

REVIEWS

Curiouser and Curiouser

The Peculiarities of the British Economy

Ben Fine and Laurence Harris

Lawrence and Wishart £15hbk, £7.50pbk

Is this book a hoax? The authors show every sign of having been asleep for the past decade, and a chapter on coal after nationalisation *precedes* a chapter on coal before nationalisation. Rip Van Winkle has nothing on Ben Fine and Laurence Harris - two of Britain's most distinguished marxist economists, or so says the blurb.

Anybody who doubts that Fine and Harris are somnolent should turn to page 25 of this opus. The authors have cottoned on to the fact that the proportion of the labour force employed in manufacturing in industrialised economies is falling. Believe it or not, the latest figures they can muster are for 1975. The share of manufactures in world exports proves an even more taxing statistic: 1974 is the best they can do here. These are presumably examples of what the publishers refer to as the authors' 'wealth of empirical analysis'.

It is surprising that Fine and Harris have

the gall to rely on papers published as long ago as 1979 by the National Institute. That they make no effort to provide more up-to-date statistics suggests either that they do not know that figures up to at least the early 1980s are readily available or that they are too lazy even to visit their own university libraries. Neither possibility inspires much confidence.

It is not just the tables that are out of



date. Much of the text reads as though it were written in the 1970s and then hastily touched up for publication this year. The chapter on coal after nationalisation, for example, makes no serious attempt to analyse the industry's escalating problems since 1980. It concludes that 'a unified struggle on the part of the miners and the labour movement will be required to transform the conditions of control imposed upon and implemented by the NCB'. This reads a trifle oddly in the wake of the NUM's comprehensive defeat. It might have been more helpful to explain why such a unified struggle failed to materialise in 1984 and why it is improbable in the future.

When one of the book's themes is the destructive interrelationship of the state, the city and industry, it is equally extraordinary that the Thatcher government's ambitious denationalisation programme should have received such scant attention. Privatisation rates only a single entry in the index and what Fine and Harris have to say about it (page 18) is peculiar to say the least. The return to the private sector of billions of pounds of public assets, they say, is not a sharp break with the past but the culmination of old policies. On this logic, the 1945 nationalisations were presumably a continuation of the *laissez-faire* of the 1930s.

It is also remarkable that the authors of a book that seeks to analyse the *peculiarities* of the British economy should eschew international comparisons. Fine and Harris decline to compare British and international varieties of capitalism. But if you refuse to make comparisons, how can you establish peculiarities? Something is peculiar only in relation to some norm.

One of the authors' central theses is that British industry's postwar weakness has resulted from trade unions' *lack* of militancy. The advantage of standing conventional wisdom on its head is that people are made to gasp. The disadvantage is that it is easy to make a fool of yourself. The notion that more militancy would, via higher wages, have forced employers to modernise and invest seems extraordinarily implausible. There is little evidence in the UK of a positive correlation between union strength and industrial prowess.

The suggestion that British industry has suffered because the state has been insufficiently interventionist is slightly more plausible. There may have been more direction of industry in some more successful economies - for example in France and Japan - although this has hardly been

the case in the US. The nub of the problem is that interventions in the UK have rarely been well-judged: UK officials seem to lack the sureness of touch of their counterparts abroad. To recommend an increased role for the trade and industry department is to have a touching faith in Whitehall's amateurs.

The UK newspaper industry provides an obvious counter-example: powerful and united unions have been able to bid up wages but does Fleet Street therefore benefit from unusually advanced technology and exceptional productivity? And looking abroad, does anybody seriously believe that the US, Japan and West Germany have greater industrial muscle than the UK because they have benefited from *more* militant unions?

The way out of Britain's industrial mire, the authors conclude, is to adopt the 'Alternative Economic Strategy'. This sounds a splendid idea. The only difficulty is that Fine and Harris nowhere spell out the principles or details of the AES. To assume such knowledge is surely to be curiously pessimistic about their book's potential readership.

Michael Prowse

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