

Government and Co-operationTWO OR THREE CHEERS?

by

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Among the reasons why democratic government is likely to concern itself with any subject, two are especially likely to assert themselves. Government may be persuaded by a particular interest group that its interest should be promoted. Or it may of its own perception of national needs decide that something must be done: it may give a lead, or take an initiative. Neither category excludes the other; and as often as not there is a mix of both in the motivation. An interest group will use the opportunity presented by the return of a government sympathetic to its objectives, if not already committed to their promotion, to try to realise them. It will appeal to that government's sympathies, or remind them of its commitments. One of the effects will be to prompt those who dislike the objectives to say so. Again, an initiative intended by Government will please one group but offend another. Allowing for the exaggeration which in either case is likely to attend the ensuing representations, one interest group's paradiso is certain to be declared by another to be its inferno; and governments have to arbitrate between contenders. What is more, they have in a democratic society to answer for the arbitration.

The Role of Government

It is for that reason of course that the care-free enthusiasms of opposition become the onerous responsibilities of government, that what had looked like plain preferences become qualified and conditional. Arbitration checked by account-

ability must be fair, and seen to be fair. It must be defensible as being "in the general interest". Its findings must be practicable. And the interest group which has lost out must be able to accept that it is not after all being treated intolerably. There is much more to democracy than establishing the will of the majority; and any description of it that does not insist that government must be concerned for, must care about minorities, is grossly defective. So, government has to make choices between contenders and it will make them in what it believes to be the general interest.

I say 'believes' because governments make mistakes for all the reasons that human fallibility so copiously provides. High in the list of reasons are pride and prejudice; and governments motivated by either deserve blame and will get it, if only from those who neither share its pride nor prefer its prejudices - mainly, of course, from the opposition, which will have its own share of pride and its contrasting prejudices. Nevertheless, it is the liability to check and challenge by opposition that preserves democratic governments from the absolute corruption of absolute power. However, it is still true that all power tends to corrupt. That, as had been said, is why we should give not more than two cheers for democracy. Only the Kingdom of Love is worth three.

This much to set the scene in which Co-operation has its role, a scene in which government makes choices or arbitrates between contending interests, is checked with more or less effect, by opposition, and in the process makes a fair share of mistakes. They can be, let us recall, very expensive and even horrific mistakes.

And further, because of the sheer scale of much of government's operation, its judgements are bound to be by-and-large, its artistry - if I may be forgiven the use of the word to describe the practice of what is often pretty rough justice - broad-brush. For the more functions are concentrated in government, and especially in central government, the more the business of living is perceived in terms of statistical norms, the remoter from the infinite variety and individuality of real people in real life are those who perceive it and have to act on their perceptions.

Administration by government is bound to deal in broad but insensitive generalisations. It cannot do otherwise. There is no remedy, unless we can without doing more harm than good find a way of reducing the functions of government. For a number of reasons, Co-operation can, I suggest, provide such a way.

Co-operation - Reducing the Functions of Government?

First, it is the nature of Co-operation to comprehend within itself and so to reconcile what are usually contending interest groups. The consumer Society is both shopper and shop-keeper. The housing Society is both landlord and tenant. The Credit Union is both lender and borrower. The industrial Society is both employer and employee, owner and worker, or, if you prefer it this way, capital and labour. In none of these cases will governments be asked to prefer one to the other, to arbitrate between conflicting claims.

Secondly, and more generally, it operates against what might be called 'statism' and, for that matter, against any of the forms of excessive concentration of authority which are only with

difficulty if at all called to public account. There is therefore a value in Co-operation as a form of organisation which, through its organically participative form reinforces the democratic rights and adds to the democratic responsibilities of the individual; and which, through the exercise of those rights and the requirements of those responsibilities will operate against the tendency in the public and private sector towards the concentration of authority. Given that tendency, government is increasingly expected to intervene or be disposed to interfere. Whichever it is, and the same act by government will be intervention for those who want it and interference for those who do not, it is certainly more government.

In short, Co-operation distributes authority and responsibility; and all those who are concerned first to contain and then to reduce centralised authority should surely see in Co-operation a means of encouraging variety and individuality, and of strengthening the fabric of the democratic state. The state might even begin to wither away.

Past Neglect by Governments

So, by comprehending within itself and reconciling interests which are elsewhere separate and often opposed, by its disposition to distribute rather than to concentrate authority, Co-operation reduces the need for intervention or interference by government. Paradoxically, it is that fact which has led governments in the past to overlook or even to ignore Co-operation. Certainly, it has not in general been given the attention it merits. Reforming administrations might have seen it as a vehicle for their reforms; but they

did not. Consolidating administrations, concerned to maintain and restore rather than to change the direction of history have been content to leave things broadly as they are. Not until relatively recently have governments seen in the reconciling character of Co-operation a possible remedy in part at least for the problems facing the country.

Yet, because Co-operation comprehends interests otherwise opposed, it does not fall within the categories which governments identify as those it will need to consult and between which it will arbitrate. Co-operation is its own arbitrator; and just as that fact would increasingly operate through the development of a Co-operative sector to reduce the need for government as arbitrator, or intervening protector or interfering busybody, so too it has operated until recently to exclude Co-operation from a sufficient participation in the consultative process. In consequence, the voice of Co-operatives has not been heard, nor has the Co-operative option been presented for consideration anything like as often as it should have been.

Let me put the point concretely. It would be an exaggerated view, though not much so, which saw the Department of Industry as the Department of the CBI, and the Department of Employment as the Department of the TUC. It is no exaggeration to say that each of the two interest groups, employer and employee or capital and labour, can turn to a department of government headed by a Secretary of State, and expect its view to be heard, weighed and, if need be, represented by people who will be perceptively informed about and considerate of the expectations and aspirations of the particular interest group. There will not be sweetness and light all the time, of

course: a political party returning to power after a period of opposition will, as we have seen above, come with its sympathies for or commitments to one or other of the opposing interests. But the checks to which responsible government is subject then start to operate; and arbitration between interests must, as we have also seen, be fair.

My illustrative point, though, is this: where does industrial Co-operation, in which the interests of employer and employee coincide precisely, stand in these arrangements? Nowhere in particular: it is neither fish, nor fowl and, in consequence, likely to be called a red-herring.

Thus it is that, until recently, government has not seen the Co-operative Movement as a whole, and as a separate and distinctive sector of economic and social importance. It has classified its various sub-divisions with analogous sub-divisions of trade, industry and commerce, taking Co-operation for granted where, as in the consumer movement, it was well-established and developed; or promoting it where, as in the case of agriculture, the efficiency of the industry was judged to be of special importance. Government has not seen Co-operation whole and plain. And it has dealt with its various parts only incidentally - if it has dealt with them at all.

The Recent Change

But there has been a change. In 1977 the working group on the establishment of a co-operative development agency reported to the Government of the day. The group was composed of representatives of the various sectors of the Movement, and officials of all those departments

of government which had any interest on Co-operation. Published as a White Paper (Cmnd. 6972) the report was accepted by the government of the day. Its recommendations formed the basis of legislation subsequently enacted with all-party support as the Co-operative Development Agency Act 1978. That the report was accepted and the legislation introduced so quickly was a reflection of the conviction held by the Prime Minister, the Rt. Hon James Callaghan, that there was a specific value in the Co-operative form of organisation, a value which could be realised and applied with advantage to the resolution of the problems facing the economy of the United Kingdom.

The report can, I think, be said to have responded to a general belief that Co-operation, as a form of organisation for the conduct of industrial or commercial activities of all kind, should be developed as an alternative sector of the national economy which might occupy a more important place than it had done hitherto alongside the private and public sectors. Government had recognised and Parliament endorsed, without dissent, a view of Co-operation which saw it comprehensively as an alternative sector. The Co-operative Development Agency is the practical expression of that endorsement.

A change, then, of significance - and, I would say, of great significance. No comet appeared to signal the event, there were no signs and portents, no sheeted dead squeaking and gibbering in the streets. But it was a significant change, nevertheless. Events since then must surely be seen to bear out that judgement, the judgement that it would be in the public interest to promote the Co-operative sector; and that the promotion of the sector was worth support from public funds. For if in 1977 the view that saw the need for Co-operation as a reconciling and motivating force might have been regarded as

visionary, now it has become obvious. Problems inherent in the organisation of the country's commerce and industry and so ultimately insoluble, had seemed until recently manageable and so tolerable as conditions to be lived with. Now, however, it must be most earnestly questioned whether so sanguine an attitude can be right, whether a system which in the public and private sector alike perpetuates the 'them and us' anti-thesis and can only, by institutionalising the conflict, seek to minimise the damage, is good enough.

When times were relatively easy, as looking back we can see that they were through the sixties and the first half of the seventies, when we have never had it so good, perhaps the structural defect did not matter, and an appeal to complacency was a sufficient motivator. But it is not so now. That is why Co-operation, avoiding the structural defect and providing the motivation that derives from that sense of responsibility and self-respect which enlightens self-interest, is increasingly seen to have a new and necessary relevance.

The Objective for British Co-operatives?

What relationship then to government should British co-operative institutions and organisations now seek? Not of course to abandon the present practice of what I have called incidental dealing and consultation with government. Inadequate though that has been as the response by governments to Co-operation as a movement, it has its value. But they should take government and Parliament at its word. They have in the 1978 Act, recognised the movement as a whole - the statute used the word - and, in effect, identified it as a third

force in the economy. For reasons seen on all sides to be persuasive reasons of public interest, they have said that Co-operation should be promoted. In the conduct of their relations with government, it is now for all sectors of the movement to remind themselves of the reconciling and motivating characteristics of Co-operation; to identify for themselves the ways in which those characteristics can find practical application to the general advantage; to bring those applications to public attention. It is in this way that the movement, through its institutions and organisations should present first the credible expectation and then the actuality of achievement, and so demonstrate to public opinion and government the validity of the co-operative case.

So, it is still two cheers for democracy. Come to think of it, self-help and mutual aid is a bit like loving your neighbour as yourself. Three cheers for Co-operation?