

Discussion

The Politics of the Alternative Economic Strategy

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Bob Rowthorn's 'The Politics of the Alternative Economic Strategy' (*Marxism Today*, January 1981) says little about the economics of the alternative economic strategy (AES). So it should be read alongside the recent book by the London CSE Group (the best defence yet of a radical AES) and Glyn's pamphlet (which provides a systematic critique from the Left)¹. Rowthorn focuses on the politics of the strategy — both its usefulness in the short run (in which he believes the election of a radical Left government is not on) and the preconditions for its success in the longer term. Since I think he is too pessimistic about the next few years, I will concentrate on the second issue.

Rowthorn is spot on about some things. In particular he is right to emphasise the danger of capitalist destabilisation opening the way for a military coup and to criticise the Labour Left for ignoring this risk. Doubters should take a look at the *New Statesman* of 20 February 1981, which reports a conversation between Airey Neave and an ex-MI6 employee shortly before the 1979 election. Neave apparently discussed nonconstitutional means of keeping Benn from getting the Labour leadership, including violence. Benn reacted to the news by asking the *NS* not to print the story, saying that he did not believe it and that publication would cause distress to Neave's relatives. How naive can you get? Rowthorn's warning should be printed on tee-shirts and sent to every Tribune MP. But, rather than praise the strong points of the article, I will discuss three areas of weakness — the role of nationalisation, trade union democracy and the orientation towards the military.

Nationalisation

Socialists have traditionally given nationalisation star billing in their economic programmes. And even in the worst days of Butskillism the Labour Party refused to typex Clause 4 out of its constitution. So it is striking that nationalisation has always been relegated to a supporting role in the AES. And even this has been reduced in later drafts. The take-over of 20-25 leading manufacturing companies — which initially shared equal billing with planning agreements — has been elbowed out of the centre of the

stage, and the spotlight has moved off nationalisation of the financial institutions in the face of resistance from bank employees. Rowthorn seems to accept this general drift, seeing manufacturing take-overs, for example, merely as a way of providing the state with information.

In my view the absence of wide ranging nationalisation proposals is the crucial weakness of the strategy. As Rowthorn says 'a programme like that of the AES would arouse intense hostility in capitalist circles, both at home and abroad, for it would threaten powerful vested interests and would be *correctly* perceived as a prelude to something more extreme... (it) will be seen as a declaration of war by major capitalist interests.' (p8). So the working class must maximise its own strength, and minimise that of capital, to have the best chance of winning. Control over means of production and financial institutions is capital's main economic weapon. It is this control which makes economic destabilisation possible (partly as a strategy to undermine the government and partly as a result of capital liquidating assets and shipping money abroad to minimise losses in the event of a socialist takeover). So we must take over factories and banks quickly to stop destabilisation. To act otherwise would be like trying to quell a mutiny without bothering to disarm the mutineers.

Many on the Labour Left naively believe that moral suasion would be enough to quell a mutiny by the economically powerful against the government. Rowthorn has no such illusions. He recognises that the effectiveness of capitalist opposition will depend on the balance of class forces and stresses the need to immobilise bourgeois power within the state apparatus (especially the military). So I am surprised that he does not apply the same analysis to other key institutions of capitalist power — factories, banks and, if you will

excuse the pun, mines and power stations.

Another way of putting the point is to say that it would be *harder* to implement a radical AES than a fuller socialist expropriation. In fact, it would be damned near impossible. The kind of halfway house envisaged — in which capital is stitched up in compulsory planning agreements whilst the bulk of industry remains in its hands — represents the worst of both worlds from the labour movement's point of view. It goes far enough to provoke capitalist destabilisation but stops short of the key measure needed to combat it.

Trade union democracy

One objection to large scale nationalisation is that the notion is unpopular. As a result of the experience of nationalised industries in Britain and planning in Eastern Europe, people associate it more with bureaucracy than socialism. There is obviously some truth in this observation, but to conclude that nationalisation should therefore be jettisoned is crazy.

First, you cannot afford to drop something which is essential to success. Second, you would have to abandon planning agreements too since they can equally be seen as an objectionable extension of state bureaucracy. Much the same can be said about import controls, price controls and so on. In fact it is hard to see what you would be left with.

The correct response is rather to stress that the measures are part of a radical process of extending rank and file control over the economy which will largely bypass and supersede the existing bureaucratic apparatuses. This is perhaps *clearest* in the case of widespread nationalisation. The takeovers must be carried out by employees themselves because they will be the only people willing and able to. The state apparatus is more likely to obstruct than assist. The Permanent Under Secretary at the Department of Industry greeted Tony Benn in 1974 with the words 'I assume, Minister, that you do not intend to implement the industrial strategy contained in your manifesto'. Can you see his

¹ *The Alternative Economic Strategy*, CSE London Working Group, CSE Books 1980: *Capitalist Crisis: Tribune's 'Alternative Strategy' or Socialist Plan*, Andrew Glyn, Militant 1979.

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successor gleefully engaging in a more thorough going attack on capitalist power?

A highly positive aspect of recent developments in the Labour Party is the way they highlight connections between radical economic policies and democracy in the movement. A similar campaign in the unions is a pressing priority. Without it, radical policies will fall foul of the block vote, the TUC will continue to shy away from many of the most important AES measures (it is coy about planning agreements mainly because it fears the boost they would give to combine committees and the like) and people will simply not believe that the policies will affect their lives much. Most importantly, they will not be prepared — either psychologically or *organisationally* — to take on the bourgeoisie in the factories and neutralise economic destabilisation.

Nothing in this section explicitly contradicts Rowthorn's piece, and he would probably agree with much of it. My criticism is that an article which restricts discussion of trade union democracy to workers' plans (on which he is very good) ignores one of the most

important aspects of the politics of the AES.

The Military

Rowthorn is right to say that the question of the military is 'ultimately decisive' and to criticise many AES supporters for 'a marked reluctance to accept this fact'. Falling prey to the 'temptation to put aside such a difficult question' is a mistake — one that could ultimately land you in front of a firing squad. My only criticism is that the demands he raises are limited and unimaginative — replacement of key personnel, the granting of trades union rights for all servicemen and women and a push by Left MPs to get cabinet posts concerned with security. I would add at least the following:

- The right to civil trials for military offences.
- The opening up of military establishments, especially social facilities, to the general public.
- The right of service personnel to distribute political literature and organise discussions.
- The election of officers.

Many would argue that all this is pie in the

sky, pointing to the tradition of 'loyalty to the Crown', the professional (rather than conscript) nature of the services in Britain and so on. There is obviously some truth in all this, but a number of things suggest a more optimistic assessment. First, there can hardly be another industry in which workers' control is as vital; it can save your life. This is why mercenaries — not generally noted for their left wing views — serve only under elected officers. Second, rank and file service personnel are drawn from the working class rather than, as in many other countries, from the politically-safer peasantry. And they are not first generation workers either. Third, rank and file soldiers receive no special privileges *vis-a-vis* civilians. Again, this is in contrast to many countries. Finally, whilst non-conscript, the services have difficulty recruiting other than in times and areas of high unemployment. It is not career preference that lands most people in the army. The scale of the state's reaction to propaganda directed at troops by tiny pacifist organisations is perhaps an index of its vulnerability. D