

The democratisation of power

In this pamphlet we have tried to describe the shape of contemporary British capitalism. We have argued that the ownership and control of British industry are exercised through minority blocks of shares organised by pyramided holding companies and manipulated by the interlocking directorates of the big corporations. These corporations retain ownership and control of the profitable sectors of the "mixed" economy. The power, profit and prestige of "top capitalist elite" is exercised *via* these corporations. Thus, though the structure of ownership and control has been modified, the big corporations—the dynamic centres of our mid-century society—remain ultimately irresponsible. It is the overwhelming failure of *Industry and Society* that it discounts the power and oligarchic character of these corporations. In consequence it ignores the tremendous pressures which the giant capitalist corporations will exert upon any future Labour Government seeking to control the economy in the interests of the community as a whole, *div* Jenkins has shown just how strongly these pressures have operated in the nationalised sector of the economy, while an earlier study—that of Rogow and Shore—documented their impact upon the post-war Labour Government.

Industry and Society argues that the next Labour Government can best pursue its Socialist aims by taking out non-controlling, minority shareholdings in the most profitable capitalist combines. We believe, on the contrary, that Socialist aims cannot be carried through within the framework of an industrial structure fundamentally antipathetic to them. If the social stratification of contemporary Britain rests upon an oligopolistic structure of ownership and control, then surely we have to propose methods of breaking that structure. For Socialism offers an end for economic activity totally different from that which can be pursued in contemporary capitalist society. In place of the maximisation of wealth, prestige and power, a socialist society would seek the maximisation of equality and welfare. These Socialist priorities are unobtainable, we would argue, unless the needs of the community prevail, both in the control and in the ownership of the economy.

Efficiency and priorities

At one level this is still the old argument about efficiency. There is the detailed, practical, pragmatic case for public ownership in a range of industries. The article in this pamphlet by Peter Sedgwick and Mike Artis indicates that this case can be argued simply, in terms, of the efficiency of the industries concerned. On this argument our concern should be, not only with nationalising the most inefficient firms, but with public ownership of all large firms in order to obtain maximum efficiency in the interests of our country's welfare. The most direct means of ensuring that the community receives the maximum benefit of its productive resources is by its direct ownership and control of them.

At another level the argument is about priorities. A socialist allocation of resources would channel investment into those sections of the economy which could maximise welfare. For example, no contemporary society has solved the problem of urban living. This is more than a simple problem of "housing": it is not just a matter of clearing away the millions of slums and near-slum housing which characterise our main cities—although it is that too. The

comprehensive replanning and rebuilding of our cities is at the very heart of any attempt to realise the values of the community in a highly urbanised industrial society. It cannot be solved simply by public ownership of the exceptionally ill-run building industry—although that would help. It is impossible without a massive diversion of investment, and it would not achieve its aim, it would not be satisfactory in execution, unless the dominant values of the society were the values of the community. Certainly it is impossible where welfare is a residual priority of economic policy. In a Socialist society housing and town-planning would have the same kind of priority in the allocation of resources as the National Health Service enjoys today.

At the highest level, perhaps, the argument is about control.

There is, we believe, a profound failure of moral imagination which pervades *Industry and Society*. It accepts, and asks the community to embrace the entire managerial structure of present-day British industry.

Capitalism and alienation

The dynamism of the socialist ethic has stemmed from the belief that man is the measure of the highest value in his society; that men should not be subject to market relations, or the interests of an apparatus. The fundamental criticism of capitalism was not simply its inefficiency, or its failure to provide adequate welfare. The fundamental criticism was, that every facet of capitalist civilisation combined to impair the wholeness of man's personality. Capitalist society alienated man from the means of production. It treated labour as a commodity in a commodity market. This has meant that work has been considered a function which has little or no relation to the personal life and self-expression of the worker. The worker was denied all the normal chances for personal fulfilment.

Capitalism has changed. The rise of organised labour and the rise of working-class political parties has helped to bring about a higher standard of living and a higher standard of welfare and community facilities. But in one essential the present phase of capitalism resembles the previous one: in its exclusion of the worker from virtually all personal responsibility and initiative in his work itself.

In an acquisitive society, where production is ultimately geared to profit, work for many people can no longer be a form of personal activity, and man as a worker is divorced from all exercise of social responsibility. Now whatever else has changed in capitalism, it is undeniable that we are still living in an acquisitive society. The same fundamental tendencies prevail. Production, and hence the producers, are seen simply as means to a higher standard of consumption; the worker is exploited in the name of the consumer, and a massive industry has grown whose business it is to mould the consumer to the needs of profit. And the property relations of our society still breed a deep antagonism, which makes the building of a national community impossible.

One of the fundamental aims of socialism has been to do away with this state of affairs by doing away with the acquisitive society, and establishing in its place an industrial democracy, a society where workers would have some control over their life as producers. But since the crash of 1929 socialist thought has moved away from the problem of industrial democracy to focus upon the inefficiency and

THE INSIDERS

predicted collapse of the capitalist system. For many years our major criticism of capitalism has been that it does not work. Consequently we have found ourselves theoretically disarmed in face of a capitalism which, manifestly, within its own terms of reference, is "working." Yet the fundamental socialist critique: that capitalism treats men as things, that it atomises social life is not dependent upon whether the system happens to be booming, slumping or equilibrating. It has not lost its relevance in the age of the giant oligopolies.

On the contrary it has gained a new and urgent importance. Any Socialist must be concerned at the fact that decision and authority is increasingly centralised: less and less subject to popular control. This is a problem for British industry—it is also a problem which affects the whole quality of our social life. Post-war political, economic and military developments have served to concentrate the critical economic, political and military decisions into ever fewer hands. The mass media of communication are increasingly centralised under irresponsible control.

Interwoven with the economic alienation of capitalist society, there is growing another, and potentially more terrifying, form of alienation, arising from the concentration of power in large-scale organisations. These affect the lives of hundreds of thousands of individuals in a way which can, by its very nature, take no account of their autonomy as persons, but only of their status as citizens, soldiers, or consumers. This development represents a more radical threat to community life, by isolating men from their neighbours in workshop and home; ultimately it undermines the foundations of democratic civilisation by integrating them into larger units, where the possibilities are minimal for the exercise of personal responsibility and popular control.

Industrial democracy

In face of this it is clear that the abolition of a society based on the profit motive is not enough. The mere expropriation of industrial and financial property is radically inadequate to establish a new society based on a respect for the human person. Nationalisation through a public corporation on the model of the post-war Labour Government ensures the potentiality of social control through Parliament. But even this control is in danger of being of no effect as long as it remains remote from the "grass-roots" level. And this it must be as long as it is counter-balanced by a hierarchy of authority from Directors to Managers and downwards, in which there is no responsibility but what is delegated from on high. The substitution of the State for "the Boss" accomplishes little: the same paternalism, the same chain of command relaying decisions taken in a remote place on the basis of a "higher necessity," be it that of the market or of the plan. It is pointless to try to re-establish the dignity of labour without allowing for some form of workers' control, for a real participation by workers in the management of industry; and it is impossible to achieve a democratic control over the large-scale institutions of our society without breaking into the circle of oligarchy—be it that of a capitalist power elite or a State bureaucracy—from the base.

The socialist demand for industrial democracy thus has a double urgency for our contemporary capitalist society. If we are to restore the human potentialities of work, and if we are to break the trend towards the amassing of irresponsible power, we need a new kind of initiative, a new pattern of democratic action, a breach in the wall of command which will return the social responsibility essential to work to the hands of the worker.

But how can power be democratised in this way? Capitalist enterprises—whatever their size—have always been by nature

competitive and exclusive in form and function. This is more true, now that the joint-stock enterprise and the company executive have replaced the small business and the single entrepreneur. In fact, as the scale of enterprise expands and the technical processes of production grow more complex, power becomes increasingly concentrated, increasingly hierarchical and increasingly remote. Between man and the product of his labour are several social groups commanding different but equally remote kinds and degrees of authority: between man and the division of the product of his labour lies the complex machinery of the corporate state and the suffocating hierarchies of government administration. At this level, if we are to believe the rhetoric of scientific management, decisions are not "taken"—they are "impersonally arrived at." In the corporate state man is—in both a social and an economic sense—almost totally alienated from himself, as a social being. This "corporate irresponsibility" makes it virtually impossible to discover even where power really lies—and consequently we are almost at a loss to discover how it can be shared.

This is the central fact of life in the modern industrial state. It is also the deep contradiction of our society. As the level of education and social amenities is pushed up, more people are equipped with those skills which provide the basis for responsibility. Yet the nature of our institutions are such that fewer people are in a position to take decisions which govern the lives of the total community. To many who are familiar with the workings of modern capitalism, democracy (e.g. the equal exercise of power and responsibility) must appear, not so much unpalatable, as merely irrelevant.

On one level the problem is that, in a class society, wealth and function are the guarantees of power and status. The manager is not, as he should be, the representative—in a fundamentally democratic sense—of those who work *with him*. He is a member of a class apart. Fair-minded though he may be, he cannot serve any but exclusive and competitive interests, because of the nature of the enterprise. So long as ownership and control of the means of producing wealth is exercised by one group, whilst labour is sold by another—so long as labour and capital are separate—the society is divided and class-bound. And no measures of redistribution and no number of joint consultation councils can destroy this central fact.

Danger of fragmentation

Any attempt to advance industrial democracy must start by recognising that the present social and industrial structure of Britain's severely limits the possible area of operation. Fragmented co-operation has generally been defeated in its aims by the dominant social structure and ethos of the society. Democratic control cannot be effectively operated in a society whose generalised economic decisions are not subject to the imperatives of welfare; nor in industries whose informing principle is the profit and power of the private corporation; nor, finally, can it be wholly successful in the existing nationalised industries, when the most profitable sectors of the economy are privately owned and controlled. The worker in a particular industry shares the aspirations and fears of wider working-class groupings: in a society where giant oligopolies still organise a major share of the economy, their estimate of society will necessarily, and rightly, be dominated by the image of "us" and "them." Consultation and co-operation will appear—as they have so often appeared—polite fictions for betrayal and "sell out." The possible area in which industrial democracy can be operated is still too small and fragmented to produce a fundamental change in social and group attitudes.

Is industrial democracy possible in so complex an industrial structure as our own? Naturally, those in whose hands power is concentrated stress the complexity of administration and subscribe to the mystique of management. It is difficult, sometimes, for socialists to keep their nerve in face of [this sustained propaganda. Many have even retreated so far as to institute as a social virtue the "irresponsibility" of the impersonal firm. Crosland, for instance, says: "We surely do not want a world in which everyone is fussing around in an interfering and responsible manner and no one peacefully cultivating his garden" (*The Future of Socialism* p. 341).

But is management really so mysterious that it can be handled only by the chosen few? The largest percentage of top-management posts are reserved for arts graduates from Oxford and Cambridge, who have no technical training and little practical experience. They certainly have less sense of the complexities of modern industrial production than those skilled workers who have had to acquire mastery over the skills of modern techniques. The Boards of Directors are cluttered up with retired colonial administrators and ex-Generals. The category of "titled" functionary directors is so large as to merit a listing of its own in Prof. Florence's *Logic of British and American Industry*. Every five years we elect to Parliament, not the philosophers and the statisticians and the atomic scientists, but "the man next door," the "solid trade union leader," the active counsellor, the "bloke with common sense and an honest face." It is not easy to see why this sort of principle cannot operate at many levels of a democratised industry.

Of course, management is necessary to any modern industrial society: for it is necessary to co-ordinate the several different functions and processes which man has fashioned in order to produce wealth on a greater scale and make the necessities of life in larger numbers than has ever been accomplished before. Any socialist society would require a minimum of centralised planning and management, if resources were to be allocated according to welfare needs rather than the demands of particular factories. Clearly the functional relation could tend to become a social relation. The managers, in a socialist as in any other society, will tend to be influenced by their institutional position by the authority they wield. Thus any scheme for industrial democracy must allow for an area of conflict between workers and the higher ranges of management. Any industrial democracy would tend to be modified either in the direction of greater popular or of greater managerial control. Our own belief is that to crumble the present hierarchical structure of management it would be preferable to start with too great a bias in the direction of worker control and the autonomy of individual enterprises than in the opposite direction.

To whom are managers responsible?

The central questions are: to whom are the managers responsible in an industrial democracy? In what ways can power, management and responsibility be diffused to the greatest possible extent? What is the minimum degree of control which is necessary to make power genuinely democratic in the industrial State? We want only to suggest some possible directions and main conditions for industrial democracy in the socialist society. Any system of industrial democracy must depend far more upon spontaneous participation than upon formal structure. Its forms will depend, above all, upon the workers' desires in the industries concerned. The forms will obviously vary a great deal as between industry and industry, but if the new institutions are

to be worked with any kind of *elan* they must evolve from the existing, from "natural" forms of working-class organisation. Co-operative forms will spring, initially, from organisations formed for entirely different purposes.

We have to seek for those forms of social and economic organisation in industry which can draw upon the creative capacities and the initiative and imagination of those who work. This is the great untapped potential of life and vigour in our society. It represents a potential store of initiative which has never, in the whole history of the industrial revolution, been set free. To democratise power in industry means, in fact, to give as much power, as great a degree of play for responsibility to the individual worker as is possible to do. Unless this is done, the worker remains the mere functionary of his machine. To achieve this today it is clear that we must look, not for a single form of control, but to several different but complementary forms of participation. The critical conquest for industrial democracy would be in the mammoth multi-process industries which today shape the capitalist economy. These organisations form the nucleus of growth and the focus of power, and it is to them that the principles of social ownership and worker participation should first be applied. In his article Clive Jenkins has proposed a suggestive formula for progress towards this goal. There are a host of modifications which many with direct experience of joint participation would want to suggest. Some might want a greater degree of autonomy at the plant level. The field for experiment would be open. Our concern here is only to bring this issue to its proper place in the Socialist framework: to suggest that without it the "socialist" state would remain in nature undemocratic.

Workers control

The alteration in the character of management and of its responsibilities would mean, at the lower level, that the worker promoted by election from the factory floor would not be, as he is now, drawn into a class and a style of life which is antagonistic to those among whom he has worked. At this level management would become, in essence, a representative job. Leadership would be chosen from among the workers by the workers instead of imposed by an external discipline. And democracy could be yet more direct than that implied by the simple representative system. A variety of means could be used—as workers' councils at the plant level, assemblies at the shop level, referenda, to ensure yet more immediate participation of the workers at the point of production. At the higher levels management would cease to be autocratic: it would be responsible above to Parliament, below to the workers. Joint consultation would be spread over the whole field of employment. In hiring and firing and the fixing of the wage contract, democratic control would ensure that men could no longer be treated as things, as commodities to be exchanged against capital.

Most continuous would be participation in making the decisions concerning the practical division of labour at the plant and shop-floor level. The introduction of new techniques, for example, impinge constantly and directly on the working life of our entire industrial population. They necessitate the continual change of work schedules and govern the division of labour processes. Certainly the worker needs the advice of the technician; he needs as well the co-ordinating hand of the supervisor. But these are decisions which he is best equipped to take, which it is wrong should be taken without prior and continuous co-operation.

A democratic industrial organism of this kind would do more than give status and dignity to the individual worker: it could help to revivify many other forms of democratic association at every level in society. The example of a practical,

THE INSIDERS

working, day-to-day democracy at the centres of industrial power could lead to a more active conception of democracy at its municipal and Parliamentary levels.

For, in essence, the processes by which wealth is produced are complementary. They have been made antagonistic by the system of relations which has grown up with industrial production in capitalist society. And this antagonism threatens always to reassert itself.

But they are not antagonistic by definition. At the level of the organisation of work, and the detailed implementation of policy, the several factors of work and supervision can draw closer together. But they can do so only when work is conceived and organised as a community of interests; and when the purpose of work is to serve a democratic social organism.

So far we have been discussing participation at the level of the factory and work-place. We have seen that it can be exercised, even here, in several different ways. But there is another level, altogether, at which the need for social control is necessary. That is on the national level—when man is conceived, not merely as producer, but as consumer and citizen—as a member of a community which is, in fact, the nation. Here different kinds of power are exercised from the "face-to-face" powers which we have been discussing. We are concerned here with community control. For in a democratic society man as citizen must come to control the division of that wealth which, in another capacity, he has helped to create. The society must be given a more direct part in determining the issues which affect it as a whole. All those processes which are now the privilege of power and the preserve of status must come at last to be the embodiment of the corporate will. It is wrong that, in a democratic society, such important questions as the allocation of scarce resources, the level of investment and the level of social security, the distribution of wealth and the range of services provided should remain the preserve of a privileged or exclusive elite. This is true whether the manipulation and control is that of a capitalist elite or by a party bureaucracy buttressed by state and police power.

This concept implies that Parliament, which is the elected representative of the society, should become in function and accountability a democratic institution to a degree hitherto unknown in so-called democratic societies. It implies that Parliament lay down and supervise a national plan, embodying the basic social and economic priorities which are demanded by the community.

Workshop and Parliament are not the only sectors of our life which should be informed co-operative principles. There are many economic activities—printing, entertainments, retail trading, building, etc.—where by means of producer co-operatives and municipal enterprises the seat of power will lie closer to the local municipal or rural communities. In a real sense the life of the nation depends on the life of its local communities.

The level of control

The purpose of this article has been to show that it is possible to draw man—on several levels—once again into direct partnership with the processes and institutions of the society of which he is a part. But this involves a total recasting of the way in which power is exercised. One would have to take the gigantic step of reversing the pattern of authority, which at present is handed down from above, and which is now the source of great inequalities of status and power and wealth. In the end it implies a moral critique of the quality and character of the life in capitalist industrial states. But we have said enough elsewhere in this pamphlet to show that none of these experiments with new forms of control can be carried through, even in the tentative and exploratory manner which is proper, so long as the society is dominated by an economy whose sources of power are hidden, and whose interests are in conflict with the society itself. The purpose of a capitalist society is to conserve power, to buttress position and wealth, to exclude—in so far as it can—as many as it can. The democratisation of power can only come through the reshaping of the whole disposal of power in the society—and by definition necessitates "interference" at that very level where *Industry and Society* was happy to leave well alone; the level of control.

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