

The increasing influence of unaccountable forces on politics has led to a crisis of identity

By Democratic Audit UK

*As the Labour party conference continues in the shadow of the wide-ranging implications of Scotland's Independence Referendum and the increasing progress of UKIP in England, **Karin Christiansen**, General Secretary of the Co-operative Party, argues that a crisis of identity is the consequence of states and individuals increasingly finding themselves unable to control external forces. She looks at Labour's response to this crisis, arguing that the solution is a co-operative one.*



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Events in Scotland, the rise of UKIP and global challenges demonstrate the need to change how political power is distributed. We need to re-imagine the role of both states and markets, and how they serve people both individually and collectively.

In [One Nation: Labour's Political Renewal](#) (published earlier this month) Jon Cruddas, Head of Labour's policy review, shows that Labour is embracing this agenda. We in the co-operative movement have the practical tools that can help turn this vision to a reality, and are looking forward to working with Labour to make this happen.

However much it has become a cliché to say so, the political settlement of the past hundred years or so really does seem to be increasingly struggling. Aspects of our political landscape that even just a few years ago were considered facts of life are quite remarkably, suddenly now up for grabs.

The most immediate of these was the possible breakup of the United Kingdom last week, and with it, the prospect of a country 8.5% smaller, with all that means for our prosperity and ability to engage with the World. Earlier in the year, we saw a populist right-wing parties coming into power across Europe and coming second in England's local elections. UKIP now pose a genuine challenge to Conservative and Labour alike next May, amid unprecedented distrust in the established political process and politicians.

These events are connected by a common theme: a crisis in the role of the state and in how it engages with its citizens through the democratic process. The rise of UKIP, anti-Europeanism and the Scottish independence

campaign are all, in their own ways, demands for a change in the way in which the way political power is distributed. In some cases it is a case of bodies perceived as too weak or detached to defend the interests of their citizens, in others, it is a sense that institutions are too strong, too distant and too unresponsive.

All this happening in an international landscape in which nation states themselves appear to be at the weakest since their emergence at the beginning of the 19th century. When it comes to crises in financial markets, climate change, disease pandemics or violent extremism, even the most powerful states increasingly find themselves subject to global forces, over which they individually have relatively little control or influence.

Part of the appeal of nationalist parties such as UKIP and the SNP therefore lies in their claim to be able to control such forces. Their appeal seems based on an understandable but insatiable yearning for a bygone era in which centralised, national governments could more directly intervene to insulate their citizens from the economic and cultural consequences of globalisation. The fact that such promises are largely empty does little to diminish their seductive appeal.

We therefore have a choice between attempting to make the best of this broken settlement, or radically reforming it. The former implies centralised power and governments attempting to be seen to 'do something' to curb the worst excesses, while perhaps privately accepting that their control is limited. Such an approach means ignoring the growing gap between what ordinary people expect of their institutions, and what those institutions are capable of delivering. It is a recipe for cynicism, further erosion of faith in politics, and a accepting a slow process of economic and democratic decline.

Or we can acknowledge the limits of centralised, bureaucratic control – whether in the City or Whitehall. We can work to create a society in which the decisions and institutions which most directly affect people's lives are brought closer to them, and in which we strengthen and democratise the regional and transnational partnerships which provide the prosperity and security necessary to achieve this.

What is refreshing is the speed in which Labour has come to terms with these fundamental questions about the role of government and distribution of power within society, and as Jon Cruddas sets out, grasping the opportunity to address them head-on. Indeed, it is alone among the three major parties in doing so.

Cruddas' central argument is that the political settlement of the past has resulted in concentrations of largely unaccountable power in both the market and the state, leaving ordinary citizens powerless and isolated, and society as a whole less cohesive and resilient in the face of global changes.

He observes: "In the past three decades, people have been subjected to changes they have had no control over. This powerlessness has contributed to the growing levels of anxiety, addictions, depression and loneliness. Problems that have a social cause are experienced as humiliating personal failures. Individuals are left alone to cope with these problems as best they can and public services treat the poor like supplicants and victims."

In acknowledging that the root of our malaise lies in the distribution of power, and not just material resources, Cruddas makes an ambitious case for re-thinking our political and economic institutions. He calls for a renewed focus on the mutual and community-based structures through which individuals relate to one another. The theme which we have heard from him before, but which seems an increasingly apt description of Labour's direction, is 'Big Reform, Not Big Spending'.

But what does that mean in practice for the next Labour & Co-operative government? After all, a Westminster government which commits to overseeing something as ambitious as a process of social renewal while simultaneously promising to redistribute power downwards runs a significant risk of contradicting itself. As Cruddas observes, reflecting on Thatcherism's own attempt to remake the state, "the task of separating markets from society required centrally organised planning, regulation and control."

Even if, as Cruddas suggests, the next Labour & Co-operative government is committed to reversing that trend by working to reintegrate society, markets and politics, doing so will require leadership. It will require new models and institutions, underpinned by secure legal and regulatory foundations and massive cultural changes.

In other words, if we are going to embrace this agenda and take this from an exciting, if academic possibility to a

practical vision of society that can be sold to voters in May, we need to draw on practical examples and a genuine understanding of the existing barriers faced by people both individually and collectively.

The Co-operative Party was founded nearly 100 years ago to do just that; working to ensure a level playing field for the co-operative sector at all levels of government. Creating a political environment in which models of mutual and collective organisation – that is, people having control over the services they use, just as Cruddas proposes – are able to thrive and prosper.

In 1917, that meant standing up to a government that was sending shop floor staff of co-operatives off to the Western Front while protecting the employees of private businesses, supply boards withholding food and fuel supplies, and the singling out the sector for punitive taxation.

Today it means standing up for credit unions as an affordable, and locally-based alternatives to personal finance and payday lenders such as Wonga. Working for an equitable legal foundation for co-operative schools, in which parents, staff and pupils have a formal role in owning and governing their school. It means ensuring a level playing field for community-based renewable energy schemes, promoting opportunities for employees to own a share of their workplace, and working with the Labour Party to ensure that much-needed reform of Britain's railway system puts the interests of passengers and staff at its heart.

Taken together, models like co-operative schools and employee ownership illustrate exactly what Cruddas' vision looks like in practice: social renewal based on the tried and tested co-operative values of solidarity, equity, equality, self-help and self-responsibility. It is about accepting that both shareholder-driven markets and centralised bureaucracies have limits in their capacity to respond to the needs of citizens and customers, and that achieving a genuinely fair and democratic society means the consumers and front-line provider of services should have far more power and control.

Crucially though, it illustrates Cruddas' point that government is not a bystander in that process but a key player. We need the next government to put in place the safeguards that will ensure that existing co-operatives and newly decentralised services alike always have a strong community voice at their heart, and are protected from private capture. We need legislation to ensure that the community-driven nature of local energy schemes, fan owned football clubs, childcare coops and co-operative schools are legally embedded.

In short, devolving power is an active, ongoing process in which public institutions' active engagement is key. It is about addressing the crisis in state power by returning democratic government to its original purpose: liberating its citizens, opening up opportunity, and providing the security necessary to innovate and prosper.

By committing itself to such a goal, the Labour Party has undertaken an ambitious, bold and long-term project, returning itself to the values of the movements that founded it. Those of us in the Co-operative Party are looking forward to playing our part.

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