

Politics and the Co-operative Movement

A THEORETICAL CONSIDERATION

by

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At the 1978 Co-operative Party Annual Conference, a debate occurred on the role of the Co-operative Party stimulated by a motion and an amendment to it. The original motion stated:

"Conscious of the need of the Co-operative Movement's political commitment to be more distinctive, influential and active, this conference calls on the National Executive Committee to consider ways by which this might be achieved by the Co-operative Party nationally, regionally and locally."

The amended motion stated:

"Conscious of the need of the Co-operative Movement's political commitment to be more distinctive, influential and active, this conference calls upon all co-operative societies to give consideration to the very grave responsibility which is theirs, to assist and actively support both practically and financially, the efforts and engagements of their local Co-operative Party branches in the political scene nationally, regionally and locally."

At the request of the National Executive Committee both the motion and the amendment were remitted to the Committee. At the same time the Committee stated that it was its intention to give consideration to our role and to conduct

a review of Party activity, organisation, and effectiveness at all levels, national, regional and local. To this end, in May 1978, the National Executive Committee established a sub-committee charged with the responsibility of preparing a report for the consideration of a future Co-operative Party Annual Conference.

Following an invitation issued by the sub-committee, evidence has been submitted by a wide range of affiliated organisations and others and the sub-committee is expected to produce an interim report to be presented to the 1979 Annual Conference. This will, I am sure, deal with the main issues of concern in the current debate on the Co-operative Movement and politics. In the meantime, in this pre-publication period (February 1979) it will be useful for me, as an official of the Party, to provide a somewhat abstract perspective on the current debate. I will examine the relationship between co-operatives and the State, focusing upon the various methods whereby co-operatives can influence the State. At each stage of the argument I will compare the conclusions reached with the evidence of the history of the Co-operative Movement. I will begin this consideration with a resume of the current methods used by the Co-operative Movement to influence the State.

The Co-operative Movement and Politics - 1979

The retail Co-operative Movement via its federal, the Co-operative Union, engages in politics on two fronts: it lobbies Government via the Parliamentary Committee and it seeks to obtain direct parliamentary representation via the Co-operative Party. Thus the Co-operative Party is the official political wing of the retail Co-operative Movement. It can accept into membership organisations which are members of the Co-operative Union. It can also accept into membership individuals who are not members of any other political organisation which fields candidates in opposition to

Co-operative candidates, or to the candidates of any other Party with which the Co-operative Party has an alliance.

Though a department of the Co-operative Union the Co-operative Party has its own National Executive Committee, elected by affiliated organisations. It also has its own annual conference. Additionally the Party is organised regionally and locally and at both levels regular Co-operative Party meetings occur.

The supreme policy making body of the Co-operative Movement is the Central Executive governed by the annual meeting of the members of the Co-operative Union: the Co-operative Congress. Congress has consistently taken the view that the Co-operative Party is the most appropriate vehicle for the Movement's political involvement. This is significant because, constitutionally, the National Executive Committee and Annual Conference of the Co-operative Party are subsidiary to Congress. However, by practice, the Central Executive delegates the Movement's political role to the National Executive Committee of the Party, the NEC being advised by the Annual Conference of the Co-operative Party.

Nationally, the Co-operative Party is not affiliated to the Labour Party; their relationship is determined by agreement. In 1977 the Co-operative Party established a precedent by making a donation of £10,000 to national Labour Party funds. In 1978 this was increased to £15,000. It is likely that a similar donation will be made in 1979. At local and regional levels the Co-operative Party is affiliated to the Labour Party as the representative of the wider Co-operative Movement. At this level the Co-operative Movement makes a significant contribution to the Labour Movement, both politically and financially.

The agreement between the Labour Party and the Co-operative Union allows the Co-operative Movement to

sponsor parliamentary candidates who run under the banner 'Labour/Co-operative'. If elected such candidates have to accept the standing orders of the Parliamentary Labour Party, but the Labour Party recognises that Co-operative Members have a special concern for matters 'affecting the economic interests of the Co-operative Movement'. The agreement also lays down that local Co-operative Parties, affiliated to constituency Labour Parties, have the same rights of nomination as other affiliated bodies in the matter of local government candidatures. Such candidates are also designated 'Labour/Co-operative'. Recently, the Labour Party has agreed that the Co-operative Party should be allowed to seek sponsored nominations of Labour/Co-operative candidates in the elections for the European Assembly and the Scottish and Welsh Assemblies, if the latter two Assemblies are set up.

Simply stated the Co-operative Party exists in order to protect and to promote the interests of the Co-operative Movement via obtaining parliamentary representation in Parliament, local government and other administrative bodies. The trouble is that this is a simple statement and the Party's raison d'etre is the exercise of this seemingly simple process. It is, in fact, no easy matter to achieve the nomination and selection of Co-operative Party candidates in safe Labour seats. In order to achieve this a vital alchemy of local and national activity has to take place. Societies have to be encouraged to affiliate to the Co-operative Party and to play a full role in its affairs. Co-operative Parties at local level have to be established and nurtured. This depends upon arousing sufficient interest amongst committed and able co-operators. At all levels good relations with the Labour Party have to be maintained. Nationally the Co-operative Party has to maintain a panel of parliamentary candidates of sufficient calibre to convince Labour Party selection conferences whilst at the same time having the requisite knowledge to discharge their role on behalf of the Movement. The Co-operative Party has to keep alive the issues of importance for the Co-operative

Movement. It has to ensure that there is an understanding of the Co-operative point of view within the Labour Movement. The Co-operative Party also functions as a training ground for people who understand Co-operatives as democratic and independent organisations. This activity is one important aspect of the work which the Co-operative Movement has to engage in perpetually in order to keep alive the member involvement which is so important to the maintenance of the Movement's vitality. And once elected, the Co-operative Party has to ensure that Co-operative Members of Parliament are adequately briefed in order to carry out their work on behalf of the Movement.

The Co-operative Party is a small organisation charged with a clear objective but the clarity with which this objective is defined should not inspire the conclusion that its attainment is equally easy. It is because its attainment is not easy that the Co-operative Party exists. Wherever the Co-operative Party fails to retain Co-operative parliamentary candidatures, lessons for future action are always learnt. In this context it is worth recording that the present agreement with the Labour Party allows for the sponsorship of up to 30 candidates in parliamentary elections. At the next General Election there will be 24 Labour/Co-operative candidates. The Co-operative Movement is also likely to obtain significant representation within the Labour group in the European Parliament. At the same time it is important to note that a significant proportion of the Parliamentary Labour Party are card-carrying members of the Co-operative Party and a large number of those played an active part in its affairs, prior to their election as MPs.

The Co-operative Movement and the State

The starting point for any abstract consideration of this topic is with the federal organisation established by individual Co-operative societies in order to provide

services for members, a meeting place and forum for the development of ideas and policy on common interests as a means of protecting and promoting the interests of member Co-operatives in particular and the Co-operative Movement in general. Thus the interface between the State and the Co-operative Movement would be this federal organisation. The history of the Co-operative Movement shows that a federal organisation, the Co-operative Union, was established in 1869, some 26 years after the establishment of the first successful Co-operative society. Such a move is as valid today as it was in 1869.

Between 1869 and 1979 there has been a proliferation of statutory authorities. There is now a comprehensive system of local government, and a vast number of other authorities have been established: public corporations, nationalised industries, health authorities, water authorities and other bodies such as the Independent Broadcasting Authority and the Equal Opportunities Commission. Whilst the national Government derives its power from Parliament, in 1973 we became a member of the European Economic Community. Soon we may well have Scottish and Welsh Assemblies sitting in Edinburgh and Cardiff respectively.

This complex pattern of statutory authorities impinges on the everyday life of every citizen and of every Co-operative society. Thus whilst Co-operative societies are self-governing and self-financing it is the Government's fiscal, monetary and economic policy which provides the framework within which their business is conducted. It is the Industrial and Provident Societies Acts, and legislation on employment, consumer, industrial and social matters which impinge on the daily workings of co-operative societies. Pre-war Chancellors of the Exchequer were reluctant to do more than alter monetary and fiscal aggregates. Today, Chancellors of the Exchequer and indeed, other government Ministers, go much further in their intervention in the

economy. Indeed, the State is looked upon as the stimulator of economic development in many areas and as the initiator of social change.

In response to this growing apparatus of the State, the lobbying of Government and Parliament has also proliferated. A recent survey by the Guardian newspaper revealed the existence of over 600 pressure groups which lobby on a variety of issues. The Register of Members' (of Parliament) Interests reveals that almost every major company, trade organisation or professional association has a 'consultant' Member of Parliament. This activity is based upon an acknowledgement that the actions of Parliament and of Government influence the everyday behaviour of these organisations and thus it is only sensible to ensure that public policy recognises their objectives and, perhaps, unique nature, at best enhances these objectives and at least does not impede them, especially by making unreasonable demands.

The history of the Co-operative Movement shows that the Co-operative Union recognised the need to lobby Government in 1881 when it established the Parliamentary Committee. Indeed, the Co-operative Movement was amongst the first organisations to realise the importance of lobbying.

Power of Lobbying - and Limitations?

Lobbying focuses upon Government and Parliament. It also focuses upon civil servants as, theoretically, they are the servants of the Executive. Often it is necessary to lobby all three in turn, or perhaps together. For example, a piece of Government legislation is first discussed and developed by the civil servants working under the general direction of Ministers. 'Discussion' or 'consultative' documents may be issued by civil servants, inviting the views of interested organisations. In any case informal discussions with civil servants can make them recognise the peculiar nature of Co-operative societies, and take that into

account when framing legislation. Even after a Bill is first published (receives its First Reading) it is possible to impress the attitude of Co-operatives to that particular piece of legislation on the relevant civil servants. If the lobbyist's objectives are not achieved at this level, it is possible to seek an audience with the relevant Minister, or, if it is a matter of national and widespread importance, an audience with the Prime Minister. Depending upon his sympathies, inclination and the effectiveness with which the case is put to him, the lobbyists may achieve their objective at this stage. Experience shows that, for the Co-operative Movement, such approaches seldom succeed under a Tory Government whilst under Labour, Ministers' doors are always open to our representatives. However, failing both these approaches it may be necessary to lobby Parliament.

It is the right of every citizen to enter the Central Lobby of the Palace of Westminster to lobby his Member of Parliament. Today, organisations and business concerns have developed this technique and usually attempt to contact sympathetic Members of Parliament or work via the relevant committees of the political parties at Westminster. Of course, some deliberately take a non-political approach and will attempt to contact Members of all parties. Others, recognising that they are a subject of political controversy, will work solely through the sympathetic party. This lobbying activity can take the shape of informal meetings or seminars, or presentation of documents. More often it takes the form of a lunch or reception supported by briefing materials and speeches together with informal discussion with members. There is no doubt that for many organisations this system works ideally. The question is, how far can this lobbying activity go? What sort of objectives can it achieve? Or, more particularly, can it achieve general as well as specific objectives? Can it influence social trends as well as economic affairs?

This is a most relevant question for the Co-operative Movement. Although we do have huge economic interests, Co-operation is a social ideal. The Co-operative Movement is committed to being far more than a successful shopkeeper. Co-operation is a philosophy for the organisation of society; because the Co-operative Commonwealth implies quite a different economic and social order to that which exists today, the pursuit of this objective has a political dimension. Thus, in the context of the whole spectrum of the Co-operative Movement's interests, it is necessary to examine the question, how far can lobbying go?

In general, lobbying is an extremely effective defensive technique; it is a useful weapon in the pursuit of limited economic objectives. However, there are matters upon which lobbying cannot be influential. In many spheres, civil servants are bound by political decisions. Indeed, governments are bound by their manifestos and by their public policy commitments. For example, there is no doubt that lobbying alone could not have achieved the establishment of the Co-operative Development Agency.

To some extent lobbyists are able to put pressure onto the Government by carrying out a successful media campaign. It is doubtful, however, whether this technique would be of use to the Co-operative Movement. Experience shows that the national press and the media do not understand the sophisticated concept of Co-operation and this lack of understanding goes hand in hand with a lack of sympathy for our ideals. For example, many media organisations refuse to mention that our MPs and our Prospective Parliamentary Candidates are designated 'Labour/Co-operative' because they regard this as a form of advertisement for a retail organisation. Some might argue that the antagonisms of the media towards the Co-operative Movement are based upon ideological opposition to the concept of Co-operation, as opposed to capitalism, a class arrogance which derides the achievements of working class people. Thus it seems a fair conclusion that the

Co-operative Movement would find it very difficult to obtain any widespread coverage in the media for its case and therefore this would not present itself as a channel for influencing government.

"Retained" Members?

The technique of lobbying MPs can be extended by establishing a closer, firmer, relationship with a small number of MPs and, possibly, members of the House of Lords. Such people would be selected at the beginning of each Parliamentary Session, chosen for their parliamentary skills and their knowledge of and sympathy for the Co-operative Movement. They would be retained by the payment of a fee and/or the provision of secretarial and research services. The group would form a team, each responsible for a particular subject area and would be serviced by the federal co-operative organisation.

It is argued that, at present, there are many especially on the Labour benches, in the House of Commons, who ably fulfil these criteria. That the selection of such people at the beginning of each parliamentary session would mean that the Co-operative Movement would not have to bear any part of the expense of electing such people. It would also mean, if the Movement so decided, that these retained members could come from all political parties, ie. the team could reflect the state of the political parties in the House of Commons thereby ensuring that the Co-operative Movement always had representation on the Government side.

Such representatives could do an extremely useful job for the Co-operative Movement. They could ask Parliamentary Questions, put down motions, sponsor or amend legislation and could be on hand in order to ensure that the correct noises were made about the Co-operative Movement's interests. They could also explain the Co-operative Movement's point of

view on matters. Such representation would be a decisive weapon in the lobbyist's arsenal. They would present civil servants and ministers with a choice. If it was decided not to bend to the demands of the lobbyists their arguments could be put publicly on the floor of one of the Houses of Parliament. Equally, the ability to inspire a Parliamentary Question provides privileged access to information which may not otherwise be readily made available.

Even if this system of retained members worked well it could only be seen as an extension, albeit a powerful extension, to the technique of lobbying, but just as lobbying has limitations, the system of retaining Members of Parliament would have similar limitations, particularly in relation to the wider, social, ideals of the Co-operative Movement. History shows that such a system was tried by the Parliamentary Committee shortly after its formation but it was because it was found wanting that the Co-operative Party was established in 1917. It is, indeed, the lobbyist's answer to the need for political representation. The lobbyist recognises this need for such representation but fails to recognise the need for accompanying political commitment in order to make such representation meaningful. The lobbyist also fails to recognise that the current high level of political understanding of the Co-operative Movement amongst the Parliamentary Labour Party is due in no small part to the activities of the Co-operative Party. Lobbying is a fairly straight-forward process to operate and to understand. The lobbyist can define his objectives clearly and can, with equal clarity, chart his progress towards those goals. Politics, in contrast, is a far more nebulous thing, it is a commitment to wider ideals, non-immediate objectives, intangible objects; it is a very difficult thing to understand and to quantify. It is specifically the wider ideals of the Co-operative Movement which emphasise the need for political involvement, at local and national level, and emphasise the need for democratic debate on the political aspects of these wider ideals. Such parliamentary representation would also complement the lobbying

which the Movement carried out. But this is not to deny the importance of lobbying to the Co-operative Movement, it is merely to recognise its limitations and the strength which parliamentary representation provides.

Representation through the Labour Party?

Yet the decision to enter politics, and attempt to secure direct parliamentary representation, does not presuppose the necessity to establish a separate political organisation. It is possible to seek representation via an existing political party. This would not be just a question of 'shopping around' for the best terms. Rather the Co-operative Movement would choose to work through the political party with which it had the closest philosophical and political affinity.

The Co-operative Movement is based upon the principle of mutual aid: the concept that people can band together into associations to provide goods and services for their mutual benefit. It believes that Co-operation is a form of social ownership. It is based upon the principles of open membership and democratic control. Co-operative retail societies have always been associations of working class people, they have catered for their needs and understand their requirements. The Co-operative Movement, therefore, naturally sees itself as part of the Labour Movement. It too stands for the attainment of social justice and equality. Therefore, if the Co-operative Movement were to consider the attainment of political representation via another political party, it would be to the Labour Party that it would look. The choice for the Movement would be whether its federal organisation should join the Labour Party or whether individual Co-operative societies should join. In either case it would be necessary to resolve the problem of conflicting sovereignty. The supreme policy-making forum within the Co-operative Movement is the Co-operative Congress, but organisations affiliated

to the Labour Party have to accept the decisions of the Labour Party Conference.

If it was decided that individual societies should affiliate to the Labour Party and if all the societies currently affiliated to the Co-operative Party affiliated to the Labour Party, paying the same annual subscription, on the basis of 1977 figures, these subscriptions would amount to a little under 10% of the enlarged income of the Labour Party. The trade unions would be subscribing 80% of this enlarged income. The Co-operative societies would have affiliated on the basis of just over half a million members and this would secure for them the seat on the thirty-one member National Executive Committee of the Labour Party reserved for Socialist, Co-operative and other organisations. At present this seat is the 'cheapest' seat to obtain and the introduction of half a million votes in this section would merely serve to bring it more into line with other seats. Even if the Labour Party decided to increase the number of seats available to Co-operative societies it would be unlikely to yield more than one.

Aside from these calculations it is possible to assume that such affiliations would allow Co-operative societies to seek sponsored nominations in exactly the same way as trade unions. However, it would be a matter for negotiation whether such representatives were considered to be representatives of the Co-operative Movement as a whole and whether, once elected they were allowed to operate in the same way as the present Parliamentary Co-operative Group. The Co-operative Movement would also have to ensure that it retained a distinctive political voice, ie. that the Labour Party's policy making process allowed for the articulation and development of a Co-operative political philosophy. Again it would be a matter for negotiation whether Co-operative societies could secure part of the existing Labour Party Conference for the discussion of specifically Co-operative matters; a half a

day's debate would equate with the relative importance of the societies' financial contributions. Yet this would not be an exclusively Co-operative affair because under no circumstances could the Co-operative societies insist that only Co-operative delegates be allowed to enter this debate. In other words, if the Co-operative Movement wished to develop a distinctive political voice, in the absence of the Co-operative Party conference, it would have to extend Congress for this purpose. It would also be necessary for the Central Executive to become the guardians of this distinctive political role in between Congresses. This would mean that, de facto, the Co-operative Union would become a political organisation.

Some would argue that this would be a very good thing because the Co-operative Movement should be vitally interested in all aspects of the life of the nation. Against this it is possible to argue that if the Co-operative Union did take on this political role its credibility as a trade organisation would be damaged and it would impede the impartiality which is necessary for the conduct for almost all of the Co-operative Union's business. In particular it would make more difficult the task of those officials of the Co-operative Union who lobby government on behalf of the Movement. These lobbyists would find that the response of civil servants to officials of non-political bodies is quite different from their response to officers whom they believed to work for political organisations. The conclusion is that if co-operative societies affiliated en masse to the Labour Party, this could obtain parliamentary representation for the Co-operative Movement but this is already available to the Movement by virtue of its maintenance of a separate political organisation - the Co-operative Party and it is clear that other advantages currently enjoyed by the Movement by virtue of the existence of the Co-operative Party would definitely be lost, particularly a distinctive co-operative political voice and the ability to complement political involvement with lobbying. It is worth remembering that the advantage which direct parliamentary representation

represents was obtained for the Movement by the Co-operative Party during the 1920s. However, whilst the circumstances of the 1920s allowed the Movement to gather this political strength, it is clear that, should the Movement be faced with the task of establishing its political apparatus again, circumstances prevailing today would not allow it to gain such advantage. Thus any decision to destroy the Co-operative Party in favour of mass affiliation to the Labour Party would be a once and for all gesture; the Co-operative Movement could never go back on such a decision and as such would be greatly weakening its political position within the Labour Movement.

The Need for a Separate Party

Thus the conclusion is that the Co-operative Party is the best means of obtaining and maintaining direct parliamentary representation for the Co-operative Movement as well as the most appropriate vehicle for its political commitment. It is in alliance with the Labour Party because the Co-operative Movement is part of the Labour Movement. Its aim is to ensure that the Co-operative Movement fulfils the terms of the agreement which it has with the Labour Party, thereby ensuring the election of sufficient Members of Parliament to protect and promote its interests. By contrast, the Labour Party aims to secure the election of sufficient Members of Parliament to obtain a majority in the House of Commons and therefore lead to the formation of a Labour Government. Though some may argue that it would be entirely beneficial, it has never been the intention of the Co-operative Movement to secure the election of sufficient Members of Parliament to allow it to form the Government. The existence of the Co-operative Party provides a mechanism for the formulation of the Co-operative Movement's political policies on matters of specific concern, it ensures that the Movement's voice is heard in political debates at national, regional and local levels and whilst not only providing the Movement with the freedom to effectively lobby Government, its activities

augment and strengthen this lobbying.

This consideration has concentrated on the aggregate, national, level of political activity but it should not be forgotten that the Co-operative Party is active, on behalf of the Co-operative Movement, within local government, which is a tremendously important sphere of political activity. The mere lobbying of Government could not ensure such diffuse involvement, nor does it take into account the need to influence local government, whilst national affiliation to the Labour Party as a substitute for the Co-operative Party would involve societies in more direct local political activity. Even then it would be necessary for societies to provide a focus for the involvement of their political activists especially if they sought to get some of them elected to local authorities. In other words, without the Co-operative Party local political activity on such a widespread scale as at present could not be guaranteed.

No one denies that the Co-operative Party has enemies within the Co-operative Movement. There are those who are strictly to the Rochdale principles and therefore believe that the Co-operative Movement should not engage in political activity at all. Equally, there are those who believe that the Co-operative Movement is just a business organisation and thus deny the need for political involvement wider issues. There are also those who are members of political parties which oppose the Co-operative and Labour parties at the polls and are therefore excluded from membership of the Co-operative Party. It comes as no surprise that such people seek the abolition of the Co-operative Party. On the other hand the friends of the Co-operative Party are those who level constructive criticism at the current activities of the Party and who believe that we should strive for even greater political impact for Co-operation, not rest until we have seen the extension of Co-operation into spheres of social and economic activity.