

## Politics and the Co-operative Movement

### A CHIEF OFFICER'S VIEW

by

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Many Chief Officials would like to separate trade and politics, wanting to concentrate upon the price of butter, turnover and margins, which would make good sense if modern life could be so readily compartmentalised. The odd thing about this view is that the price of butter is determined largely by the political process and only partly by the market. Butter illustrates the general point that Government is now so large and so active that the separation of trade and politics can only be an abstraction. This, however, says no more than that politics is important to trading interests. The additional and more important issue is whether Co-operative business embodies an ideology, a vision if you like of what the economic order might be.

Co-operation began as a Utopian reaction to the cruelties and divisiveness of the early industrial revolution and the authoritarianism of those times. Owenism had a vision of production that did not exploit and was linked to education and culture, of exchange based on labour value that reflected service to man. Like most visions it soon gave way to more practical objectives such as universal suffrage and the practical self-help of the Rochdale Pioneers. This is a past from which Co-operation cannot escape. Historically, then, we are part of the wider Labour movement and we represent part of its dream of a more just and fair society.

The legacy cannot be avoided, but do we have a future as well as a past? The Co-operative ideal of ownership and control has persisted. It is different and is a continuous threat to capitalist enterprise. Different in that it has an idealistic view of economic relationships based on service and not on acquisitiveness. A threat in the sense that it can provide goods and services both efficiently and fairly. The implications of this are that we are competing not only in terms of trade, but in terms of ideology. Capitalism also is not only about the price of butter, it too has a set of beliefs about the nature of man. Our competitors realise this and subscribe to the funds of the political party that supports economic individualism, the profit motive and private ownership of capital. We must therefore support in the political market place those beliefs and policies that express our philosophy.

This can be interpreted simply as an annual subscription to the Labour Party, but this would in my view be too idle a response. I believe we need a Co-operative Party to organise, develop and make coherent the politics of Co-operation.

### The Need for a Co-operative Party

First because Co-operation touches upon many current issues its relevance needs to be actively propagated. Issues such as bureaucracy in the National Health Service, control of our schools, the social breakdown of large scale Council housing estates, ownership of industry and the revival of the small business. Here are important political issues that involve economic relationships, the relation between the state and the individual and the growth of bureaucracy, about which Co-operation has a lot to say and can offer solutions. No one else in the Labour movement is going to put the alternative of Co-operation to solving modern problems, but the Co-operative Party. The cure will only be put by young men and women who take up the Co-operative past and make it

relevant to the future. The Co-operative ideal cannot thrive simply on the basis of Co-operative trading interest and neither can Co-operative Societies. If Societies are solely concerned with trading interests then they will die as they become solely technical organisations losing contact with the agents of change and having no ethic but survival. An active Co-operative Party can be an embarrassment to a Chief Official making statements that sometime seem bad for trade. For this reason every Chief Official now has to have in his brief case political skills and understanding that will avoid difficulties and allow comment. Active liaison between the Board and the Party in this context is essential. Despite these potential difficulties the benefits of involving young people in Co-operative activity, who may become future lay leaders, will far outweigh embarrassment. Where else will lay leaders emerge from? The Co-operative Party is one of the few open doors in Co-operation, open to outside society.

My second reason for favouring direct political activity by Co-operators, financially supported by our trading success is that there are varieties of socialism that are antagonistic to Co-operation.

Co-operators are natural social democrats, with our emphasis on participation and elected leadership. This implies a rejection of bureaucratic socialism: centralised boards nominated by Ministers where consumers are powerless and central planning that is not under the control of Parliament and which reflects narrow, selfish interests. Co-operators should oppose such structures and emphasise that consumers' interests are best met by a combination of free markets (where individuals can make rational choices) and collective decisions where justice and the interests of the community are paramount. Given an equitable distribution of income, markets can efficiently allocate 'private' goods and services. Co-operative managers can provide understanding of markets and of the needs of efficient business. On this basis,

given that there is consumer protection, the Co-operative Party can stand for a united economy. Bureaucracy is a real problem for conventional socialism, to which Co-operation with its experience of business and democracy offers an answer. In clearly standing for a 'mixed economy' and in seeking to make it work with justice and efficiency the Co-operative Party can make a positive contribution to the wider Labour movement.

The issue of trade union dominance in the Labour Party also has to be faced. If the Labour movement is dominated by trade union interest then it is bound to wither since this is based on too narrow a view of society. Co-operators can provide a better balance to the Labour movement a prime function of which is to persuade trade unions to look beyond sectional interest.

#### Basis in Co-operative Democracy

Co-op. politics cannot succeed unless we make a success of democracy in Co-operative Societies. The fading of such democracy is a sign of failure of the ideal. A particular responsibility of Co-operative managers is to make democracy work. This is the biggest challenge facing management since it cannot survive on technical skill alone. As trading enterprises we have survived the test of efficiency. This must be maintained and can only be done by managers, but the larger ideal of democracy and the extension of Co-operation requires political energy and imagination.