

## **National and Economic Features of Slovene Cooperatives**

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### **Introduction**

The Slovene cooperative movement had several special characteristics due to the historical status of Slovenes in the Habsburg Monarchy, where they were pushed to the margins of cultural, political and economic development. The resulting subordinate position defined the development of cooperatives. The national issue was evidently an extremely important motivational element – from the very first stages in the development of cooperatives among Slovenes, the national aspect was an inseparable part of the economic foundations of causes that encouraged the widespread development of the cooperative movement. The national component was present in cooperatives until the disintegration of the Habsburg Monarchy; it had gradually moved to the background after several decades of reinforcement of national culture and political and economic emancipation. The national component as an extremely important stimulus could be completely abandoned only after 1918, when Slovenes joined the Yugoslav state. At that time, the pressure of Germanisation disappeared, and Germans became a minority. As the national component gradually lost its significance during this emancipation process, the ideological aspect, which could not be expressed during the period of accelerated national emancipation, became the focus of attention.

In the period before the Second World War, national and economic/social components played an important part among Slovenes. The reason for this is the historical conditions in which Slovenes lived in the second half of the 19<sup>th</sup> century. At the same time, we must take into account the basic motivation of the founders of the cooperative movement. We can already say that the emphasis on the national component was greater in the early period, whereas economic/social and ideological components gained in significance in the second period. It is difficult to differentiate between these two stages, since in many ways they overlapped and influenced one another.

### **The Initial Period – Cooperatives as National Homogenisation Tool**

In the first period of the Slovene cooperative movement, the national element prevailed as the main force promoting the development of cooperatives. Nevertheless, it would be wrong to assume that economic reasons were insignificant. They were extremely important and remained a constant feature throughout the relevant period. Nevertheless, it was the connection with national issues and the Slovene political movement that boosted the development of cooperatives and provided an important motivational incentive. This interconnectedness of the cooperative and the political/emancipation movement is also evident in the fact that both were promoted by the same individuals. Political leaders encouraged the development of cooperatives, which then represented the economic aspect of political emancipation.

As in the political movement, national emancipation was also the objective of cooperatives. The most important goal in the initial period was the strengthening of the Slovene nation in terms of economic and political community. Attempts were made at eradicating, or at least

minimising, ideological differences. The cooperative movement was united, and its operations were based on the unification of Slovene national identity. Consequently, constant appeals were made to create national/political differentiation in the sphere of the economy for the general political strengthening of the Slovene nation. These appeals to national differentiation in the economy, which resulted in a local system of “national/political” economic institutions, entailed withdrawal to the national borders not only in culture and politics, but also in economic terms. Considering these main points, it is not surprising that during this period, the development of Slovene cooperatives was the most expansive in areas with a population of mixed nationality, such as the provinces of Carinthia and Styria, where Slovenes lived side by side with Germans.

### **The Second Period – Ideological and Political Division of the Cooperative Movement**

The main feature of the second period in the development of Slovene cooperatives is the shift of emphasis from areas with nationally diverse populations to the main Slovene land, Carniola, which had hitherto remained in the background. The national issue in Carniola was not as pressing as in other areas, because the land was dominated by Slovenes. At the same time, this process coincided with ideological and political differences within the Slovene national movement. Unity was a matter of the past; being a Slovene was no longer a sufficient prerequisite for political concordance. Ideological principles came to the foreground, and splitting into different political parties began. Cooperatives could not remain unaffected by this development. Ideological differences and the emergence of different forces within cooperatives led to various cooperative associations of different ideological and political orientation. Naturally, this changed the very premise of cooperative activities and the imperative of operations moved to other areas. Nevertheless, in the largest part of Slovene territory this did not represent a turn away from national issues. Far from it. In nationally diverse areas, cooperatives retained a powerful national identity and Slovene character despite considerable changes. Unexpectedly although not surprisingly, the emergence of different ideological and political orientations, parties and other differences coincided with an unprecedented rise of the institution and movement of cooperatives. The emergence of competitiveness within the previously homogenous Slovene cooperative movement resulted in an extremely broad cooperative network that was present in every Slovene settlement. In many places, two competitive, distinctly Slovene cooperatives with evidently different political and ideological orientations existed. In this second period, the masses – all strata of the population – came to be represented both in politics and cooperatives. Cooperatives were no longer present only in urban settlements, and their members were no longer only urbanites.

In the second stage of the development of cooperatives, this altered point of departure brought a significant structural change. The emphasis of operations was shifted to the countryside, to the rural population, which prevailed among Slovenes. Consequently, the 1890s, when the Raiffeisen system was introduced in Slovenia, saw an extreme expansion of loans cooperatives.

### **Slovene Similarities and Differences**

A comparison of different viewpoints reveals that both sides, the proponents of Schulze-Delitzsch principles in first period or Raiffeisen principles, prevailing in second period, had basically the same goals; their main aim was to strengthen the economic foundations of small economy in order to facilitate modernisation of the Slovene economic base. At the same time they wished to strengthen the Slovene nation to persevere in its struggle against German

influence and endure national/political conflicts. Individual representatives of this sector did not have sufficient strength to stand up to free competition dictated by the market without support from others who shared their interests. Therefore the economic significance of cooperative activities of both types was never questioned, and the protagonists also recognised the value of one another's work in terms of national strengthening. But differences emerged in the list of priorities of cooperative activities, which is only the other side of the same coin. The representatives of Schulze-Delitzsch cooperative system maintained that the national economic aspects were equal and the most important, whereas the proponents of the Raiffeisen system in Slovenia put ethical and socio-economic elements as a first priority. These elements naturally included the national aspect. According to them, the improvement of social and economic conditions would also lead to the national strengthening of Slovenes as a national community and boost their self-confidence in national and political confrontations. Schulze's proponents accepted the economic system as a fact and employed cooperatives as a tool for economic strengthening, whereas the representatives of the Raiffeisen system went a step further and approached cooperatives from the other end. In accordance with the Catholic economic and social doctrine, they wanted to use cooperatives as a tool in the "struggle" against the existing economic system and its side effects. They wanted to employ cooperatives as a weapon against the foundations of the existing economic system, against profit-making as the central motivational element in the economy. But the necessary prerequisite for this effort was the transformation of people's mentality by means of the introduction of new values, including economic ones. Consequently, in Slovene Catholic cooperatives, greater emphasis was laid on ethical/social elements than on the economic or national effects of cooperative activities.