

Politics and the MovementTHE FUTURE: A PERSONAL VIEW

by

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The Co-operative Union entered politics in 1917 because of dissatisfaction over the way in which Government was treating consumer Societies during World War I. As in many spheres of endeavour, the Co-operative Movement was pioneering because it was responding to the challenge of Government intervention in the economic life of Britain. This really took off in 1914-18 in order to mobilise resources to win the war. For different reasons it has both continued and increased since then, reaching its present peak in Section 21(1) of the Industry Act 1975 which established a system of voluntary planning agreements between individual firms and Government. Compulsory agreements are but a general election away, irrespective of the result.

The notion that Co-operation was a distinctive political philosophy came after the 1917 decision. I have never regarded this as more than the icing on the cake. If it has reality at all, then this must be confined to consumer Co-operation and not to other forms which do not aspire to the creation of a commonwealth. The statutes of the International Co-operative Alliance proclaim political neutrality and, in a sense, the British Movement has been in conflict with these since 1917. As a founder member of the ICA the propriety of what we do has never been questioned. Anyone may trade with us. Decisions as to political involvement are determined by members of individual Societies.

A political alliance with the Labour Party was a necessary condition of making the Co-operative Party a reality. The terms of the initial and subsequent revisions of official agreements are a tribute to the wisdom and skill of Co-operators as negotiators. At minimal cost, we achieved representation in Parliament and at the same time steered a middle course which did not involve direct finance to the national funds of the Labour Party. This made politics palatable to neutralist sentiment in the Co-operative Movement which is said to linger.

The Co-operative Party was pressurised by the Labour Party into making a direct contribution to Transport House in 1977 and repeated the donation in 1978. The Co-operative Union increased the grant it makes to the Co-operative Party to meet part of the cost of these donations, so we are in a different situation after sixty years which justifies a re-appraisal of the need for a separate political party. First, however, a brief look at the present.

Co-operative Political Action - Now

The Movement does not now suffer from specific unfairness at the hands of Brussels, Westminster or County Hall. Our concern of late has been to persuade Government to be less involved and allow the market economy sector to function with the minimum interference possible. This has been vain hope, especially since the abolition of resale price maintenance and recent developments to promote legislation on behalf of consumers, as well as counter-inflation policies initiated by the Conservative Government of 1970-74. Europe has presented fewer problems, for the bad reason that we are still a far from convinced member of the EEC. In the end, however, Brussels will interfere more than Whitehall because of the nature of the Treaty of Rome.

In political terms the Co-operative MP's are asked by the Movement to plead for non-intervention more often than

the reverse. Where Government is determined to act, our MP's are frequently asked to put alternative, and usually unacceptable, courses to Ministers. This causes no problems when Labour is in Opposition, but can be a source of frustration when in power. Co-operative MP's are Labour Members, subject to the disciplines and procedures of the Parliamentary Labour Party. Much is accomplished by lobbying, by intervention in Second Reading debates as well as at the Committee stages, but when the vote is taken Members can only abstain and then on grounds of conscience. It should be noted, however, that certain MP's do vote against the Government or abstain on matters of personal concern, e.g. international affairs or defence questions.

As a conglomerate business, consumer inspired, living in a harshly realistic world, it is sometimes difficult to say what the Movement wants, and, when its wishes are clear to justify these in terms of its ideological base. One does not need to make too much of this as we are frequently able to give loud calls and clear calls which only the Whips deride. On food matters, however, we can be growers, processors, wholesalers, retailers and consumers within the space of a single opinion! The separation of buying from selling still produces divided views from the Movement on certain questions. There is also our association, via the Retail Consortium and numerous other outside trade bodies, with competitors in commerce but allies in the representational game. Co-operatives who find such joint working unpalatable must attack the cause which is Government intervention, rather than the effect. As employers of labour we also need to exchange views with competitors to ensure comparability of wages and conditions so that we are price competitive in the market place.

In some ways the Movement pays too little attention to County Hall and too much to Whitehall. If the powers of local authorities are to decline this may be the correct policy, but in the areas of planning, rating and law enforcement most Societies would be well advised to strengthen their

significance as ratepayers with a physical presence as Council members. I have long thought that presidents of regional Societies should be full time, so that they could also serve on local authorities. Local government is of greater importance than the magisterial bench where we tend to proliferate.

Probably the most significant recent achievement of the Co-operative Party has been the establishment of a Co-operative Development Agency. In the end the Party had to settle for a modest body, without either its own finance or the ability to stand guarantor. Nevertheless the Agency exists, with all-party support, and the chance to prove its worth now rests squarely with it. Retailing is unlikely to be a prime area for CDA activity unless an increase in worker participation finally results in a change of character for consumer co-operatives. The number of Parliamentary issues which are as clear cut as the establishment of a CDA is regrettably few, but at least our MP's acted in purposive unity to an extent which mildly surprised case-hardened lobbyists. Did the establishment of a CDA mark the end of the Co-operative Party's accomplishments or merely the beginning?

Ways for Further Political Action

Relations between the Co-operative and Labour Parties have become even better since direct financial contributions began. In this context we remain insignificant by comparison with the trades unions, but a start has been made and no severe criticism resulted. The whole question of funding political parties is still to be decided and it seems possible that there could be restrictions on donations by bodies corporate on the one hand and trades unions on the other. In this case, some form of public funding, based possibly on votes cast in general elections, seems likely, plus personal contributions and amounts raised by the parties individually. In the latter event, the trading experience of the Co-operative movement ought to be capable of development to assist the

Labour Party. I have in mind the establishment of an organisation to run a football pool, or something equally innocuous which would provide funds nationally. The selling of municipal lottery tickets in shops on a commission basis indicates a fund raising potential given intelligent presentation.

In the realms of policy making, the Co-operative Movement needs to have a clear idea of where it stands on major economic issues - forms of ownership, taxation, worker participation, and investment. The Co-operative Party used to issue policy documents on major questions and these formed a useful discussion basis both in the branches and at annual conference as well as attracting national interest. Pre-occupation with CDA establishment has resulted in the neglect of this important area in recent years. Others, better resourced, have been quick to fill the gap as evidenced by the National Consumer Council's booklet 'Real Money, Real Choice'. The Party was probably the NCC's putative father in advocating, so long ago, the establishment of a Ministry of Consumer Welfare. This idea first appeared in a discussion document, so also did the case for a Co-operative housing movement, now also a reality and supported by all parties.

Research is as vital to politics as it is to commerce. The Co-operative Movement should consider unifying its research arrangements so that what we are able to afford is not so thinly spread. Much of what needs to be done is common to politics, education, trade, banking and insurance. Departmentalism ought not to impede collective action. At present our research is without direction and this is also a serious weakness.

The main areas in which the Co-operative Movement can hope to influence Labour's thinking are in advocating diversified forms of ownership, the ability to influence economic activity without total control, and in the general concept of matching power with responsibility. Socialising the

existing public sector is another area where we ought to have views worthy of consideration by the Labour Party. That the Labour Party is prepared to listen to such advocacy is already evidenced by the existence of a CDA. Our views may not coincide with those of the TUC, but we should not be afraid of this.

When all has been said, however, we need, in the 1980's, to ask whether a separate Co-operative Party is the right vehicle for advocacy? A withdrawal from politics cannot be contemplated when State intervention grows daily and irrespective of the complexion or programme of the party in power. Is there an alternative which is likely to be as cost effective as the present?

An Alternative to a Separate Party?

My personal feeling is that to some extent the Labour Party only knows the Co-operative Movement at second hand. We have no permanent, direct national access such as the trades unions have. The National Council of Labour meets infrequently. The TUC, which contributes nothing directly to the Labour Party, is in a superior position to either the Co-operative Party or the Co-operative Union. It is a sore point with active Co-operators that little notice is taken of our Movement by the Labour Party. Of course comparative size and economic importance come into all this, but can it be that the fault, dear Co-operators, lies not in our stars but in ourselves? At local level do we tie up Co-operative political activists in our own Party branches, leaving others to influence thinking and decision in Labour Party branches?

Let us suppose we had political funds of about the present proportions. I estimate these to be worth some £250,000 annually with about £150,000 of this paid over to the Co-operative Party in national affiliation fees. Administration, even the shoe string variety, absorbs money, so a deal

of what we have necessarily goes in maintaining the structure.

If the Co-operative Movement engaged in politics without a separate political institution, I would envisage that local society boards of directors would use half their political funds in supporting local Labour parties, by way of donations for elections, while remitting the other half to the Co-operative Union or Single National Federation for national use. No direct Labour Party affiliation at local or national level is contemplated.

The central body of the Co-operative Movement would use its funds in two ways. Firstly, it would make a substantial annual donation to the Labour Party. In consideration of this, the Movement might expect to sit on Labour Party policy and joint TUC liaison committees in an observer/advisory capacity. I would expect our representatives to be persons with practical experience of trading activities. The Movement would be making its experiences available and donating money as evidence of its support and common ideals. When Labour was in Government, I would envisage the Movement making available to Ministers, if required, the services of certain of our trading specialists as political advisers in areas of significance. For example, the Co-operative Milk Trade Association might provide assistance on request to the Minister of Agriculture. The CIS could respond to an invitation from the Secretary for Trade. At present, many of these advisers to Ministers have purely academic backgrounds. Thus they merely duplicate civil servants, albeit with a political flavour.

In the second place, the Movement would seek to retain the services of about six or eight Labour MPs and two or three Euro-MPs as spokesmen on its behalf. These members would be chosen for their background experience and each would specialise in an area of significance to the Co-operative

Movement. They would be supported by a section of the joint research department previously advocated in this article. The cost of retaining MPs as a lobby would be a charge on the national political fund. They would continue to meet informally as a group in Parliament, as other sponsored MPs now do, and existing Co-op MPs would be supported by us, as now, so long as they were in Parliament. Our present members would be ideal as retained spokesmen. The full-time officers of the Party should function in a research and support role for the lobby; freed from Party organisational chores, they have useful possibilities at Westminster and Strasbourg; some may seek to become MPs.

I can already hear members of the Co-operative Party complain that political activity without grass roots is doomed to wither and die. The possibility exists (even now the Party has difficulty in maintaining local activity) but Co-operators who seek an active life in politics would find this as members of the Labour Party. Need it be such a barren existence even at local level?

The loss of a separate Party and its structure may not be too high a price to pay if existing resources are channelled to give maximum influence in Labour Party affairs on the Movement's behalf at both local and national levels. A political report, based on the use made of the central fund, might become a major feature of Congress proceedings. So much depends on the capacity and quality of those on the floor.

Economic Strength - the Basis of Political Success

It needs emphasising that whatever the nature of our political activity, it must speak for a Movement which is expanding if it is to be credible. Market share is not the all and end-all of consumer co-operation, but it is at least the touchstone of success. We entered politics to prevent Westminster frustrating expansion. The Movement will

not be taken seriously if it is perceptibly in decline however well ordered the process.

Politicians may sometimes convey the impression that they can ensure success. In my experience there is a world of difference between smoothing the way, at which some politicians excel, and the hard slog which ascendancy in the market place demands.

Apart from any value the ideas expressed above may have we also need to ask ourselves whether the Co-operative Movement in Britain will have the resources in terms of voluntary service in the 1980's to sustain a separate political party. On present trends the signs are not good. It may well be that, to make the best use of people and money available, we should re-appraise our future on the basis that we must remain political to defend and advocate the views of the Co-operative Movement, but need not continue a separate party as the means of doing so.