ASPECTS OF ORGANISATIONAL MODERNISATION IN POLITICAL PARTIES

by Stefan Seelbach

The story of the SDP has been analysed in depth in articles and academic books. Most studies or articles have focused on the relationship between the party leaders – the 'Gang of Four' – or they have looked into the party's contribution to policy-making or to the merger debate with the Liberals. In many ways, interest focused on the assumption that the SDP was going to represent an entirely new and fresh approach. The premise was the SDP would strive to achieve one objective in particular: to 'break the mould' of the existing party system and create a fairer system of party interaction.[1]

In the light of this research focus, it has been argued that the SDP's contribution towards a reformed party system had its limitations. As a political party, the SDP remained a short-lived experiment. While media interest was undoubtedly strong at and after the party's launch in 1981, it receded as the decade progressed. There was not much the party could have done about this, because it is an intrinsic aspect of the media to move on to other events that will make the headlines. The Falklands War of 1982 and the Miners' Strike in 1984–85 were two such events that occupied the national headlines, and by then it appeared that the SDP had become just another centre party. It might be argued in retrospect that the SDP was unable to accomplish its main task of modernising the British party system and of replacing Labour in the long run as the second party in Britain.

The true achievements of the SDP, however, can be found on a different level: the involvement of the Social Democrats in changing and modernising the concept of 'party organisation'. The SDP quickly became a vehicle for change in this respect and began to develop and implement a number of innovative formats.

At the centre of these stood the idea of making the SDP more controllable via the instrument of 'centralisation'. The aim of creating a centralised organisational structure was the foundation which later defined some of the key innovations the party introduced. This article will look at some of these developments:

- The introduction of a computerised membership register and of subscription payment via credit card.
- The emphasis of direct member participation through one-member-one-vote or 'OMOV'.
- The introduction of new fund-raising approaches – the SDP and direct mail.
- The policy-making organisation – Council vs. Policy Committee.

'The party has started' – how the SDP got off the ground

The launch of the SDP in 1981 was an impressive display of euphoria and political determination. Boosted by a wave of popular support and intense media attention, the party had been expected to do well, and a total of ten opinion polls between January and March 1981 predicted that the SDP might accumulate between 23 and 30 per cent of votes in a forthcoming election.[2] There was talk of an even higher share of votes for the new party, but some predictions were treated with more caution.[3] The SDP nonetheless could look to the future with anticipation, and a feeling that it was at the forefront of political change in Britain.

In the light of this successful launch, the SDP had to deal with two areas that were central to the party's future: the need to attract party members and the equally

important requirement of securing sufficient funding to keep the new party going. Unlike Labour and the Conservative Party, the SDP could not automatically rely on a steady income flow, such as money from the trade unions or 'big business'. The logical answer appeared to be to build up a national membership network that would ensure a continual flow of funds.

Crewe and King have pointed out that the SDP was well advised to avoid the 'wholly negative point of reference' of the Liberal Party, because:

> The nub of the problem was the combination of a decentralised party structure and an inadequate membership base. Too little revenue was raised from subscriptions, and too little of what was raised found its way to the centre.[4]

This observation sums up one of the most crucial but also difficult tasks the SDP faced. The party had to recruit members in adequate numbers and at the same time to make sure that the money from subscription fees was not dispersed amongst local party subdivisions, but was instead channelled directly to the centre or party headquarters.

The idea of making subscriptions the key source of money was based on the leadership's assumption that the SDP would be able to recruit 100,000 members in a relatively short time. The reality, however, was different, and even at its peak the SDP never

had more than approximately 65,000 members, a figure that was too low to generate the anticipated level of revenue.

Knowing who and where your members are

In order to be able to monitor the development of its individual members, the SDP introduced a Central Membership Register. This national register or database became a key tool as part of the strategy to create a more inclusive party. For David Owen in particular it was a vital tool in restricting the powers of activists and establishing the participatory rights of individual party members.

It mattered to the SDP to install a computerised system of membership registration with a dual function. The system was designed to enable the party leadership to ballot its members whenever necessary, and also to keep better overall control of party funds and finances. As the SDP did not have a traditional grassroots substructure in local organisations, it gave the leadership at the same time the opportunity to create its own brand of organisational system and to take charge of the control levers of such a system. The introduction of a computerised register was, at the time of its launch, a distinctive feature of SDP innovation. In 1981, none of the other British parties had a system sophisticated enough to enable them to monitor and influence the movements of individual party members.

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The idea of a national membership structure was further developed by the use of credit card payments, then highly innovative. Individuals who wished to join the party could do so by simply phoning the SDP headquarters in London and by giving their credit card number. Although membership recruitment was by no means a brand-new party function, the introduction of credit card payments, together with the operational backbone of the National Membership Register, was new and as yet untested. It was further evidence that the SDP was determined to break the organisational mould of the old system.

> The long-term advantages would be considerable too. By ensuring the availability of a more accurate and up-to-date register than could be compiled locally, the computerised list would … form the basis of a sophisticated communications system within the party, enabling the leadership to ballot and to survey the membership – and to appeal for funds.[5]

The SDP leadership regarded the computerised membership system as much more than a simple tool for collecting subscription money. It was viewed as the centrepiece of a wider communication strategy that would provide the party with a constant link to its membership. It would enable the SDP, so the assumption went, to get in touch with its members whenever necessary and to have

'The party
has started'
– launch at
the Connaught
Rooms, London,
26 March 1981

a permanent two-way exchange of communication with its members. It was also the basis for a concept that was largely pioneered by the SDP in Britain – the use of direct mail as a fund-raising tool.

The SDP and the use of direct mail

Direct mail is, in its origin, an American technique. Before it made its first appearance in British politics, it was widely used in American campaigning. It had been a technique implemented in commercial marketing before it was later applied in political marketing. Richard Voguerie, a conservative political consultant, is widely regarded as the 'modern pioneer of political direct mail fundraising' in the United States.[6]

Back in Britain, the SDP quickly recognised that direct mail could be utilised as a valuable technique and marketing tool. As a means of communication it offered a two-way approach. The party could not only send messages to members or supporters, but it could also receive opinions and other feedback, as well as money, from those it had contacted via direct mail.

The SDP began to work with direct mail in order to contact its party members first, rather than its voters. To do this, the SDP leadership started a marketing initiative through a think-tank which was used as a 'sounding board for advice, ideas and feedback for David Owen'.[7] The instruments used in this campaign included a newsletter to subscribers and donors and regular lunches and meetings with leading SDP politicians, as well as a telephone 'hotline suggestion box' with the purpose of giving supporters or prospective new members the opportunity to bring in their own views and ideas.

There were even ambitious plans to extend 'membership services' to insurance and travel. Enthusiasts saw merchandising as a novel means of making money, recruiting members and publicising the party all at the same time. Sceptics feared the creation of SDP Ltd.[8]

How did direct mail work? The SDP's approach to using the new tool

One of the first steps in the process of direct mail is the selection of lists of names to be mailed. Having a list is only the begin-ning; after that the use of direct mail involves other important tasks:

> Direct mail fund-raising is both an art and a science. The art involves the selection of issues which have the fund raising potential, the preparation of copy, the design of packages, the timings of mailings … and the creative modification of fund-raising techniques to meet the needs of the client.[9]

How did the first direct mail test work in practice for the SDP? The foundation for a first scheduled test mailing was already laid in the summer of 1982, when the party decided to contact an American agency which had organised direct mail campaigns in the United States. The test mailing was scheduled for the first three months of 1983, and the SDP had already set aside the sum of £10,000. These plans had to be postponed, though, when the government called the general election.

The SDP organised a mailing test after the election, again with the sum of £10,000 put aside. 20,000 names were bought from four different lists comprising four different target groups.[10] The SDP prepared three different campaign letters (a two-page letter, a four-page letter, and a six-page letter, written by David Owen). A questionnaire was attached to the letters. According to the calculations of the American adviser firm Craver, Mathews, Smith, a 2.5 per cent response from one list and one letter would have been sufficient to make this mailing test profitable for the SDP. The longest (six-page) letter indeed produced an encouraging 2.6 per cent return on one list which was almost enough to make the programme self-financing. The average donation from this first test was £9.80.

With the first direct mail test having been a moderate success, the SDP decided to go for a follow-up test soon afterwards. In all, 29,000 people were mailed

for this second test. The appeal was eventually answered by about 1,500 people and raised a total of £14,552. Although this was not a bad result in view of the party's relative inexperience with direct mail, success was somewhat qualified by the fact that the costs were high, at about £9,000 for the entire test.

The SDP and direct mail: how successful was the tool?

The question remains: was political marketing through direct mail an overall success for the SDP? Although in Britain it probably did not attain the same status as a marketing strategy as it did in the United States, direct mail was nonetheless deemed a modest success. Crewe and King point out that:

> Three direct-mail appeals to members and supporters [in the 1987 general election campaign] produced £700,000 – four times as much, in real terms, as its appeal to members had raised in 1983 and more than the Conservative Party had managed to raise by the same methods ... By the standards of a small British party largely reliant on small personal donations, the direct-mail initiative proved to be a considerable – and unexpected – success. By 1987, the SDP had, perhaps, begun to crack the problem of party finance.[11]

The SDP became more and more familiar with the language of marketing and at times it was not entirely clear if one was listening to politicians or to marketing managers. For many in the party, however, the instruments of political marketing were a kind of guidance system which helped the SDP to locate its target voters and to match its political programme to the demands of the political consumer.

Fund-raising through direct mail was also a very welcome contribution which helped to alleviate an otherwise tight financial situation. While a total of £760,000 came in from membership subscriptions in the SDP's first year (1981–82), this figure was almost halved by 1985–86, when total subscriptions of £469,000 amounted to 50 per cent of the party's overall income.[12] Had it not been for vigorous financial support from a few wealthy supporters, most notably David (Lord) Sainsbury, the SDP would have had many more problems in keeping the party going. It has been estimated that Sainsbury alone gave approximately £750,000 to the SDP between 1981 and 1987.[13]

The pitfalls of modernisation: good intentions and bad execution

The SDP believed strongly that it had devised a sophisticated system that was geared towards the needs of a modern mass-membership party. One of the ironies of social democratic modernisation, however, was the fact that the SDP by no means possessed such a mass membership: it never reached its envisaged target of 100,000 members. There were often fewer than 300 party members in individual area parties and there were also substantial differences between regions. The SDP was most strongly concentrated in the south and in the Greater London area but was far less so in parts of the north or in Scotland.

One other truth was even less flattering for the self-declared party of modernisation. The SDP had opted for the high-tech route of computerisation, but it had done so without having anyone in the party who was familiar with the intricacies of such a modern system. Perhaps the first and most crucial fault was to pass the entire administration of the centralised computer register to the Midland Bank. The concept that a clearing bank would be best suited to handle complex membership lists was clearly mistaken, specifically in the case of the SDP. What the Social Democrats needed was a flexible system that took into account the diversity of its membership. What the bank could offer instead was a much more rigid system, because:

> Its essential function is to maintain an up-to-date list of shareholders' names and addresses, so that the company can send out to them its annual reports, notices of annual general meetings and the like. Such a programme has no call to print out selective lists of members in one part of the country, or those with some specific interest … The Sheffield computer programme, therefore, lacked the essential capacity, from the SDP's point of view, of selective output.[14]

The error of outsourcing membership lists to a clearing bank was further exacerbated by a less than professional approach on the part of the SDP itself. As Stephenson explains, many membership application forms went unprocessed from SDP headquarters to the Midland Bank, where errors regularly remained unnoticed and unchanged.[15] The whole computerised system in the end turned out to be an organisational mess and was in no way the 'sophisticated' communication system the party had so proudly announced.

The SDP and OMOV – enabling the individual in the party

The launch of the SDP rekindled the discussion of the independence of MPs. Social Democrats in particular were aware how the left had gained more and more power inside the Labour Party in the early 1980s. These developments had played a key role in the decision to form a new social democratic party. It was to be a party in which the individual would be involved in decisions, thereby replacing unaccountable electoral colleges.

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ing to the individual member's voice. During the lifetime of the SDP, OMOV was used on several occasions, such as National Committee elections or constitutional review ballots (in which party members had the opportunity to approve or disapprove of constitutional clauses and amendments). But perhaps the most important function of OMOV remained the election of the party leader. This had become one of the most contentious areas of dispute between social democrats and the Labour left towards the end of the 1970s. David Owen, in particular, vehemently fought against Labour's move to the left and the decision to reduce the quota of MPs in leadership elections to a mere 30 per cent.

The first opportunity for the SDP to assess OMOV came in the autumn of 1981 during the party's first leadership election. Ironically it nearly produced a rift between two of the central figures in the SDP, David Owen and Roy Jenkins. Jenkins favoured an option whereby MPs alone would choose their new leader, similar to the old, pre-1980 Labour procedure. This concept, however, infuriated David Owen who supported an alternative option, allowing all individual members of the SDP votes to elect the new leader.

In the end a compromise prevailed: the decision on which option to implement was decided via a membership ballot.[16] The result of the ballot stipulated that the SDP leader was to be elected by a postal ballot of all members of the party, and that there should be a mandatory review of the election system at a later stage.

The limitations of OMOV: the role of the National Committee

It is perhaps easy to overstate the importance of OMOV as the key principle of SDP organisation. The party leadership was able to retain power within the organisational build-up of the party through a number of safeguards

'There's nothing in the phone book under Social Democrats – perhaps if you want to join them you have to be an MP first'. ('Guardian', 17 March 1981)

that limited the scope of OMOV. The SDP's National Committee, for example, reflected to a large extent the leadership's desire to have MPs elected by their fellow MPs, as had been the case in the pre-1980 Labour Party. The SDP National Committee utilised a similar principle in that up to ten places on the Committee were reserved for MPs. Furthermore, those MPs were elected to the Committee by their fellow MPs, thereby excluding an OMOV-based vote. This left only eight Committee members elected by ordinary party members, which constituted a mere third of the entire body.

Recognition of gender equality was, however, built into the system of the National Committee, because a fair balance between the genders amongst those elected by OMOV was guaranteed. The concept of gender balance also emerged during the party's process of candidate selection where the shortlists drawn up by devolved committees in the local or area parties had to contain at least two members of each sex.[17] There were strong voices in the party, most notably Shirley Williams', who recognised gender balance as a very potent symbol for a new and radical party, a party that wished to signal that it was fresh and modern. And, of course, positive discrimination would also increase support amongst women voters – that was at least the theory.

'It's very convenient, you can join by credit card and at the same time write everything they stand for on the back of it.' ('Guardian', 27 March 1981)

Co-operation and participation: the mixed blessings of 'deliberative policy-making'

The SDP approached organisational reform in another field of potential impact – the cooperation of different party institutions in the field of policy-making. The key players were the Council and the influential Policy Committee.

The Council for Social Democracy ('CSD') was also called the parliament of the party. Each area party had the right to send a number of delegates to the Council (between one and four members, depending on the size of the respective area party). Members of the Council were elected by postal ballots open to all party members. With a total number of only about 400 delegates or representatives, the CSD was smaller than, for example, the annual Labour Party conference. This was intentional, as the SDP leadership wanted to avoid the problems they had encountered at Labour conferences in the past in the form of block voting and mandated delegates.

The Council was supposed to play an important part in the SDP's plan to create a deliberative policy-making process. The men behind the SDP constitution had designed the policy-making process to reflect a different style compared to that of other parties. The aim was to avoid making policy by passing short or 'composite' resolutions – the kind of decision-making that had become a serious problem in the Labour Party. The new way of SDP policy-making was to be entirely different. It was to be 'deliberative', taking place in a smaller Council, resulting in balanced statements, and giving delegates the opportunity for full reflection on issues where a difference of view would have emerged between different sections in the party.

This was the theory and it sounded very promising, not least with regard to the prospect of fruitful co-operation between the Policy Committee and the Council as the representative body of elected party members. In practice the Policy Committee and the Council were the key players in policy-making in the SDP. It was a distinctive element of the SDP constitution that policies were only made and finalised if both the Council and the Committee had agreed on policy drafts (green papers). The constitution provided, in cases of persistent deadlock, the final possibility of 'a ballot of all members on any issue of policy of major importance'.[18] Such a ballot could have been called on the initiative of either the Council or the National Committee, but that never happened.

This 'official' view of a deliberative partnership between the Policy Committee and the Council, however, concealed a crucial structural disadvantage for the latter. The Council could adopt policies, but it could not formulate, let alone initiate them. The important first stage of drafting the party's green papers remained the sole domain of the Policy Committee. The Council could either accept draft policies in the form of Policy Committee motions, in which case decisions made at the top level of the party were simply rubber-stamped by the Council, or it could amend Committee motions, thus referring them back to the Policy Committee. Yet even this meant that the Policy Committee had a second bite of the cherry, because it had the right to resubmit its original motion to the following Council meeting, perhaps with a few changes and amendments.

The picture that emerged from this system of deliberative policy-making was thus one of a party in which the true power of decision-making was weighted heavily towards the leadership, and which particularly favoured MPs over ordinary party members. Despite the retention of OMOV in the election of Council delegates, it was the Policy Committee in which the key powers of policy initiation and implementation were vested. This body's make-up was top-heavy in favour of the party's MPs, and since 'MPs [were] not mandated nor subject to direction or control by any organ of the SDP,'[19] membership of the Committee represented a very strong position from which MPs could effectively influence the way decisions were being made in the party.[20]

Summary: achievements of SDP modernisation and the impact of the Social Democrats on the centre in British politics

This article has only touched on some key features of SDP modernisation. The introduction of a computerised membership register and the approach towards direct mail as a fund-raising tool remain two of the more distinctive innovations the party had pioneered in its short lifespan.

The common denominator that linked all innovations embraced by the SDP was adaptation, the realisation that it had become necessary to adjust to a changed social environment. The Social Democrats, in other words, quickly understood the urgency of organisational change at a time when political parties in general were in danger of being sidelined as meaningless if they failed to recognise and to address social transformations amongst voters and party members or supporters.

The SDP, and in particular its leadership around David Owen, stood for a disciplined and authoritative model of party organisation. This model emphasised the participatory role of the individual party member, but it left the key powers of decision-making in the hands of the leaders and, as I have outlined, in the hands of party MPs. It was also beyond doubt that the SDP organisation was not modelled along the lines of the Liberal Party, which had no comparable system of centralised cohesion.[21]

The successor of the old Liberal Party and SDP, the Liberal Democrats, has developed in a

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somewhat different way. It would be wrong to say that the Liberal Democrats are simply following in the organisational footsteps of the SDP, but it can be said that in some areas the two parties show certain organisational similarities. The Liberal Democrats have a national membership system and also a delegated conference that consists of representatives of local parties and the parliamentary parties: this body is a reminder of the SDP Council. They also ensure the representation of both genders on the party's decision-making bodies.[22] Overall it appears that the Liberal Democrats' constitution has acknowledged key aspects of modernisation, but perhaps with a less stringent element of 'discipline' than the SDP had displayed. In McKee's words:

> Other components included … a national committee and policy committee, plus regional organisations and multi-constituency local parties based on the SDP model. All these features replicated SDP organisation, as did the delegate conference, which was adapted from the SDP's Council for Social Democracy … Finally, as occurred with the SDP, the Liberal Democrats' constitution also confers special recognition, with accompanying privileges, on select policy and ancillary organisations, e.g. students, trade unionists and Europeans.[23]

The Liberal Democrats may well have adopted or even 'inherited' a key framework of organisational innovation from the SDP and in that sense they have modernised far beyond the limits of the old Liberal Party. But despite this the Liberal Democrats are not simply an SDP Mark II – they have kept their own identity as the main party of the political centre in Britain. They are a federal party and therefore retain a much more decentralised core structure than the SDP ever did. The principle of OMOV has also been largely

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abandoned by the Lib Dems, with the exception of elections for the Party Leader and President.

The SDP had to change and modernise, because its leaders, notably David Owen, recognised the futility of their struggle in an unreformed Labour Party. They could either have given up their ideals of a social democratic alternative to socialism, or they could have broken away from Labour. The Social Democrats were successful in the sense that they paved the way for a new outlook on the potential that a centre party in Britain would have. But the SDP failed because it could not reconcile its autocratic style of leadership with the wider notion of popular participation. The Liberal Democrats have so far avoided this dilemma by creating a modern party constitution that acknowledges the importance of a streamlined organisational structure but that, at the same time, respects the Liberal tradition of federalism and the dispersal of power on a local and regional level.

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1   Ian Bradley, *Breaking the Mould* (Oxford, 1981) still remains a key handbook on the formation of the SDP. A second source that analyses the background behind the birth of the new party is Hugh Stephenson, *Claret and Chips: The Rise of the SDP* (London, 1982).
2   Bradley, p. 91.
3   Bradley, p. 90, mentions an opinion poll that had been published in the *Sun* at the end of January 1981. According to this poll a combined Liberal-Social Democratic party would have been able to win the support of over 50 per cent of the electorate.
4   Ivor Crewe and Anthony King, *SDP: The Birth, Life and Death of the Social Democratic Party* (Oxford, 1995), p. 245.
5   Ibid, pp. 241–42.
6   This is how he is described by Roger Craver in his essay 'Direct Mail and Fund Raising with New Technologies' (pp. 71–72), in 'The Washington Program of the Annenberg School of Communications', *New Communication Technologies in Politics* (Washington, 1985), pp. 69–96. Roger Craver is president of Craver, Mathews, Smith & Company, a Washington DC-based direct mail and fundraising firm.
7   See *Marketing Week,* 12 December 1986, p. 6 ('SDP starts marketing initiative').
8   Crewe & King, *SDP,* p. 247.
9   Letter from the American Direct Mail company Craver, Matthews, Smith & Company to the SDP ('Direct Mail Fund Raising Needs and Potential'), 15 November 1982 (Source: SDP Archives, University of Essex).
10 Theatre-goers, wine drinkers, frequent travellers, and small investors.
11 Crewe & King, *SDP,* p. 250.
12 All income and expenditure figures are taken from the SDP Annual Reports, presented in Crewe & King, *SDP,* Appendix 5, Table 13.4, p. 492 ('Central income of SDP, 1981/2–1986/7).
13 Crewe & King, *SDP,* p. 251.
14 Stephenson, *Claret and Chips,* p. 95.
15 Ibid, p. 95.
16 A total of 78,205 members were balloted. They could choose how to elect the leader from three options. A comfortable majority of 43.5 per cent finally went for the so-called 'Option A', election of the leader by postal ballot of all members. This option received almost twice as many votes as Option B, election by a ballot of all SDP MPs.
17 For further details on this, see Crewe & King, *SDP,* p. 231.
18 See SDP Party Constitution, Chapter VI, Section A, Clause 2.
19 See SDP Party Constitution
20 See also Gerd Kräh, *Die britische SDP. Ursachen für das Scheitern der Social Democratic Party* (Baden-Baden, 1993), p. 87.
21 A point that is also made clear by Vincent McKee. See 'Factionalism in the Social Democratic Party, 1981–1987', *Parliamentary Affairs,* Volume 42, Number 2, 1989, pp. 165–79.
22 The Constitution of the Federal Party, amended version, September 2002, 'Article 2, Provisions Relating to the Constitution'.
23 Vincent McKee, 'British Liberal Democrats: Structures and Groups on the Inside', in 'The Politics of the Liberal Democrats', undated discussion paper.