

New Vision - New Direction

by Dr. Peter Clarke

The 1993 policy statement, *New Vision New Direction* began: "The Co-operative Party protects the interests of the Co-operative movement and promotes the wider application of Co-operative principles by putting Co-operators into Parliament, the European Parliament and onto local authorities. It is responsible for the Co-operative movement's relations with the Labour Party.

The Co-operative movement would not get the Co-operative Group in Parliament without the Co-operative Party or the Group in the European Parliament."

So far so good, this is what the Co-operative Party was always about and still is today. But this emphasis on the core business of the Co-operative Party was the basis on which the Party's fortunes have been rebuilt in the past two years.

Two years ago a climate of opinion existed which suggested that the Group appeared in Parliament by magic, that the movement could get it without the Party. Maybe a senior official could go down to the House after the election and take on half a dozen MPs.

The Alternative of Lobbying?

New Vision New Direction pointed out: "Strict rules govern the lobbying of Parliament by consultants. These rules do not affect the Party's activities as a political organisation with Members of Parliament. They are bound to get more restrictive over time, further limiting the scope of lobbyists."

Today a Select Committee is investigating the link between MPs and business after the Sunday Times revealed that MPs were prepared to put down Parliamentary Questions for £1,000.

Besides, who believed it was cheap or effective to employ political lobbyists? All our competitors are spending as much as or more than the Co-op on politics. They "retain" political and public relations consultants for a set fee. £50,000 per annum is a common amount. This retainer means that the consultants are available to the firm to do work as and when required, for which they will charge set fees plus expenses. Political consultancy can easily cost over £100,000 per year.

Some voluntary organisations use consultants. For example, housing Co-ops used consultants for their "Time for action" campaign. This cost £20,000 for six months' work. Another organisation used consultants to get a meeting with a government minister, for which they were charged £4,000. Consultants do provide discretion, but it doesn't come cheap.

Only the other day it was announced that Tesco had a 17 strong in-house PR team, and that it had dropped Charles Barker's public affairs team in favour of Lowe Bell Political. Moreover, Lowe Bell were now handling Tesco's planning business, a shift from specialist agency Political Planning Services.

Most people in the movement found these figures sobering. It got the debate on 'value for money' into perspective. The achievements of the Parliamentary Group and the team work of the Party looked very good value for money by comparison.

The Link with the Labour Party

But at the time I knew that it was about more than money. There was a political edge to the issue. And the real question being whispered by our enemies was: do we really want the link with the Labour Party?

The drums rolled and all was said to be gloomy. The placards might have read, "Prepare to meet thy redundancy" But Congress decided, by the biggest margin since 1945 - 6200 votes to 220. The link was to remain and the Party earned fulsome praise.

Co-operative News said, "The Party was always going to win, but it was painful watching their opponents being smashed into the ground with a sledge hammer" Touché.

But those of us who care about the movement care about our link with the Labour Party. It is only the Labour Party which can advance the interests of Co-operators and the movement as a whole. We do believe in a more equal society, based on social justice. So does the Labour Party. Of course we were prepared to fight for the Co-operative Party, not for its own sake, *never* for its own sake, but because it is the most effective political vehicle for the Co-operative movement to achieve its political aspirations: a better society for our children.

CRS Agreement

In December 1993 CRS announced that it was transferring its political staff, political budgets and consequent affiliations to the Co-operative Party.

This was not CRS “getting out of politics” (as some speculators predicted) but a considerable strengthening of the position of the Party and CRS’s commitment to politics. Additional funds were provided to the party to provide specific additional services to CRS. CRS’s resources have been managed to achieve the following objectives, agreed between CRS and the Party NEC: to give strong support to the Labour Party; strong support to the Parliamentary work of the Party; to help the Co-operative Party raise its political profile; and to help to strengthen the democratic political structures of the Society.

The CRS board of directors deserve full praise for the courage and boldness of their decision. It has given the Party the opportunity to work towards a unified staffing structure, removing duplication of functions within the Society’s area and thereby allowing the Party to increase the range of services to the Society. The most important restructuring of Co-operative political resources in fifty years has been achieved. This is already bringing benefits to the Society. It also proved CRS’s firm commitment to the future.

CWS Agreement

On October 1 CWS followed suit. The biggest impact of this decision will be in London, where the Co-operative Party will be able to work for co-ordination of Co-op political activities throughout the nation’s capital city. The importance of this move cannot be over-estimated. A new Co-operative Party Council structure is to be decided for South London encompassing both the South East CWS Political Committee and the South East CWS Co-operative Party Council. Co-operative Party branches will be set up throughout the area and, by 1997, the Political Committee will give way to the new Party Council.

The Labour Party

Everyone may have agreed with *New Vision New Direction* that, to quote, the Co-operative Party “is responsible for the Co-operative movement’s relations with the Labour Party” but in 1993 this was not the case. Indeed it has never been the case.

The old Royal Arsenal Society affiliated to the Labour Party in 1926 because, it was said, the legendary London Labour Party figure, Herbert Morrison MP, lived next door to the Chief Executive Officer of the Society. (This was 55 Artillery Road, Eltham, an address I canvassed during the European parliamentary elections this year. I knew because there is a blue plaque on the wall recording Herbert Morrison’s residence.) Morrison was

at loggerheads with Alfred Barnes MP, another legendary figure in London Labour Party politics. More significant, Barnes was President of London Society and Chairman of the emerging Co-operative Party. So Morrison's case for Royal Arsenal to reject the Co-operative Party as its political vehicle was not based on political argument, or careful analysis of the facts, but on political animosity.

These arguments may have been valid then but are they valid now? Did they remain at all relevant after 1984 when CWS absorbed Royal Arsenal? How can CWS South East delegates to the Labour Party conference claim to "represent" the Co-op, let alone the CWS? CWS members in Enfield, Glasgow, Newcastle-upon-Tyne, and Nottingham are never consulted by Woolwich? But, to be fair, in the past fifteen years the CWS South East Political Committee has used its contacts with the Labour Party to advance the Co-operative cause. Compare this, for example, with an RACS - inspired motion at the 1979 Labour party conference which led the Labour Party to set up its disastrous "working party" on worker Co-ops. This was the committee which wanted to give all workers in failed companies the right to make "death bed" conversions to a Co-operative.

In the case of London, in the 1960s it became more critical of the Co-operative Party and openly hostile towards the end of the 1970s. I well remember joining the Co-operative Party in 1973 in London. Upon expressing, to a London Board member, my delight and amazement that the Co-op was involved in politics, I was told it didn't happen elsewhere. London was the *only* Society involved in politics!

Changes in London

This distortion may have been forgiven, since the old London Society was certainly unique in its pro-Moscow stance. In 1978 the hostility towards the Co-operative Party spilled over into a direct affiliation to the Labour Party. Few reasons were given at the time, but it was rumoured that personal animosity towards leading Co-operative Party figures and a desire for the Co-operative Party to be more "campaigning" were the cause. CRS loyally continued the affiliation in 1981 when it absorbed the Society. So once again a national Society is "represented" by a sub-committee of a sub-committee, which is not accountable for its policy line either to the board of directors or the members of the society, even in the London area. Many CRS members asked in bewilderment how it was, at the 1993 Labour Party conference, that the CRS delegate speaking "on behalf of the Co-operative movement" could have opposed the use of One Member One Vote (OMOV) in internal Labour Party elections. Wasn't OMOV one of

the Co-operative principles? Hadn't the 1993 Co-operative Party conference debated the matter fully and supported OMOV within the Labour Party? And how could it be that a senior CWS delegate told John Smith MP to his face that the CWS was minded not to support OMOV? (It pulled back from the brink at the last minute).

Earlier this year, the Co-operative Party NEC proposed that the London Political Committee should share responsibility for the Society's relationship with CRS's 13 Party Councils. The appointment of delegates, the stances on motions and decisions on voting in internal Labour Party elections would be taken by OMOV of all CRS Co-operative Party members. Consultation on this issue continues with CRS Co-operative Parties.

The same formula is now also possible within CWS.

Exciting Opportunities

Such prospects present exciting opportunities to reshape the political resources of the movement to achieve our objectives. For the first time in the history of the Co-operative Party all the key elements of the Co-op's political work come under the auspices of the Party NEC. At long last the wish of Congress that societies express their political aspirations exclusively via the Co-operative Party can be realised.

And if I have anything to do about it, this will happen. Our new document *The Co-operative Agenda for Labour* spells out our vision of the future. It will set the political agenda for the Party.

We can succeed. We will get a Labour government. Not for its own sake, never for its own sake, but so we can get a new Co-operatives Act, a level economic playing field and the opportunity to work for the creation of a Co-operative Commonwealth.

The Author

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Out of Labour's Shadow

by Jim Craigen

This article was the basis of a presentation, on July 10 1994 at the Co-operative History Workshop at the Co-operative College.

As a synopsis - my argument is that since its formation in 1917 the Co-operative Party has always struggled to provide a coherent strand of socialism, distinct from but working with the Labour Party. The questions I address are: can it ever do this?; or is it destined to operate in Labour's shadow?

Victorian Heritage

The Co-operative and trade union movements are in essentials Victorian-built institutions. They developed too in a distinctly British way: Co-operation emerging as an economic force of social consequence while organised labour has been a social force making an economic impact on society.

In Britain, community-based retail Co-operative societies sprang up throughout the country. 1994 marks the 150th anniversary of the opening of the Toad Lane store by the Rochdale Pioneers. Few retail societies have been formed during the 20th century as the trend has been one of mergers and rationalisation or closure. Indeed few people would seriously consider these days starting up a retail Co-op. Whereas before the Second World War independent retailers presented the main competition to Co-operatives, since 1945 the multiples have overtaken and nowadays overshadow retail Co-operation. On the continent of Europe, Co-operation was more usually expressed through farming, fishing or housing (especially in Scandinavia).

British trade unionism was largely organised according to occupation by the end of the 19th century - in the closed-membership craft unions or open-membership general unions - when the decision was taken to form the Labour Representation Committee in 1900. By contrast, politics and religion shaped the structure of continental trade union organisation. The trade union and Co-operative movements in Britain continue to this day to enjoy the advantage of single representative bodies.

Entry into Politics

It was the Trades Union Congress which convened the conference on Labour Representation in Parliament in Farringdon Street, London in February 1900 and the individual trade unions represented and supporting socialist societies established the Labour Representation Committee. The

new body was thus at arms length from the TUC. The Labour Party which followed on from the success of LRC - sponsored candidates in the 1906 general election was not linked constitutionally with the TUC. Both remain organisationally separate.

Almost two decades after trade unions had responded to events and decided that Labour Representation in Parliament was required to combat growing legal restraints on their industrial activities, the need to defend Co-operative business interests finally tipped the balance in favour of Co-operators entering politics. In 1917 at the Emergency Swansea Congress a majority opted for Co-operative representation in Parliament.

When invited to give this presentation, it was put to me that the Co-operative Party might have developed as a separate strand of socialism. However, if Co-operators had wanted another strand of socialism then joining the Labour Party in shaping its 1918 Constitution would have made more sense. The new constitution enhanced the voting power of the payrolling trade unions within a more organised Labour Party and introduced individual membership in the constituencies, thereby marginalising the influence of the I.L.P. whose leaders would have preferred a broader based "People's Party". Had the Co-operative movement been disposed then to creating a New Democratic Party, the title "Labour" with its trade union associations could well have been displaced. The so-called "People's Party" instead of the rising Labour Party would have "broken the mould" in British politics.

In 1917 consumer Co-operative societies preferred their own party. What's more they kept it within the Co-operative family as part of the Co-operative Union. Three-quarters of a century later Co-operative retail and wholesale societies continue to be the financial mainstay of political activity. True the Co-operative Party has individual membership, but the corporate members substantially fund its organisation: a dependence not dissimilar to Labour Party reliance on trade union affiliations.

The First World War changed everything for the Co-operative and trade union movements. However, the Co-operative Party came into being not to advance socialism but to defend Co-operative trading interests.

A Defining Decade

The Representation of the People Act 1918 doubled the electorate to 16½ million by enfranchising 5 million married and 1 million single women and giving an additional 2 million men the vote. Constituency organisation involving women became necessary for the Labour Party in an age when

the majority of women were outside the workforce and therefore unlikely to belong to affiliated trade unions. Mass membership was also a must for political parties in wooing the enlarged electorate.

By the end of the First World War three main parties were competing for office and with the first-past-the-post system that was one party too many. Two collectivist parties with broadly similar policies and supporters in competition with each other would have won in fewer constituencies. A contemporary example of this dilemma was seen in the run up to the 1983 general election when the potential for Liberal and Social Democrat competition was resolved by Lib/SDP "alliance" candidatures.

In practice Labour support and endorsement has been essential to Co-operative electoral success ever since the first Co-op candidate was elected in 1918. Indeed that first Co-op MP established the precedent when he took the Labour Whip on entering the House of Commons. In 1921 the Co-operative Congress spurned the prospect of a Labour/Co-op Alliance of equals: henceforth it was a partnership of self interest.

The example of Paisley emphasised the futility of dual candidatures. In 1922 Asquith the former Liberal Prime Minister staved off defeat in a straight fight with Biggar the Co-operative candidate by a mere 316 votes. At the 1923 general election, Biggar lost by 1,746 votes. An unofficial Labour candidate attracted 3,685 voters unhappy with the Co-op choice and this time a Conservative stood.

The 1927 Agreement approved by the Cheltenham Co-operative Congress officially ended go-it-alone Co-op politics. It also headed-off individual societies doing a Royal Arsenal and affiliating directly to the Labour Party. Thus a decade after entering politics Co-operators made their *reliance* on Labour official.

Relations with Labour

The Co-operative Party was thereafter bound to play second fiddle although it would also be able to use its own bow. Subsequent revisions of the 1927 Agreement have not in fundamentals greatly altered relationships even if the candidate title Co-op/Labour between 1946/58 became Labour/Co-op after 1958. More significant the Agreement that year against a background of trade union rivalries over Co-op sponsorships and the Wilson Report on Labour Party Organisation put a limit on Co-operative party candidatures at 30, including sitting MPs. Sponsorship was intended to assist candidatures in unwinnable seats as well. However, Co-operators retained their autonomous Party and Parliamentary Group.

Co-operative sponsorship continues on a much smaller scale than that of the total number of trade union - sponsored Labour MPs. The demands on Co-operative MPs are for the most part greater than those on the average trade union – sponsored Labour MP. Having an autonomous party and the defence of Co-operative business interests makes a difference.

The politics of Co-operation is certainly a strand in Labour Representation. The oft-used “Three Wings” of the Labour Movement is otherwise a somewhat flightless metaphor more designed to pluck the heart strings. It has been in the nature of Co-operation to retain a certain apartness and in today’s changing social and industrial scene there is more compartmentalisation. There are fewer activists who might be found to be prominent in the Co-operative movement and the trade union movement and the Labour Party as well than in past years. Of course when asked, “Could the Co-operative contribution have been greater?” the answer must be yes. And yet it was enterprise or self-help which fuelled Co-operative endeavour. Co-operators were less in the business of politics than in the business of business.

The Co-operative Party probably lost out in influence of ideas after 1945. The two-party system then seemed firmly in place. The 1945 post-war Labour Government had a majority of 186 and 23 Co-op out of 393 Labour MPs were a part of the tide and not the current of thinking.

Post-War Development

Central planning and direction of the economy was the strategy for a Labour Government which had inherited wartime controls; not municipal socialism nor new forms of Co-operative enterprise. The Morrisonian model of public corporations shaped the post-war nationalisation of public utilities. Another 20 years on and housing Co-operatives would be talked of as an alternative form of social housing; or 30 years on, and even then usually following on the collapse of private enterprise, a Labour government was funding worker Co-operatives.

Since the Co-operative movement entered politics at the end of the First World War, Labour has more often been in opposition than in Government. Yet even in opposition, individual or groups of MPs can get things done at constituency or national level. Indeed when the ally forms the Government the process can seem more subtle and prove more frustrating for backbench MPs expected to support their own Ministers.

In 1949 plans for the nationalisation of industrial assurance or life assurance understandably aroused the concern of the Co-operative Insurance Society.

In the process of looking after Co-operative interests some antagonism arose between the political interests of Co-operative and Labour. Relations, however, were most openly strained in 1966 by the introduction of Selective Employment Tax in the Budget that year. Although ideas of a Payroll tax, or some form of regional variation to encourage employment outwith the London area, had been floated some time beforehand, the Labour Chancellor's move came as a shock to Co-operative trading interests.

Nowadays so-called think tanks are a recognised means of influencing political developments. As Co-operative Party Secretary, Harold Campbell sought to advance the case for Co-op housing and was impressed by the Fabian society method of tracts and pamphlets in promoting ideas onto the political agenda. His successor Ted (now Lord) Graham with his hands-on pragmatism developed ways of 'inputting' to Labour Party policy documents. The 1978 Co-operative Development Agency enacted under the Callaghan Government was a Co-operative Party aspiration.

Labour lacked a Commons majority at the time. However, the Co-operative Parliamentary Group pressed the Leader of the House for a Bill instead of the White Paper which he was proposing and got the Co-operative Development Agency. With hindsight, in light of the subsequent approach by Thatcher governments to public bodies, a Co-op funded enabling CDA might have been the better alternative to the state funded agency. Private funding in the public sector which has become the fashion does not appear to lessen civil service oversight or Ministerial meddling.

What Do Co-operators Expect?

Overall the Co-operative movement has received its dividend from political investment and accompanying representational access over the years. True there has been talk from time to time of relying on consultants instead of sponsoring open public representation. Of course, consultants like rhinos are thick skinned and charge a lot! The Co-operative Party both retains autonomy and remains a representation group at Westminster, Strasbourg or in local government council chambers. The Westminster representation consists of MPs and working Peers (whose individual contributions should not be forgotten) and like any asset is best when used.

In the recent past the European dimension has grown in significance. It was quite something therefore that all six Co-op sponsored candidates in the 1994 Euro elections were returned as MEPs. And it is something else that a Co-op MEP, Pauline Green, has become leader of the European Socialist Group at Strasbourg.

If there were not a Co-operative Party already in existence no one would

seriously consider starting one afresh in the 1990s. Apart from anything else the need to finance parties is a political fact of life. Mass membership is a thing of the past and television has replaced public meetings in elections. Co-op retailing has been a shrinking source for years for active members and with larger societies has become a more anonymous base for a Party. With the contemporary growth in the charity business and voluntary work the retreat of the mutuality idea is all the more ironic.

Conclusion

When the question in the synopsis "is the Co-operative Party destined always to operate in Labour's shadow?" was put to me, I immediately replied, "Yes". That need not, however, mean that the Co-operative Party has to be in the shade.

Direct affiliation to the Labour Party might or might not have realised greater political influence on Labour Party thinking in times past though it is more likely that it would have resulted in less overall support from individual Co-operative societies and simply siphoned off much Co-operative political activity away from the business of Co-operation and into Labour Party organisation.

A reminder of the limitations of business influence even when a party has been in government for a decade and a half is the current questioning of the value of financial contributions to the Conservative Party by some business donors feeling the draught of recession.

That the Co-operative Party continues its representational and political work three-quarters of a century after its formation is tribute to the members, activists and public representatives and their personal contributions. The Co-operative Party is not in the front-line in the sense of contesting elections on its own and need not therefore have a policy on everything. But as a political interest group or pressure group the Co-operative Party does require Vision and Values if it is to retain Vitality. Peter Clarke the current Party Secretary probably has the most difficult role of the post-war Party Secretaries in translating the politics of Co-operation to the business and public needs of the times. *The Co-operative Party in the 1990s: New Vision - New Direction* shows every willingness for rising to the task.

The Author

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