

Government and Co-operationGOVERNMENT BY PERSUASION

by

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As in many spheres of endeavour, commercial and otherwise, the Co-operative Movement did its share of trail blazing in the art of seeking to influence Government as well as acquainting Whitehall as to its views.

A positive beginning in this area was the decision in 1920 to appoint a full-time secretary to the Parliamentary Committee of the Co-operative Union in the person of A.V. Alexander. He was a comparative unknown on appointment (although chosen from some 400 applicants), but in two years he was a Member of Parliament and remained one, apart from the disaster period of 1931-35, until he became Earl Alexander of Hillsborough and leader of the Opposition in the Upper House. Throughout a distinguished career, A.V. sensibly combined the job of parliamentary secretary to the Co-operative Union with a seat in the Commons except for the years he served as a Minister of the Crown when he was granted leave of absence by the Parliamentary Committee.

A.V. was a superb advocate and the chore of preparing briefs for others to use at Westminster was not for him. The Co-operative Movement gained enormously from his capacity to fill a dual role. Its influence in Parliament and Whitehall was almost disproportionately high and during the years when Ministerial duties beckoned, A.V.'s considerable shadow still loomed large. In a sense it does so today and civil servants seldom

admit to knowing nothing of the Co-operative Movement though they say the complexity of its structure bewilders them. They are not alone in this.

### Party as well as Trade Association

Coincident with the trade association concept, which the Parliamentary Committee of the Union epitomises, was the establishment of the Co-operative Party in 1917. This, too, was a response to the Movement's experience at the hands of Government in economic management during the years 1914-18. Grievance was the spur. Political philosophy came later. Considering present advocacy of the concept of workers' Co-operatives it is interesting to read the Congress debates on political entry around 1917. Retail Societies, like Barkis, were willing, Productive Societies were not. My guess is that shortage of food supplies and conscription of essential staff concentrated the minds of directors of retail Co-operatives whereas an ample supply of manufacturing work in clothing and footwear for HM Forces caused productive Societies to think twice about the wisdom of a formal political stance. There was also the influence of Christian Socialist teaching in the outlook of Co-partnership societies.

The Movement's initiative in what may be called 'the lobbying game' did not go for long without both imitators and emulators. Economic depression obliged governments to continue the war-time practice of economic management. The concept of State planning emerged and with it both intervention and subvention, not only in industrial and employment matters, but more importantly in agriculture, with the establishment, on the initiative of the Labour administration of 1929-31, of agricultural marketing boards which are really statutory Co-operatives of farmers. Their

formation was criticised by retail Societies upon the grounds that, as constituted, they were monopolies and producer dominated. A.V. Alexander must have been glad that, at the material time, his ministerial office was at the Admiralty and not Agriculture. During 1931-35 he played a full part on behalf of consumer Societies in querying the producer bases of statutory marketing boards which emerged following the report of the May Commission.

The parallel here with the formation of the Common Agricultural Policy as the cornerstone of the Treaty of Rome is striking. Chronic structural surpluses apart, the CAP is at the heart of the European Community. A square deal for farmers in the six founding States of the Community made the free movement of manufactured goods possible and with it the Treaty of Rome. How salutary that it should fall to the lot of a Labour Minister to insist on the continuance of milk marketing boards in Britain when the European Commission wanted these converting to producer Co-operatives on the same basis as in other member States.

### Dangers of the Lobby Industry .

The growth of the lobby industry has now reached such proportions that it is in danger of threatening the impartiality and independence of government not only in Britain, but in many market-economy countries. Furthermore as the lobbying process has co-incided with, and perhaps encouraged, a systematic decline in popular support for, and participation in, conventional democratic processes and institutions, we have the added paradox that, general elections apart, the back door is now more important than the one at the front.

It is not merely organisations representing employers and workers who are major exponents of the skilled art of influencing and, if necessary, pressurising governments. Other bodies, like the National Consumer Council, are equally in the fray and this Council has the added advantage of being established by Government and funded by the tax payer. As paid appointments to the National Consumer Council are in Ministerial gift, it may be said to be least democratic of pressure groups.

Parliament has recognised certain of the dangers inherent in the present state of affairs by publishing a Register of Members' Interests. It is an honest attempt to reveal all, but it can hardly be described as full frontal. The Register only recognises one way traffic. The contra-flow is both unrecognisable and non-quantifiable. The European Community has added a further dimension to the game, but at least the system of indirect democracy inherent in the Treaty of Rome produces balances to the process, though it certainly does not reduce the cost of it all.

Has the present situation reached crisis proportions calling for some considered effort at restriction? Governments and the EEC could help by intervening less in the economy and so reducing the volume of interventionist legislation. The present Conservative administration, assisted by a comfortable majority, appeared to be attempting that, but in recent months there has been a perhaps unconscious change of course. Furthermore economic management is now the primary role of government and the choice is between styles of management, rather than amounts of it.

### Major Problems

Two further major problems may be said to compound confusion. One is the topsy-turvy nature of the bodies which speak for employers and workers.

These have emerged over the years as voluntary institutions and their overlap is enormous. As a result, costs may be excessive and needless duplication of resources is rampant. The main apex organisations - CBI and TUC - are representative, but devoid of other than consultative powers. For good measure many firms, including Co-operatives, belong to several trade associations. The influence of principals of leading companies following informal contacts with Whitehall is specially significant.

The other problem where change appears worth considering concerns the way in which British political parties are financed. The Conservatives are as dependent on business as is Labour on trades unions. These monies are given in consideration of favours to come. Is this a sensible arrangement when governments should engage in economic management in the interests of the nation as a whole? Arguments about which party does better out of the system are particularly sterile.

If political parties had their Parliamentary election expenses met from public funds, subject to legal limits as well as saving their candidates' deposits, would it be a social disaster if thereafter neither companies nor trades unions were permitted to use funds for political purposes? The onus would then be on parties to fund themselves from individual members and self-generated income. This should not unduly tax the skill of politicians whose modest aim is to put the world to rights in any case.

Long experience has taught that radical solutions sometimes generate new problems and it may still be preferable to have political funding in the open, as now, rather than drive it underground via trade associations or front organisations.

It is nevertheless a problem of our times, bound up with consultative democracy, which has been more than present with us following the boost which it received during the 1939-45 war.

### Other Possibilities of Improvement?

In view of the disenchantment which Britain affects to find as a result of its membership of the European Community it may seem strange to look in that direction for alternatives to the present position. Indirect democracy, as practised in the Community, can slow the democratic process and occasionally frustrate participants, but it also provides checks and balances.

There are few people engaged in lobbying who would not agree that if the legislative sausage machine functioned more slowly the end product would be more palatable. European Community frustration partly derives from seven languages (soon to be nine) and two alphabets. Its slowness also stems from the unwillingness of member states to concede authority to it, but it still teaches us the merits of consensus.

If the abolition of the House of Lords is thought desirable (and the writer is far from convinced of the merits or practicality of single chamber government) there may be value in considering, as an alternative, a consultative assembly functioning on a tripartite basis - representing, in equal proportions, employers, workers and consumers (including professional interests) - to comment to government on the merits, shape and equity of proposed legislation. A tripartite character would ensure some element of consensus as, under it, the views of one group cannot prevail over the other two. Apart from more considered law, the consensus approach may ensure greater permanence for enactments as such. Cynics may say a super-

quango is not the answer. Critics will argue that the National Economic Development Committee exists for a similar purpose without having achieved much. There is no answer to cynicism. The NEDC might well be replaced by the consultative assembly suggested above though the expertise of its staff could be retained to service it.

Maybe, after all, lobbying is the lesser evil, but at times it comes dangerously close to living off immoral earnings and it may in the process be helping to undermine democracy as well.