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The Pre-Modernised Labour Party

It was shown in the last chapter that two important functions of party organisation are to aggregate members’ preferences and to help intra-party actors alleviate their commitment problems. This chapter turns to the analysis of the Labour Party and shows how it tackled both these problems and entrenched political exchange in the party before its modernisation. The device it used was the block vote, an institutional means by which trade unions dominated Labour’s decision-making bodies, and one of the most controversial aspects of the party-union link. Despite the efficient and distributional qualities of block voting, trade unions have rarely been able to control completely the actions of the parliamentary Labour Party. Understanding the logic behind the block vote, and its limitations as a means of overcoming union-PLP commitment problems, enables us to recognise how far-reaching recent reforms have been. The events that ruptured the party-union link in the 1970s are then recounted, and the chapter closes with some reflections on the coalitions for change that assembled in the party in the 1980s and 1990s.

The development of political exchange in the Labour Party

The exchange approach developed in Chapter 2 envisaged office-seeking politicians recruiting activists to campaign for them, and offering policy and social benefits in return. However, the most important type of political exchange in the British Labour Party has always been between politicians and trade unions rather than individual activists. This form of exchange has distinguished Labour from most continental European socialist parties, which were based on individual mass memberships and had few institutionalised links with unions. European socialist parties generally developed before their national union movements, but early
industrialisation ensured that the process was reversed in Britain, where the union movement acquired organisational strength in the nineteenth century. Political and judicial hostility persuaded British unions of the need to seek allies in parliament, and after the extensions of the suffrage to working class men in 1867 and 1884, there was a potential constituency for union-backed candidates. Rather than embark on the risky strategy of forming a party, major unions, such as the miners and cotton workers, struck deals with local Liberal Party associations to put up candidates in areas of working-class strength. The first such union candidate was elected to parliament in 1874 and several more followed in the 1880s and 1890s. These MPs became known as Lib-Labs and functioned as a parliamentary pressure group seeking to influence industrial relations legislation. Lib-Labism best served the interests of unions with geographically concentrated memberships, but by the 1890s large general unions, such as the transport workers and municipal workers, had emerged, recruiting across a range of industries and over a wider geographical territory. Lib-Labism was not as attractive to them and by 1899 the number of Lib-Lab MPs stood at only eleven. Yet the unions found themselves under greater attack than ever, both from employers in the workplace, and in the courts. Many in the unions started to think about forming their own party (Lovell, 1991; Moore, 1978).

Meanwhile, the same period saw the emergence of socialist groups, such as the Fabian Society and the Independent Labour Party (ILP). The latter tried to build an individual mass membership along the lines of the German SPD and fielded candidates in elections, but it quickly became clear that the ILP could not challenge the existing party system, which was centred on Liberal-Conservative competition. Winning votes requires a well-resourced organisation to campaign on the ground, but attracting members and funds cannot be achieved overnight. The ILP therefore sought an organisational alliance with the unions: large-scale collective action is easier to organise by drawing together existing groups than by starting from scratch, because it dramatically lowers mobilisation costs (Chong, 1991: 36).

The result was that the unions and socialist groups coalesced to form the Labour Representation Committee in 1900 (becoming the Labour Party in 1906). The unions and socialists had different interests, and the new party represented a compromise for all involved. Its foundation was ‘not so much a birth as a marriage’ (Pelling and Reid, 1996: 4). However, the new party was completely dependent on union finance, and so the unions dominated its organisation, while their policy preferences took priority. The socialists were needed because their person-