of international contacts and affiliations.

⁶¹ *1st Cooperative Congress Thesis*, 1921. [in Espólio Pinto Quartim. Arquivo Histórico e Social, Instituto de Ciências Sociais, Universidade de Lisboa.

<http://www.ics.ul.pt/ahsocial/?doc=31809898552&ctmid=2&mnid=1&ln=p&mm=6>

⁶² Emygdio da Silva, *Cooperativas de Consumo: sua Técnica*. Lisboa 1917, p36

2.1 During corporatism (1933-1974)

After the military coup of 1926, the participants in the cooperatives tried different strategies to sustain the initiatives of the movement. One way was to seek to give them some international legitimacy. For example, in July 1930 the socialist journal *República Social* (Social Republic) published the manifesto of the International Cooperative Alliance and the Cooperative Committee of the Socialist Party, urged all Portuguese cooperatives to propagandise actively its content. However, as we noted before in this analysis, the consolidation of the dictatorship in 1933 imposed a legal and political framework which conditioned the cooperative movement for many decades.

The action of the dictatorship took three main directions. First, the state took possession of the most appealing cooperative sectors - the financial and the agricultural. The financial sector had expanded since the legislation of 1911, with hundreds of agriculture credit cooperatives formed throughout the country. Following the Great Depression, the Finance Minister forced these local cooperatives to submit to large financial institutions controlled by the state: in 1930, the Caixa Nacional de Crédito (National Credit Bank) and from 1969 the Caixa Geral de Depósitos (General Deposits Bank). From 1933, the few cooperatives that existed to process and store agricultural products were subject to corporations created by the state for the more important economic subsectors. In some cases, cooperatives were integrated into the corporatist system, as it happened with the Adega Cooperativa de Colares (Winemaking Cooperative) near Lisbon, established in 1931. In other cases, they disappeared. The creation of new cooperatives linked to agriculture was under the strict control of corporations, a position which was intensified after Second World War. Thus, the state could intervene directly in the choice of board members and in the management of dozens of cooperatives related to the production and distribution of wine, olive oil, fruits and milk⁶³.

Moreover, state action also limited cooperative operations in other areas. Some sectors were excluded from cooperative activity, to be reserved for a combination of private initiative and corporatist organization. These included socially and politically sensitive sectors, such as the whole sector of cereals production and trades linked to the manufacture and sale of bread, or sectors that were economically relevant and interesting for the elites, such as manufacturing, construction, services, electricity and water⁶⁴. Cooperatives also became subject to new rules, which required the revision of their statutes. In some cases, especially those of military and civil service cooperatives, the statutory changes imposed made these societies more hierarchical and heavily tutored by the state.⁶⁵ The legislation published in 1933 (Decree n.º22513) advised cooperatives to engage only in transactions between co-operators, removing tax exemptions when they also covered other consumers. The state thus sought to meet the demands of the traders who considered cooperatives to be unfair competitors. This obligation also provided the dictatorship with access to information which could be used for political repression, such as who actually economically supported consumer cooperatives or the names of members.

⁶³ Dulce Freire, *Produzir e beber. A questão do vinho no Estado Novo*. Lisboa 2010; Dulce Freire & Mónica Truninger, "Poached pears in wine". *The Oeste of Portugal and the European construction of place-based foods*. Workingpapers Series ICS-ULisboa, Lisboa 2012; Fernando O. Baptista, *A política agrária do Estado Novo*. Porto 1993

⁶⁴ Dulce Freire, Nuno E. Ferreira, Ana M. Rodrigues, *Corporativismo e Estado Novo. Contributo para um roteiro dos arquivos das instituições corporativas*, Workingpaper Series ICS-ULisboa, Lisboa 2014; Fernando Rosas, *O Estado Novo nos anos 30*. Lisboa 1986.

⁶⁵ *Estatutos da Cooperativa dos funcionários públicos e militares do distrito de Huíla* (Cooperative of the Civil Servants and military from the Huíla district) in «*A Cooperativa*», Luanda 1933: 3-22.

Finally, the repression of individuals and the lack of freedom of association intensified during the 1930s and in the following decades. In 1933, many associations belonging to socialist and other progressive streams amended their by-laws so that they could become cooperatives. The reason was that these societies, under the commercial code of 1888, were excluded from the regime's attempts to illegalise other kinds of collective organizations. During the decades of dictatorship many of these organizations continued to be guided by the principles that inspired the free associations of the mid-19th century: voluntary, democratic management and mutualism. The democratic management of consumer cooperatives survived during the dictatorship, helping to strengthen the sense of exceptionalism and turning these structures into "schools of opposition". Besides their economic activities, consumer cooperatives fostered very diverse initiatives in the spheres of culture, education and health, which could be included in an alternative circuit of resistance to *Estado Novo*.

As happened in other authoritarian regimes,⁶⁶ however, the repression and the legal framework contributed to destroy the capital of trust that was being built especially in growing urban communities. This affected the consolidation of the entire cooperative movement. Partial data collected in the 1950s indicated that the number of consumer cooperatives had not increased, even though there had been an expansion in the number of members and the volume of sales. Consumer cooperatives demonstrated strong tendencies to isolation as political organisations developed strategies to control these organizations.⁶⁷ In these decades, the most important was the Portuguese Communist Party. It developed clandestine activities and had many supporters among the workers of the industrial belts of Lisbon and Porto, where the highest number of consumer cooperatives survived.

It was after the end of the Second World War that the most important initiatives to enhance the activities of the consumer cooperatives were carried out. In some cases, activists returned to unification strategies that had been tested since the late 19th century. The first attempt was the creation of the *Conselho Central Cooperativo* (Central Council of Cooperatives) in 1948, which had a short life due to financial and ideological factors⁶⁸. From 1950, however, António Sérgio assumed an increasing importance by stimulating discussion and action which highlighted the economic, social and cultural rights of consumer cooperatives and by supporting concrete initiatives to strengthen the Portuguese movement.

From 1950, the regular publication of the *Boletim Cooperativista* allowed the dissemination of knowledge about international cooperative activities and cooperative initiatives in Portugal and reflection on possibilities of co-operation under the dictatorship regime. Different ideological tendencies including socialists, anarchists, communists and social catholics were present on the editorial board of the *Boletim*. Thus it was possible to maintain the plurality of the debate that had marked the early decades of the movement, and also to allow the representation of the different consumer cooperatives that remained active. For the promoters of the *Boletim*, diversity should not act as a factor of division, but rather help to

⁶⁶ Odile Poulsen and Gert Tinggaard Svendsen, 2004. «Social Capital and Market Centralisation: A Two-Sector Model», Working Papers 04-12, University of Aarhus, Aarhus School of Business, Department of Economics

⁶⁷ Henrique Schwartz Silva, «Cooperativas de Portugal» in *Anuário de Estudos Cooperativos*. Bilbao 1995, p270.

⁶⁸ Cristina Granado, *Cooperativas de consumo em Portugal. Percurso para a integração económica*. Lisboa 1998, p56.

strengthen the unity of the movement. António Sérgio, and the group that supported him, wanted to create a national institutional framework that would make the movement more cohesive and economically stronger.

A major objective of the promoters of the *Boletim* was precisely the reorganization of the National Cooperative Federation. In the early 1950s, it was recognized that only a small number of cooperatives were willing to join this type of organisation, but it was believed that these would be “the nucleus of a national association of consumer cooperatives, with a central wholesale warehouse buying directly from producers.”⁶⁹ As this central wholesale warehouse would buy large quantities, it could negotiate lower prices and thereby benefit the shareholders of small cooperatives. In order to give practical meaning to the theory, the *Junta de Compras de Lisboa* and the *Junta de Compras do Porto* (Shopping Boards of Lisbon and Porto) were created. These Boards bought and distributed goods to the cooperatives’ members. Their experience in the first years led their supporters to believe that it would be even more beneficial to create a single national organisation. Therefore, in 1955, five cooperatives in Lisbon and its surroundings founded the *UNICOOPE - União Cooperativa Abastecedora*, which became the Portuguese representative in the International Cooperative Alliance.

However, these second level cooperative objectives were not merely economic. UNICOOPE aimed to promote and foster cooperative ideals and education, to unite cooperatives and defend the interests of consumers, to organize joint buying, to acquire the means of production, to obtain state subsidies for consumer cooperatives, to study the resolution of Portuguese problems and to collaborate with foreign cooperative movements.⁷⁰ UNICOOPE tried to accomplish these missions over the twenty years 1955-1975.

The process of federating small local cooperatives was slow and uncertain, however. Successive articles published in the *Bulletin* concern some of the difficulties found during the federal proceedings. These difficulties can be systematized in two main points. First, the creation and survival of cooperatives was closely linked to the commitment of their members, sometimes under conditions of great risk, to guarantee the economic and cultural activities of these societies. On the other hand, by integrating into a national organisation, the members lost some autonomy in the management of the cooperative. This was even more relevant for the cooperatives where the majority of the members, often linked to the Portuguese Communist Party, did not agree with the political orientation of UNICOOPE, where republicans and socialists were in the majority. Second, the UNICOOPE wholesale was not in fact the most useful option to supply a small cooperative. It was necessary to take into account the diversity of products and transport costs and, furthermore, the fact that stockholders from conventional trades were often linked by kinship and friendship with cooperative members and could be able to offer more advantageous global conditions.

It was known that the difficulties found in Portugal were similar to those existing in other countries. The British, French and Scandinavian cooperative movements were known and discussed by the Portuguese co-operators. For example, in 1956, Fernando Ferreira da Costa, one of the promoters of the *Bulletin*, published a detailed book on the history of the English cooperative movement since Rochdale. The author stressed the concessions that each small cooperative made in favour of the strengthening of national cooperative ideals

⁶⁹ *Boletim Cooperativo*, nº1, 1951.

⁷⁰ *Boletim Cooperativo*, nº28, 1956.

and practices.⁷¹ Nevertheless, rather than enumerating problems, Portuguese activists sought cooperative solutions. They considered that the isolationist spirit prevailing among cooperatives limited UNICOOPE's financial and organizational consolidation, delayed the advance of hindering of the Portuguese movement.

These difficulties became even more noticeable from the 1960s, as profound social changes such as rural exodus, rapid industrialization, urban growth and migration affected Portuguese society and increasing interdependence linked the Portuguese market to the European commercial channels. In order to meet successfully the changing profile of urban consumers and market rules, UNICOOPE stressed the necessity of integrating structures and also of professionalising the cooperatives' management. In 1964, J. W. Ames was invited to help design and implement an action plan regarding the reorganization of the Portuguese cooperatives. The author of the book *Co-operative Sweden Today*, edited in 1956, was presented in Portugal as a prestigious Swedish co-operator.

The so-called *Ames Plan* established a merger strategy to run over two or three years, which would constitute a national organization based on regional services. The first phase of the *Ames Plan* was intended to promote joint purchasing. The second phase, which included the creation of a "service centre", started in the late 1960s with the foundation of the supermarket network called *Domus*. Supermarkets and the concept of self-service were a novelty in Portugal. This plan was based on the Swedish experience and recognition that consumer cooperatives needed to become more efficient to face successfully competition from large retail chains which were beginning to operate in Portugal. Local reactions to the implementation of the plan were diverse. UNICOOPE often had to face opposition from cooperative members who disagreed with the mergers, and also complaints from grocers who feared the competition of the supermarkets.

Attempts to implement the *Ames Plan* generated enormous tensions in the consumer cooperative movement. The reaction of the members of the *Cooperativa Piedense* (Piedense Consumer Cooperative) allows us to understand some of the factors that led to the failure of the *Ames Plan*. This society, established in 1893, was firmly embedded in its community. It combined economic activities with cultural, educational and health care provisions and it had a considerable urban and rustic heritage. It was one of the five UNICOOPE founders in 1955 and used its wholesale for its supplies. In 1965 it ceded its own land to build a regional UNICOOPE warehouse. But with the advance of the merger process, a group of members disagreed with their loss of autonomy over managing the assets and deciding on activities to be undertaken. Opposition sprang up when it was suggested that the cooperative bakery should produce bread for other cooperatives in the Lisbon area. The management was accused of delivering Piedense cooperative to UNICOOPE and several projects became impossible. In recent interviews, members continued to stress the strong ties of identity which related "their cooperative" to the community as a factor preventing the formation of broad consensus about the fate of Piedense cooperative in the 1960s⁷². These same factors also seem to explain the reaction of other cooperatives to the merger proposals.

In 1973 Portugal had 132 consumer cooperatives,⁷³ of which about 100 were associated with UNICOOPE. To streamline the activities of consumer cooperatives, UNICOOPE

⁷¹ F. Ferreira Costa, *O movimento cooperativo britânico*. Lisboa 1956.

⁷² Dulce Simões, *Memórias e Identidades da Cooperativa de Consumo Piedense*. Lisboa 2005, p28-30.

⁷³ Cristina Granado, *Cooperativas de consumo em Portugal. Percurso para a integração económica*. Lisboa 1998, p55.

had developed a network of services that included several affiliates, regional warehouses and supermarkets. However, many of the old difficulties persisted as cooperatives continued to take autonomous decisions. Co-operators continued to ignore the behavioural changes occurring in urban areas, where greater social and occupational diversification reconfigured taste and sociability, seeking instead to preserve the older popular identity of the societies. UNICOOPE faced several problems regarding the presentation of its services to cooperatives and also financial and organizational difficulties. Some leaders advocated the creation of a cooperative bank to help the consumer cooperatives facing the intense competition of private economic groups, benefiting from state protection and progressively conquering the national market. After more than a century of activity, several authors⁷⁴ considered the Portuguese consumer cooperatives to be a movement in crisis. Although, the 1974 Revolution opened an auspicious phase for the cooperative movement, allowing the creation of more than 300 consumer cooperatives in a few years.

Concluding Remarks

This article advocates an approach to national consumer cooperative history from the perspective of the “dynamics of contention”, whereas, throughout the history of Portugal, cooperation in the sphere of consumption was mainly a strategy to resist, speculation, exploitation and political oppression.⁷⁵ We have attempted to relate the development and dissemination of cooperatives as a social movement to state politics, economic and social intervention. From 1867, when the first law concerning cooperatives was approved, until 1974 when the 48 years of corporatist dictatorship ended, we observed the discussion and diffusion of co-operative ideas, the conflicts within political parties and unions over the movement’s ideological hegemony in interaction with the general political process.

First we sought to illustrate how, in the late 19th century and early 20th century, an assortment of anti-monarchical streams, responsible for Portuguese political modernization, gained political hegemony over the cooperative movement, as over most associations and popular neighbourhood networks. We stressed that, along with the mutual and trade union movements, cooperatives experienced considerable expansion and institutional recognition during the First Republic (1910-1926), benefiting from an exceptional political opportunity structure.⁷⁶

The impact of the European revolutionary crisis in Portugal after the First World War translated into an intense and broad wave of strikes, which brought the social question onto the political agenda. For the first time, political powers acknowledged cooperatives as a solution to the subsistence crisis that had plagued the country since the war began, supporting their development and validating their political identity. The sharpening of the economic, social and political crisis in the 1920s was responsible for the decay of the First Republic. In this scenario, the cooperative movement played a significant role against the conservative wing and the rise of fascism.

⁷⁴ Cristina Granado, *Cooperativas de consumo em Portugal. Percurso para a integração económica*. Lisboa 1998; Henrique S. Silva, “Cooperativas de Portugal” in *Anuário de Estudos Cooperativos*. Bilbao 1995

⁷⁵ Doug McAdam; Sidney Tarrow; Charles Tilly, *Dynamics of Contention*. Cambridge 2001.

⁷⁶ Keith Mann, *Forging political identity. Silk and metal workers in Lyon France 1900-1939*. EUA 2010, pp6-11.

After 1926, the enforcement of corporatism suppressed the autonomy of the workers' and popular associations', disrupting the progressive expansion and articulation that these structures had known in the democratic period. In the 1930s, the rise of fascism led to the violent reconfiguration of popular associations. However, among the workers' associations, consumer cooperatives preserved greater autonomy in response to corporatist organization. Diverse sectors of the political opposition acted within these organizations which offered opportunities for civic participation at a grassroots level.

As an expression of civil society, the cooperative movement has always sought to preserve ideological pluralism and democratic values. These aims became particularly problematic during the long period 1926-1974 during which the country was ruled by a fascist dictatorship. For nearly 50 years, consumer cooperatives worked on the threshold between legality and illegality. They occupied the space left vacant by the state and the state allowed them to continue to fulfil their economic functions. However, the regime also proscribed cultural activities and pursued and arrested the leaders and members of the movement, affecting its everyday activities. The dictatorship eroded the social capital which was indispensable for the promotion of the associations. The *Estado Novo* imposed rules limiting the horizontal and vertical advance of the Portuguese cooperative movement and leading cooperatives to develop several mechanisms to enable them to survive. These strategies saved many cooperatives and contributed to the consolidation of opposition to the dictatorial regime, but they seem to have affected the consolidation of cooperative values and the organizational strengthening of the cooperative network.

Furthermore, consumer cooperatives aimed to provide basic products at low prices, thus contributing to the policy of controlled prices imposed by the state (which usually fixed a minimum acquisition price at the point of production and a maximum price for consumers) and to compete with local businesses. However, *Estado Novo* did not intend to subvert the profit chain as cooperative theorists aspired to do, but merely to limit the projects of traders, thus preventing social unrest and political instability. The policy of low prices for commodities was related to low wages, also strictly controlled by the state. The wage level of workers became one of the most important comparative advantages offered by Portugal during the 20th century, which contributed to the rapid industrialization and strong economic growth that followed World War II. Consumer cooperatives may have functioned as an instrument used by the dictatorship to contain discontent and contention in districts that were socially and politically sensitive, such as the working-class communities surrounding the main industrial cities.

If national political process had a major role shaping the trajectory of the movement, then transnational contacts and relations were also important. Since the second half of the 19th century, Portuguese cooperatives had studied the ideas and initiatives of other national cooperative movements. They also examined some cooperative experiences developed in neighbouring countries and participated in the transnational structuring of civil society, representing Portugal in several international meetings and congresses.

The main theorists knew about various theoretical co-operative streams. It seems that the first initiatives were inspired by the Rochdale Pioneers, but in the following decades the French, Belgian and Scandinavian experiences became more popular. Standing in the periphery, rather than as a producer of models, Portugal imports innovations developed elsewhere. This process, which required mechanisms to adapt foreign models to national particularities, induced constant debates and uncertainties about the effectiveness of

external solutions. The extent to which these initiatives successfully configured the creation of a specifically Portuguese model is still unclear.

To complement the overview of the cooperative movement, in the second part of this article we offered some observations on the grassroots of the movement. Despite the lack of empirical data we attempted to trace some general guidelines for further investigation through a range of different and representative case studies.

Considering the popular interest in associations as a historical phenomenon, we recall the historiographical debate that discusses the continuities between ancient and modern forms of association.⁷⁷ Similarly to what Linda Shaw observes in Africa, traditional historiography in Portugal devalued pre-modern social ties.⁷⁸ Better-known case studies provide evidence that social capital accumulated through medieval and modern professional associations and community networks was used by the cooperative movement⁷⁹. With major developments within the communities of poverty and place⁸⁰ and in some cases with the support of friendly societies and unions, it is clear that cooperative project appropriated ancient networks of kinship, neighbourhood and craft.

The geography of consumer cooperatives in Portugal shows how their origin lay in the imposition of industrial social relations. The analysis of their social bases, functions and practices highlights how occupational ties and neighbourhood solidarities were interconnected in their development. However, if the rhythm and geography of the expansion of consumer cooperatives were deeply linked to processes of industrialization and urbanization, it is necessary to remember that until the 1960s, agriculture was the major economic activity in Portugal and the de-ruralization of the largest cities (Lisbon, Porto and Setúbal) was only completed in the late 20th century.

Thus, for many decades, consumer cooperatives developed in a context of slow and scattered industrialization on small settings located around major cities. Rurality and urbanity, agriculture and industrial production, were closely connected in such spaces and several generations of workers that migrated to these clusters maintained traditional ties with the countryside. As often happened during the Great Depression and the “oil crisis” of the mid 1970s, these ties provided food and financial aid, mitigating the negative effects of capitalist crisis.

In brief, our understanding of the evolution of the cooperative movement can be pursued through a relational framework, namely the one which relates the diffusion of *industrial social relations* to the *political opportunity structure*.⁸¹ The development of *industrial social relations* induced the development of consumer cooperatives, even if we stressed continuities linking them to ancient crafts and communal ties. The conversion of these networks into formal associations was part of a global strategy to deal with the insecurity associated with wage labour.⁸²

⁷⁷ Robert Putman, Robert Leonardi & Raffaella Y. Nanetti, *Making Democracy Work: Civic Traditions in Modern Italy*. Princeton 1994.

⁷⁸ See her chapter in this volume.

⁷⁹ Joana Dias Pereira, *Produção Social da Solidariedade Operária: o caso de estudo da Península de Setúbal 1890-1930*. Lisboa 2013.

⁸⁰ Eileen Yeo, “Labour and Community, Past and Future: or why Merrie (White Male) England and Mateship are not enough” in *Labour&Community: proceedings of the sixth national conference of the ASSLH*. Wollongong 1999, p3.

⁸¹ Keith Mann, *Forging political identity. Silk and metal workers in Lyon France 1900-1939*, EUA 2010.

⁸² Michael Savage, “Space, networks and class formation”, *Social Class and Marxism*, Aldershot 1996.

The *political opportunity structure* of State democratization and modernization, from the diffusion of a primitive social reformism (1867) to the end of the First Republic (1926), allowed the dissemination of these organizations. Conservative reaction and the imposition of an authoritarian regime changed this juncture completely. Self-protective strategies could only be abandoned in 1974, when the April revolution opened a new favourable *political opportunity structure*.

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