socialism tomorrow: fresh thinking for the labour party

Mark Goyder

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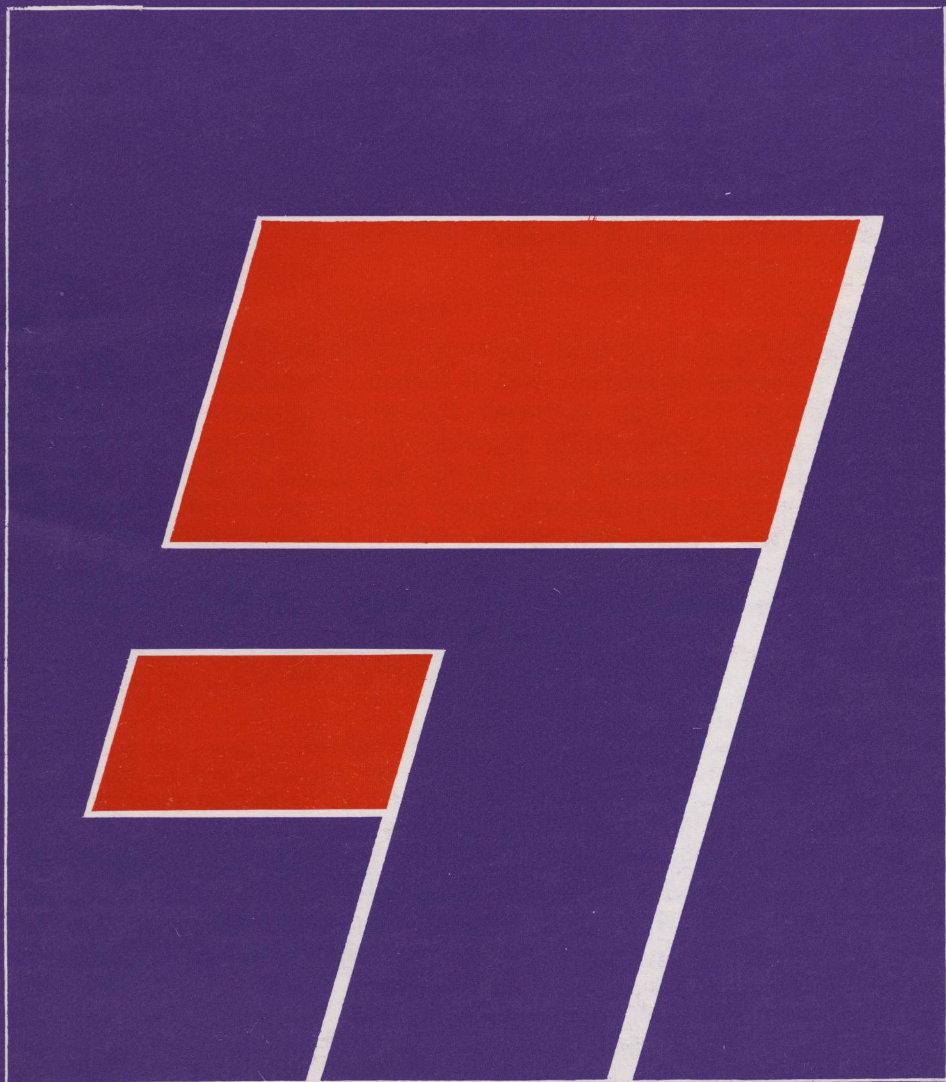

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1. introduction

"Political principles resemble military tactics; they are usually designed for a war which is over" (R H Tawney, *Equality*).

This pamphlet was not written as an inquest upon the defeat of the Labour Party in the 1979 General Election. It is rather the product of a longer and more thorough reflection upon the programme and philosophy of the Labour Party.

It does nonetheless have particular relevance at a time when socialists are waking up to the long term relative decline in the Labour vote, and in particular the failure of the Labour Party to generate support among young voters. To the many who may be wondering whether we have got our values right; who feel more sympathy with the historical achievements of the Party than with its present approach; and who look in vain for radical ideas from either the revisionist or the fundamentalist wings of the Party, to all of them this pamphlet suggests an agenda for imaginative rethinking based on the central values of the socialist tradition.

The original impetus for this pamphlet came from a group of Young Fabians who met over four years ago to discuss political theory and the Labour Party. This led to serious considerations of what lessons the socialist tradition might have for policy makers today.

the relevance of Labour's policy

The mood of the British Labour Party can be likened to the British economy; it has its pattern of booms and slumps. From the depression of electoral defeat, new plans are laid and new hopes generated. But after the attainment of power the growth in optimism is arrested and reversed; a new disillusionment sets in. It is customary in the Labour Party to attribute the disappointment to a failure of nerve, a weakness of will or even a conscious betrayal. The manifesto, after all, outlined the task; the Government simply failed to carry it through. It was given the tools, but was too cautious or frightened or unprincipled to finish the job.

But what of the hopes themselves? Detailed policy emerges from the work of specialised subcommittees and groups of experts. But the overall vision of the society Labour would like to see is taken largely for granted. Everybody knows that Labour stands for a fundamental and irreversible shift in the balance of power and wealth in favour of working people and their families, so why waste time in theoretical discussion?

Yet if the foundations are flawed, the building will not last long. If the hopes are hollow hopes, disillusionment is inevitable. The attainment of power is an empty triumph if the power cannot be used imaginatively.

This pamphlet is in two parts. The first is critical, the second constructive. It starts by considering some of the statements of aims conventionally made by the Labour Party, and for this purpose the document adopted by the Party Conference of 1976 as the perspective "over the next decade and beyond" (*Labour's Programme for Britain, 1976*) is used for illustration.

Labour's programme for Britain, 1976

Labour's Programme for Britain, 1976, states six priorities. There are two of these with which this pamphlet does not deal. One is a reminder of the international dimension of socialism, the other a statement that economic growth is not an end in itself. The two priorities which receive most attention in the *Programme*, and which reappear constantly in the Party's official statements and documents, are both enshrined in the famous commitment: "To bring about a fundamental and irreversible shift in the balance of power and wealth in favour of working people and their families."

The first of these themes is democracy: "We are determined to create a society

in which decisions which affect us all are taken only after full and open discussion, with democratic control over all concentrations of economic and political power and the guarantee of the individual liberties of our citizens." The second is equality: "Despite the two years of progress under our Labour Government, Britain remains a fundamentally unequal society. There can be no relaxing of our efforts to achieve greater fairness and equality." It is the choice and treatment of these two priorities with which the first part of this pamphlet deals.

The other two priorities proposed in Labour's Programme are, first, a statement of the importance of rebuilding the nation's sense of community by "Persuading our people to set aside enough resources for the services which unify our society" and, secondly, a demand for a new and powerful socialist economic strategy. The thinking behind both of these statements is developed in the second half of this pamphlet, which constitutes an attempt to think freshly, and from a socialist perspective, about the concept of the social wage, about education and about industry.

It is impossible to avoid being selective in a pamphlet of this size. No attempt is made to deal with international issues or the details of economic policy although the latter omission may seem less serious when it is considered that many supposedly economic problems have their origins in areas which are explored in this pamphlet. Selective use of quotations is made: R H Tawney is only one of the architects of Labour's postwar thinking but his statements of the classic British socialist position make him particularly appropriate to draw on. The chapters in the second half of the pamphlet are selective too; they are merely illustrative of the kind of fresh approach which is required in many areas.

Criticism of this sort may be regarded by some Labour Party members as offensive or subversive. The intention is not to cause offence or to subvert, but merely to provoke constructive rethinking. With this as the theme there is only one place to begin—with the socialist tradition itself.

2. the socialist tradition

It would be comforting to know that this chapter was unnecessary, to be sure that everyone were clear and in accord with everyone else about their major objectives within the Labour movement. It is true that many people talk as if this were so. Members of Parliament, leaders of trade unions, movers of resolutions at branch meetings all claim for their proposals the support of socialism. Indeed, the word has a powerful and question begging effect upon their audiences; it would be a bold challenger who would question a line of argument which included the appeal for a "socialist", "more socialist" or better still "truly socialist" policy. Since there is rarely the time to explore either the speaker's or the challenger's conception of what is meant by socialism, the argument can usually be won by the first person to appropriate the label.

Before the industrial revolution, there was no socialism. There was communism—the philosophy of these who dreamed of the peaceful coexistence on commonly owned land' of small communities in which all people were equal. "Where no property exists, none of its pernicious consequences could exist" said Morelly (*The Code of Nature,* 1973) and the pernicious consequences to which he was referring were selfishness and inequality.

Socialism came later—a moral response to economic and social changes which took place in Britain at the end of the eighteenth century. "In agriculture, the years between 1760 and 1820 are the years of wholesale enclosure, in which, in village after village, common rights are lost, and the landless, and—in the south—pauperised labourer is left to support the tenant farmer, the landowner, and the tithes of the Church. In the domestic industries, from 1800 onwards, the tendency is widespread for small masters to give way to larger employers . . . and for the majority of weavers, stockingers or nail-makers to become wage-earning artworkers with more or less precarious employment. In the mills and in many mining areas these are the years of the employment of children (and of women underground); and the large scale enterprise, the factory system with its new discipline, the mill communities—where the manufacturer not only made riches out of the labour of the hands but could be seen to make riches in one generation—all contributed to the transparency of the process of exploitation and to the social and cultural cohesion of the exploited" (E P Thompson, *The Making of the English Working Class,* Pelican, 1960).

The socialist tradition started with the work and thoughts of those who refused to accept the sovereignty of these economic forces, who sought to unite the emergent working class in struggle against the conditions which their new masters imposed upon them, and who began to seek better ways of organising production and society.

what does socialism stand for ?

Identifying the historical events to which socialism was a response is relatively easy. It is much harder to define what socialism stands for. Socialist objectives are neither static nor uniform. In the opening chapter of *The Future of Socialism* (Cape, 1956), Crosland names twelve socialist doctrines. These include Owenism, Marxism, Christian Socialism, Syndicalism, Guild Socialism and Fabian gradualism. Different members of the Labour Party will attribute varying degrees of importance to each. There is, however, one generalisation that can be made. Socialism is a moral response to a particular economic order. Economic measures were never ends in themselves. They were used or advocated in order to clear the way for the establishment of a social order in which man would no longer be regarded as the instrument for another man's enrichment. The early socialists were not seeking to replace one abstract absolute with another, but to subordinate economic forces to human purposes. Thompson points out that "Some of the most bitter conflicts of these years turned on issues which are not encompassed by cost of living series. The issues which provoked the most intensity of feeling were very often ones

in which such traditional values as traditional customs, 'justice', 'independence', security, or family economy were at stake, rather than straightforward bread-and-butter issues" (*ibid*). From its earliest origins, the objectives of socialism have been ultimately moral, and not simply material.

Beyond this, there is no blueprint of socialist principles against which *Labour's Programme* may be evaluated. The socialist tradition has much to offer, but its different aspects appeal to different people.

The values to which the most importance will be attached in this pamphlet are best expressed by Marx's famous analysis of man's nature and his needs in terms of alienation. Man, said Marx, is a social being, but he is divided from his fellows and forced into class antagonisms by the economic system. He is a creative being, who is most fulfilled when he is able to express himself through work, but the division of labour and the predominance of the money motive deny him the opportunity of creativity. An aesthetic being, he is forced to live in a world of ugliness. In these and other ways he is frustrated, separated, alienated from the fulfilment of his true potential.

The task for socialists today is once again how to free man of his alienation, how to devise institutions in which he is allowed to develop that part of his nature which is creative and social, rather than that other side of his nature which is acquisitive and selfish, and how to appeal to his sense of justice rather than to his sense of greed.

This task is made more difficult by the curious and terminological vacuum that has developed in the socialist tradition. Commenting upon the differences between the early Marx—the Marx of the concept of alienation—and the later Marx, George Lichtheim has written: "The transfer of the means of production to the collectivity . . . was a means to an end. The end was the 'classless society'. It is as well to be clear about the fact that this was a communist slogan, not merely a socialist one . . . By 1875 Marx had come to reserve communism—as distinct from socialism—for a distant future, so distant as to have virtually no political meaning for the first generation of Marxists. In practice his German and French followers were concerned with socialism: public ownership of the means of production" (*A Short History of Socialism,* Fontana, 1975).

Many people follow Lichtheim and use "socialism" when they mean no more than a set of economic measures such as public ownership of the means of production. By this token, the person who looks beyond economic measures to their human purpose who seeks to devise institutions in which human beings attain their full potential, should call himself a communist.

But he finds that that label too has been taken. Communism is identified with the totalitarian regimes of Eastern Europe. The many people in the socialist tradition for whom the ultimate expression of their political philosophy is neither Soviet communism, nor the public ownership of the means of production, are in danger of finding that there is no one word that encapsulates their aspirations. Mutualism, cooperation, fellowship, fraternity: there are elements of all in this neglected aspect of the socialist tradition, but none of the words by itself is adequate.

For this reason it remains necessary to continue to use the term "socialism" in its moral sense, while making it clear that the term expresses a condition of society and not a simple list of economic arrangements: "What I mean by socialism is a condition of society in which there should be neither rich nor poor, neither master nor master's man, neither idle nor overworked, neither brain-sick brainworkers, nor heart-sick handworkers, in a word, in which all men would be living in equality of condition, and would manage their affairs unwastefully, and with the full consciousness that harm to one would mean harm to all—the realisation at last of the meaning of the word COMMONWEALTH" (William Morris, *How I Became a Socialist,* Pelican, 1962).

3. democracy

Among all the objectives stated in *Labour's Programme,* pride of place goes to Democracy. Democracy, like socialism, but to a much wider audience, is a "yes-word", freely applied but rarely defined. In *Labour's Programme* it often appears alongside a more precise epithet, giving weight to a proposal rather as famous names are used to give prestige to the worthy organisations upon whose letterheads their owners allow them to appear: "Our aim is to provide a framework for the media which is more democratic and accountable, and which encourages diversity, decentralisation and industrial democracy in the industry" and "The time is now ripe for reforms making our system of government more democratic, more accountable and more open to the people".

Strictly defined, the word means "government by the people, in which the sovereign power resides with the people and is exercised either directly by them, or by officers elected by them", and in modern use "a social state in which all have equal rights" (*Oxford English Dictionary*). But substitute that definition wherever "democratic" appears in the pages of *Labour's Programme,* and you may not be much the wiser: "Our aim is a working system of democracy at all levels . . ." or "In extending industrial democracy our aim is to ensure that workers have a decisive voice in the decision making process itself . . ." or "We aim to bring about an open, democratic society, with effective and efficient systems of government at all levels . . ." or "The Labour Party has always attached the highest importance to extending local democracy and widening access to decision making for local community and voluntary groups . . ." or "The structure of administration in arts and leisure must be decentralised and made more democratic and effective . . ."

To "democratise" can mean to render accountable, open and unsecretive, to institute elections, to equalise, to decentralise, to enhance participation, to introduce referenda, to extend representation to new groups, to bring under government control, even to take away from government control. But what is the character of the changes that Labour would introduce under this banner?

structures, intensity and franchise

Three principal effects may be noticed. *First* and most obvious would be the creation of new *structures* of representation. For example, when the *Programme* says that the Government has begun to implement plans to democratise the National Health Service it refers in the first place to the inclusion of local councillors and health service staff on the Area and Regional Health Authorities. Or there is democracy in planning, where there is to be new machinery to "open up to democratic scrutiny all levels of industrial decision-making and planning". Whatever the subject matter or the people concerned, a structure will be required to enable this new representation and scrutiny and consultation to take place.

Second, it follows that these structures will have to be manned. It is obviously hoped—although infrequently stated—that the people who sit on these bodies will not always be the same few specialists, that the distribution of political activity should be widened, that the decisions be made by an active mass of people and not left to elites or cliques who make only the occasional nod in the direction of the otherwise dormant masses. When the *Programme* says "The object of the Labour movement has always been to secure for ordinary working people their full share in political, economic and industrial power" it appears to envisage a new level of awareness and activity for the average citizen. The creation of the new structure implies also the heightening of the *intensity* of the layman's involvement.

The *third* feature of the *Programme's* democratic intentions is that they imply that the area of activities that will be equipped with the new structures and blessed with the new levels of intense involvement will progressively increase. The Traditional concept of democratic *franchise* was limited to the right to elect

a government, but in *Labour's Programme* enfranchisement is extended to citizens as employees and as users of the health service, the arts, newspapers and broadcasting, transport and education.

There are, however, several weaknesses in this threefold programme for improving our democracy. The most serious is the tendency to see democracy as an end in itself, rather than as a means to other ends. If there are to be new structures of representation in the health service, they should be judged by their impact on the quality of that service, and not by the subtlety of the compromise which they may represent between warring interest groups. The proposals for industrial democracy should be chosen not because of the appeal of their theoretical symmetry but because they should enable industry to be organised in a way that will satisfy the human as well as the economic purposes which it should serve. Decentralised and democratic administration of the arts may be needed, but it can only be judged by its effect on the arts, and not by the satisfaction that it may give to the people involved in making all the decisions.

Democracy is a particular set of rules for running collective affairs. The fact that it is well suited to national and local government does not mean that it is equally appropriate in other areas of human activity. It is not a particularly helpful aid to falling in love or digging the garden, and whether it is necessarily helpful in all the areas mentioned in *Labour's Programme* is something that should be judged on the merits of the various cases.

The formal methods of democracy—elections, committees or referenda—are not sacred. Formal structures are unnecessary in small groups where the number of relationships involved are small enough to allow decisions to be reached by other means. The craft cooperative of four does not require a complicated constitution in order to arrange its affairs; it is far better equipped for its purpose because it is able to reach decisions without a formal democratic structure. Such formal structures become necessary only in larger organisations, where they impose a constraint upon all participants not to impose their will upon the organisation, but to share in the process by which decisions are reached.

But the people who prepared *Labour's Programme*, like the author of this pamphlet, are unrepresentative of the population as a whole. They spend a large part of their time contributing to the national process of decision making. Many of them earn their living by holding office in the formal structure of our parliamentary democracy. By projecting their own interests onto the nation as a whole, they believe that a higher intensity of involvement by the average citizen in the formal processes of decision making in all walks of life will make us all better and happier and so they seek to design new structures of representation to make this possible.

Of course apathy is a dangerous thing. It is discouraging for any democrat that citizens do not bother to turn out to vote for their councillors. It is a sobering experience for any enthusiastic canvasser to see the political process through the eyes of the voter on the doorstep. Anything that enables the average citizen to go to the polls better briefed on the practical and philosophical issues that divide the parties would be most welcome. But, given that this apathy exists, what will be the effect of the introduction of new structures of representation into the health service, the arts, the media, industrial planning and local government?

experts or rank and file ?

The most likely answer is that they will not increase the share of ordinary working people in political, economic and industrial power. The new bodies will be staffed by new concentrations of experts, the articulate, well briefed and well educated, who will contribute useful ideas and advice to the bodies on which they sit, but will not in any significant way bridge the gap between those who make the decisions and those who experience

their results. How will the representatives be chosen? If it is by election, it is hard to envisage any but a dismal turnout in elections for community health councils or gas consumer councils. If it is by nomination, then how will the election process avoid becoming a market for the trading of political favours, or a new permutation of those overused lists of the "Great and the Good" kept by civil servants in anticipation of appointments to public bodies. The same is true of the promise to open up the process of industrial planning to democratic scrutiny, especially by the trade union movement. Such a process of monitoring will be most healthy for administrators too accustomed to deliberating in private but the experts whom trade unions will employ to carry out the exercise will be almost as distant from the ordinary working people as the civil servants and industrialists with whom they sit.

Most people are not naturally political. They are naturally practical. Most of them are not roused to positive political activity unless they feel concretely and immediately concerned or threatened. Faced with a formal democratic structure of committees, policy making, draft resolutions and working parties, they will remain determinedly uninvolved. But confronted with a practical problem, with an obvious job to be done, they will roll up their sleeves and participate. They are bored by "talking shops" and long winded motions but not by the prospect of a common task.

Labour's Programme concentrates upon the formal structures of representation. These have a part to play in ensuring that decisions are reached with due reference to the different interest groups. But it is wrong to confuse these sophisticated political instruments with the desire to involve ordinary people more in the shaping of their own destiny. That many people choose to be passive about the abstract problems of decision making is neither surprising nor unnatural. They recognise instinctively what highly political people find hard to realise: that decision making is not an end in itself. There are therefore much more important tests of the health of a society than the level of membership of its political parties, or the low level of awareness on some of the more complex issues of the day. Participation in the health service can take many forms: the long committee hours put in by the community health councillor, the voluntary effort of the people who visit the elderly on their return home from hospital or of the first aid workers who stand by at concerts or football matches.

The Labour Party should be wary of the uncritical acceptance granted to any appeal for "democratisation". If the aim is to extend the formal processes of decision making and open them up to more people in more spheres of activity, it is a laudable but limited aim, self-defeating if pursued too far. A concern with the sharing of practical activity, on the other hand, leads to questions about the shaping of human institutions which cannot be answered simply by reference to the principles of democracy but does need the attention of the Labour Party, as will be argued later in this pamphlet. Appearing as the largest banner under which march the proposals from the Labour Party's *Programme* "Democracy" is loosely, ambiguously, and lazily used. In one way, this vagueness is harmful: it obscures the need to think more carefully about the nature of the changes required in social and industrial institutions. Yet, in another way, it is hopeful. It echoes the doubts and discontents which need to be developed: popular mistrust of the apparatus of officialdom; a dislike for the facelessness of large organisations, with their inability to respond in a human way to an individual problem; the growing acknowledgement that the formalities of public ownership are a far cry from the substance of social ownership; the search for something more creative than the oppositional stance of traditional collective bargaining.

The task, now, is to replace critical generalisation with accurate definition of the problems and creative thinking about the remedies. The second part of this pamphlet is intended to be one contribution to this task.

4. equality

Fifty years ago, when R H Tawney wrote his influential book *Equality* he took it for granted that redistribution of wealth was not an end in itself, but the means of improving the common services which society provided to all. The objective was "a large measure of economic equality—not necessarily in the sense of an identical level of pecuniary income, but of equality of environment, of access to education, and the means of civilisation, of security and independence, and of the social consideration which equality in these matters usually carries with it". Later in the same book Tawney reiterates his view that the purpose and justification of redistribution lay in the better use which society could make of the resources thus pooled. "It is not the division of the nation's income into eleven million fragments to be distributed, without further ado, like cake at a school treat, among its eleven million fractions. It is, on the contrary, the pooling of the surplus resources by means of taxation, and the use of the funds thus obtained to make accessible to all, irrespective of their income, occupation and social position the conditions of civilisation which in the absence of such measures, can only be enjoyed by the rich" (*ibid*). The aim of egalitarian policies, to Tawney, was to make the good life accessible to all.

Since Tawney, however, the argument has moved on. Much of the argument about redistribution takes place without reference to the use that will be made of the funds which redistribution will make available; it is the pattern of distribution itself which is considered offensive. The distribution of income and wealth *per se* has become a focal point for socialist attention independent of the use which is being made of communally provided funds.

This leaves a philosophical vacuum in the arguments about inequality. Consider for a moment some of the Labour Party's judgments on the subject. On the distribution of income, the *Programme* comments: "Despite the progress made under a Labour Government, Britain remains a savagely unequal society". And on the distribution of wealth: "The existing social system in Britain is characterised by glaring inequalities in the distribution of wealth. The richest 1 per cent of the population owns nearly 30 per cent of the nation's wealth; two thirds of Britain's privately owned wealth is owned by only 10 per cent of the people, while the remaining 90 per cent have to share just one third of all personal wealth. Labour believes that this huge inequality of wealth is a crucial defect in our society. It is immoral, and prevents national unity".

A newly arrived Martian presented with these statements, would immediately be puzzled by one thing. How is it that Britain's inequalities are the subject of such severe condemnation; while the world inequalities and the global gulf between rich and poor receive a mild and rather technical treatment in the same programme?

interpretations of inequality

A statistician reading the above passage might notice something else. The judgment which the reader is invited to make varies with the way figures are presented. For example, if you use table D1 of the Royal Commission's Report No. 5 (HMSO, 1978) on the distribution of income and wealth, it is possible to confirm the Labour Party's view that there are extremes of inequality in income distribution. "After all" you can say, "the top 10 per cent receive over 26 per cent of the nation's income, while the bottom 10 per cent have to make do with 2.6 per cent. A glaring inequality, surely!" But if you then turn to table D2, which is simply a different presentation of the same figures, a different picture can be presented. "Yes", your opponent can reply, "but what is so glaring about a distribution of income in which the man whose income puts him a tenth of the way from the top of distribution is only receiving twice as much as someone slap bang in the middle; and less than four times as much as the fellow who is a quarter of the way from the bottom". The same figures are used but a very different impression is conveyed.

After tax, the income of the man nine tenths of the way up the distribution is six times that of the man a quarter of the way up. This is inequality, certainly, but while it is easy to offer sweeping condemnation and generalised demands for reform, it is considerably harder to define exactly what pattern of distribution should be sought in its place. The difficulty of measurement, or rather the ambiguity of interpretation of the measurements, is not the main problem. The main problem is a problem of judgment. It is the work of a moment to identify that such a distribution is unequal, but no one would claim to be aiming for exact pecuniary equality. What cannot be judged at a glance is the *fairness* of such distribution. How much difference in incomes should be permitted to allow for skill and training? The doctor who does a six year training and works 90 hours a week for the first three years after qualifying: does he deserve to receive a median salary, or twice, or four times the median? The miner, who risks life and health, to work in cramped conditions, does he deserve to receive twice or four times the median?

And these are only the problems of incomes from work, and the problems of the top end of the scale. What about the other end? If some are to receive more, who are to receive least?

Britain is often condemned for the extremes of inequality of income at the bottom end of the scale for two reasons which are contradictory in their implications. One is the inadequacy of supplementary benefits: "The evidence . . . strongly suggests that the supplementary benefits scheme provides, particularly for families with children, incomes that are barely adequate to meet their needs at a level that is consistent with the normal participation in the life of the relatively wealthy society in which they live" (Supplementary Benefits Commission, Evidence to the Royal Commission on the distribution of Incomes and Wealth). The other reason for criticism is the low level of wages. Frank Field points out in a recent article that "the number of poverty wage earners has risen from 130,000 in 1974 to 290,000 two years later", (*New Statesman,* 29 September, 1978).

Field's poverty wage earner is the person earning below the Supplementary Benefit level. It does not take too much thought to realise that solving the first problem—by raising the level of Supplementary Benefits—is bound to make the second problem more acute, since it will plunge more wage earners below the officially defined poverty level.

Nor is this merely a semantic point. The poverty problem is about relative poverty. If you simply make the benefits better, the wage earner is *relatively* worse off; if you improve low wages, you make the non-employed relatively worse off. If you improve both, you do not change either. Either the non-employed will be worse off than the employed, or *vice-versa.* It is easy to point to the group at the bottom of the income distribution and to argue that they should not be there; it is very difficult to suggest which group should be there in their place. Low wages are considered low because of the comparison with the benefits available to those not in work; the benefits are considered low because of the comparison between them and wages.

This is not to suggest that there is nothing that can be done which will make Britain a fairer society. There are many *unfairnesses* to be redressed—it is unfair that the state subsidises home buyers and council tenants at the expense of those in rented property; it is unfair that income tax and national insurance combined weigh so heavily on those with relatively low incomes.

the concept of inequality

The problem lies in the very concept of inequality. To say that society is *unequal* says both far more and far less about it than to say that it is *unfair.* It says less because inequality may be measured against countless yardsticks, unfairness can only be measured against a sense of fairness. It is quite possible to hold in

one's head a set of rules which would constitute a fair society; it is very difficult to conceive a set of economic circumstances which could be called equal. Inequality is multi-dimensional; fairness is seamless and consistent. We all of us share a "sense of justice"; few of us share the same conception of equality. Thus the use of the term inequality causes confusion because we do not know what we are measuring the equality against; whereas use of the term justice invites us to refer to a standard which is implicitly understood and shared. In this sense the use of inequality says less.

In a rhetorical context, however, inequality is far more valuable. By being able to condemn society as "savagely unequal" Labour leaders of today are able to appear to wear the crusading mantle which their predecessors wore—even if the circumstances which they condemn would be unrecognisable to their forebears. This is the the explanation for the selective indignation which might have so puzzled our Martian. Domestic inequality is one of those traditional cries on which the Labour Party relies to arouse the loyalty of its faithful. Whereas the slums of Calcutta do not arouse altruistic emotions, the road to Wigan Pier does.

Precisely because of the traditional importance of inequality to the Labour Party, it is difficult to be critical in this area without seeming to be disloyal. This is ironic, for in fact the continued reliance upon the slogans of inequality can only serve as an obstacle to eradication of the problems which the slogans purport to condemn.

A number of difficult questions about the distribution of income have already been posed in this chapter. How wide should differentials be? What constitutes a reasonable spread of post tax income? Given that incomes will vary, which groups should receive least?

These are questions about fairness, and we cannot hope to eliminate injustices from our society unless we have begun to define an answer to them. The disadvantage of equality as a yardstick is that it does not encourage these questions to be asked. It encourages easy condemnation in place of thorough thought. It is easy to find inequalities—on some dimension—in any society known to man, and easy to work up a lather of indignation about them. It is much harder to ask whether that is fair?—a question which carries with it the implication that if you are saying that it is not fair, you must specify the redistribution which would minimise the unfairness.

Inequality is the term which will appeal to those who are looking for a basis for moral indignation; fairness is the term which must be used for those who are are seeking to define policy by reference to an underlying morality.

All the examples given so far have been drawn from figures about the distribution of income. As an illustration of the fairness approach, let us consider the distribution of wealth.

To describe Britain's maldistribution of wealth as glaring is far more accurate than to describe the distribution of income as savage. For this appears to be an area where Britain is out in front: "It seems quite possible that, as far as the distribution of wealth is concerned, Britain has the doubtful distinction of leading the inequality league" (Atkinson, *Unequal Shares,* Pelican 1972).

The Labour Party, as has been stated already, thinks the present distribution of wealth immoral. The condemnation is deserved. Nonetheless, it is too easy. The Party leaves it at that: there is great inequality of wealth ownership; this is *a priori* immoral; we will have a better society if we have a more equal distribution of wealth.

In what way better? The only reason which the Labour Party gives for the redistribution is perceived fairness: so long as there is privilege, such as an unequal distribution of wealth confers, then it is difficult to ask the community as a whole to show restraint when it comes to making their own pay demands.

This is at least an acknowledgement of the importance of justice, but it does not go deep enough into the origins of the Labour Party's commitment to equality. In its condemnation of inequality the Party is rather like a professor after a stroke who can remember his pet theories but has lost the power of reasoning by which he evolved them in the first place. Once again, as with the question of income distribution, what is missing is a statement of the underlying morality of policies which have become habitual in the Labour Party. There is a very good reason for some of the policies which are often so unthinkingly advocated; there is an underlying morality which should be made explicit and which could then influence in a positive way the Party's redistributive approach.

the moral basis for redistribution of wealth

At the heart of the case for redistribution of wealth is a concept of fairness, and what constitutes the most efficient disposal of a community's limited resources by the standards of this fairness.

Resources are not for having, they are for using; they are not for consumption, but for productive employment. When a man has possessions he has responsibilities. Whether he has earned his wealth or inherited it, it is not exclusively his. He is the agent through which it may be used, for good or ill. No society can survive if it is based on an entirely selfish view of possessions. Property conveys rights, it also conveys obligations; it must be used productively; its benefits must be shared, not hoarded; it must be deployed in some part to help those in greatest need. Used well, wealth is a good thing; used badly, it is ugly. This is equally true whether the wealth is in public or private, corporate or individual hands. This is the Ghandhian view of trusteeship: a man is a trustee for the possessions which chance or his own efforts put into his hands: "Earn your crores (tens of millions) by all means. But understand that your wealth is not yours; it belongs to the people. Take what you require for your individual needs, use the rest for society". (*Humanised Society through Trusteeship,* ed G B Deshpandi, Trustee Foundation of India, 1976).

This concept of trusteeship is based upon voluntary action, and not compulsion; upon a revolution inside people; upon social change and redistribution flowing from the willing action of the wealthy.

It is easy to be cynical about such an approach, and the cynicism tends to be self-fulfilling. If you believe that no wealthy person will listen to the voice of conscience, and if you set about extracting wealth in a spirit of compulsion and hostility, then naturally you reinforce the defence of property and privilege, the resistance to redistribution and the inherited hostility to taxation. The reaction of the wealthy might be different if redistribution of wealth were to proceed on the basis of an appeal to justice and morality.

The justification for any tax is that the state or taxing authority can make a better use of the money than can those who are being taxed. It is important that this is seen to be the case; that is why, quite rightly, the phrase "taxpayer's money" implies that those who spend or invest it have a heavy responsibility.

To argue for a wealth tax purely on the grounds that it will create a different statistical pattern is to ignore this far more important question. How different might be the attitude of the wealthy if the proceeds of the tax went into a special wealth tax account, and this account were used to provide funds for those marginal capital projects that the state could not otherwise afford.

sectional versus unifying moralities

This moral basis for redistribution—and the proposals that flow from it—sound unfamiliar when compared with the usual rhetoric of the Labour Party. Partisan diatribes urging Labour Party conference to squeeze the rich until "the pips squeak" and a blind onslaught in

an ill-defined privileged class will help to perpetuate a divisive and class conscious political atmosphere.

And why not, some will say? The Labour Party is the representative of a sectional interest and would do well to remain so. There are several reasons why not. It is unlikely to create the basis for the industrial democracy, energetic cooperation and efficiency to which the Labour Party is committed and it is likely to obscure for still more years from working men and women some of the true causes of their discontent by providing an easy target for blame.

But there is another reason for taking the emphasis off sectional advantage and putting it on fairness upon all citizens' common membership of a community. There was a time when we were told not to worry about questions of distribution, because economic growth would see to the economic well being of us all that what the rich have today, the poor will have tomorrow. (Certainly it is true that Mr Poorest 5 per cent today is as well off as Mr Average 20 years ago; but this ignores the fact that Mr poorest 5 per cent compares himself with Mr Average today.)

There is a much more significant reason for putting the emphasis of the Labour Party upon justice for all, and not the sectional interest. At its simplest, it is that the sectional appeal is a false one. The poor can never catch up the rich unless the state plays a much larger part in the allocation of certain key commodities.

The Labour Party's sectional promise, embodied in the famous statement promising a massive and irreversible shift in favour of working people and their families, is a false promise because of what Fred Hirsch has called the "social limits to growth". Hirsch identifies certain goods whose supply is limited. These include top jobs, beautiful views, access to the seaside, and peace and quiet. He calls these "positional goods". They cannot be manufactured to satisfy the demands of an increasingly affluent society, instead their price rises steeply, However rich the many become, there will always be the richer few who alone can afford these luxuries. It is your relative position in the distribution of incomes, and not your absolute amount of income, that determines the standard of positional goods you can afford.

An egalitarian approach to income distribution may give more people the chance to have cars, to get away from it all. But as they take advantage of this chance, they make seclusion an even more expensive commodity than before. The coast becomes crowded with caravans, all in search of a little peace away from it all. The roads become jammed with cars, all purchased to obtain for the driver the freedom of the open road, a freedom which is now vitiated by the arrival of others with the same objective. House prices rise with incomes, leaving the beneficiaries of redistribution unable to afford a better house.

The sum of individual attempts in self improvement is that we all stand still: if everyone stands on tiptoe, no one can see better. The escape from the self-seeking treadmill will only be made if people can be persuaded to temper their urges for individual betterment with a willingness to cooperate in more social allocation of the scarcest commodities. Somehow we may have to learn to share private property instead of clinging to it ourselves, to accept restraints on our freedom to drive into cities in the interests of all, to recognise that individual self interest can only be served through collective cooperation.

No government will ever secure this cooperation unless they succeed in convincing people that their own interests will be as well served by such arrangements. And that means convincing people that there will be fairness.

If the Labour Party continues with a sectional appeal, which glories in benefiting one group at the expense of another, it will fail to secure real improvement for the many because it will not have made allowances for the scarcity of posi-

tional goods. It will also be encouraging in all citizens precisely the opposite of the spirit of self-interested altruism that is required. It will be encouraging acquisitiveness at a moment when above all it needs to develop in all citizens an other-regarding, cooperative spirit based on a sense of fairness.

The concept of inequality, so useful for the pressing of sectional claims, must give way to the concept of fairness, because the latter implies an acceptance that other groups too have a case against which the sectional claim must be balanced.

If inequality is merely condemned as a statistical pattern, without reference to what is fair, then the remedies may sometimes be worse than the disease.

There are serious inequalities in our society, but they are serious because they are unfair. The Labour Party must fill the present vacuum in its thinking and make explicit the moral basis for its proposals for redistribution. Only then will it have laid the foundations for presenting its egalitarian policies as unifying —because they are fair—rather than satisfying a merely sectional interest.

5. communal provision—quality not quantity

The social wage is an important part of the Labour Party's thinking: "So that, in some small degree, the standard of life of the great mass of the nation depends not on the renumeration which they receive for their labour, but on the social income which they receive as citizens" R H Tawney (*ibid*). By 1976, however, the Labour Party noted a certain reluctance on the part of the taxpayer to support increases in the social wage. "The rate at which we progress in building on this structure depends not only on the state of the economy, but also on the degree of priority which the people of this country are prepared to give to the social wage services such as education, health, and community services worth over £1,000 a year on average for every household in the country, which are essential elements of a more equal society. The Government should mount a massive campaign to explain the vital importance to the vast majority of the social wage" *Labour's Programme* (*ibid*).

inputs or outputs?

The social wage has indeed become vital for the vast majority of the population (not that it stops them complaining loudly about the levels of personal taxation). But in spite of its respectability and widespread acceptance, there are dangers in the concept of the social wage. It can become a restrictive and unhelpful way of thinking about communal provision.

The main danger lies in the habit of measuring provision in terms of inputs rather than outputs. Praise and condemnation alike are directed at quantitative achievements. Governments vie with each other to build the most houses, not the best or the most habitable; the sincerity of Labour's social conscience is measured by the amount it has spent on education, health or social services. "Cuts" become the focal point for all criticism of social service provision; the "good minister" is the one who succeeds in cornering more of the national income for spending by his department.

Similarly, the attention of pressure groups is focussed on the battle over Government spending. Public sector trade unions, in particular, naturally put pressure on the Government to spend more in their sector: it means more opportunity for their members. Spending is tangible; quality of provision is harder to define, elusive to measure, and almost impossible to monitor. A council can boast of a five million pound spending programme; there is less propaganda value in a concentrated attempt to improve office administration so as to minimise delays experienced by tenants.

Money always helps. Every social work agency in the country would subscribe to that truism. But they must equally accept the truth of another: that heavier spending does not necessarily lead to better results.

Some of the most expensive steps governments have taken have also been the most disastrous. It was no doubt in response to the clamour for increased quantity of provision that central and local government engaged in a concentrated effort to build tower block housing; any politician wise enough to insist that one or two be built and tried before any major campaign was undertaken would have made little headway against the flood of colleagues and pressure groups insisting on the maximum quantity and the lowest unit cost.

The Conservative's reorganisation of the health service, with the introduction of an additional administrative tier, is one of the greatest financial commitments which the Government could have made to the NHS. It is no doubt one of the reasons why the state was spending twice as much in real terms on health services in 1974 as it had been ten years earlier. The damage—in bureaucratic complexity and remoteness of decision taking—done by this expensive measure should surely persuade political parties to stop boasting or criticising their opponents in quantitative terms and convince those who are employed in the public services to look further than the call for more resources.

The fact that the Government spent twice

as much on education services in 1974 as in 1965 does not necessarily mean that the quality of provision in these areas has improved. Indeed, there must be some pause for thought in Ivan Illich's observation that throughout developed countries illiteracy rates have risen with the increase in spending on education.

The problem with the social wage is that it encourages people to think that the answer to our educational problems is more spending on schools; that a better, happier, more just society will be attained by a steadily rising level of public provision for social services. The political arguments are always about the how much, and not about the how; the cry for more resources is always the cry for more money; the quantity of provision and not its character is the centre of discussion.

The relationship between money and improvements in communal provision is much more complicated than is normally assumed, as some practical examples may illustrate.

problems money will not solve

The council in Sunderland recently passed a motion urging the Government to reintroduce birching. It was driven to this measure by its desperation about acts of vandalism. "Nothing is sacred now" one councillor was heard to complain. Old people were being beaten up; gravestones were despoiled; park benches destroyed and the poorest families were robbed of their petty cash.

It is difficult to see how a reintroduction of birching would overcome these problems. It is, however, equally difficult to understand the caring professional's response to such problems, which too often consists solely of an appeal for more resources smaller caseloads and more modern schools.

The element that is missing is not money, or discipline. It is imagination. Bored, frustrated, destructive, unmotivated youths will not be changed by somebody else's professional attention to them, whether it take the form of therapeutic treatment or the birch. What they will respond to is something to do. They seek some excitement, some inspiration. If the only excitement they can think of is vandalising graveyards, chopping up park benches or attacking the defenceless it is about time we started setting them some worthier targets. Why not make some of them responsible for groups of old people? If you have chopped firewood and organised shopping expeditions for the elderly, you are more likely to think twice about the needs of the victim whose purse is tempting you. Why not promise them some money and some supervision for the building of their own centre, if they will raise an equal amount and do the building work themselves? Why not organise them, as has been done in parts of Sunderland, with ideas from Community Service Volunteers and money from the Manpower Services Commission, into social work teams under the leadership of a young (and previously unemployed) graduate, helping the professional social services departments catering for the needs of the mentally and physically handicapped? Why not get them building park furniture for themselves? Give them, in other words, their own stake in the community, their own chance to say "That was my contribution", the opportunity to make a positive instead of a negative mark upon their surroundings.

Another of those problems which appears to grow worse, not better, as spending on social services rises, is that of child abuse. Each year there is a new, highly publicised case. Public enquiries, inquests and investigations concentrate upon what social workers could have done to prevent the tragedy. Yet some of the most useful preventive work has been done, not by social workers, but by violent parents themselves. By getting together, they share their problems, reduce their isolation, make new friends. They find that they are their own best social workers. The most imaginative response to their condition is not the traditional (and expensive) one of more professional provision: it is for the professional to put them in touch with each other.

What, then, are the lessons of an attempt to apply some imagination to the concept of the social wage? First, that we must stop thinking of social provision as coming in prefabricated chunks, a given outlay of which will produce a given return in social welfare. Impressive sums can be totally and harmfully wasted; applied to the right forms of provision, small sums can be highly productive. Second, that the governmental, statutory form of provision is far better at some functions than at others. The Government is effective wherever an even, rather impersonal approach is called for. It is, for example, a very good collector of money. Tax collection has to be impersonal to be fair. Similarly, a uniform centralised service is good at paying out statutory, uniform payments according to a simple set of rules, such as child benefit or unemployment benefit: it gets into trouble as soon as the rules start to be complicated and to rely upon discretion, because either officials stick strictly to the rules in a manner that creates hardship in the individual case, or they use some discretion, which means that similar claimants in different parts of the country are treated differently.

the role of the social wage

Government is good at providing simple minima, at universal and equal provision at the organisation of material support or medical care. But not all needs lend themselves to this treatment; and the emptiness of life for the Sunderland delinquent, or the isolation experienced by the potentially violent parent in an oppressive flat, cannot be solved by busy social workers alone. The agencies that will help these people are flexible, imaginative, local, close to the ground. They are not staffed by sophisticated professionals, but by people who know the problem, who may in traditional social work terms themselves be inadequate. The primary agencies—social services departments, medical services—can help them in subtle ways; bringing people together, advising them, supporting them; helping them with the money they may need to begin. But Government and its employees must recognise the point beyond which their direct involvement is counterproductive, for it is in the very independence and self sufficiency of community associations, parents anonymous, youth community service corps, good neighbour schemes, or pre-school playgroups that part of their value lies and attempts to professionalise them, to establish them and make them exclusively dependent on Government money will defeat their original purpose.

Primary provision is the task of Government; as is the maintenance of a basic standard of material well being and of health care. Secondary provision is the framework that is needed to overcome contemporary society's less basic problems, problems of isolation, emptiness, boredom, frustration. The Samaritans could never have been a Government run body; they represent an imaginative, secondary response to one of today's problems.

Confronted with delinquency, urban decay, the loneliness and suffering of old people, the neglect within institutions of the mentally handicapped, or the poor state of our prisons, the politician's reflex is to reach for the departmental cheque book, and, when the Treasury say no, to think that the primary obstacle is money. The professionals whom they employ naturally encourage them in this approach.

Important as financial constraints can be, such preoccupation is misleading. Money is not the only resource. The resources are everywhere; bored young people without challenge or excitement in their lives; the recently retired, parents whose children have grown up and left a gap in their lives; the mentally able but physically restricted. The greatest problem is not to find more money, but to harness existing resources more effectively.

The Labour Party must remember two things about the duties of central and local Government towards communal provision. The first is that they ought not to judge their record upon input—how

much was spent on social services or education. They should be asking the electorate and their supporters to judge them on the quality of services. They like to draw attention to their record of spending. But, as will be argued in the next chapter with reference to education, this spending can be seriously misdirected. Second, the Labour Party should remember that Government cannot do it all that one of its most important tasks is to delineate the boundary between the services which are best provided by central and local Government and those which are best left to a multitude of secondary organisations.

6. education

Debates about education are notable for their circularity. If the argument is about politics it often concludes with the assertion that you cannot change society without changing education; the educationalists, on the other hand, often say that you cannot change the education system until you change society.

Whatever the exact relationship between the two, it is certainly true that the way we educate does reflect the sort of society we have, and serves to shape the society we will have. The striking thing about the so-called "Great Debate" on education was its narrowness and lack of imagination. The argument took for granted the larger issues and concentrated on persuading more people to become scientists or on the merits of a core curriculum. Important as these questions might have been, they were questions of means and the broad purpose of all our educational efforts was left largely unquestioned.

Consider for a moment the kind of society we are likely to be by the turn of the century, and then compare it with the implicit objectives of the present system of education. Work in the future will call for flexible, adaptable and self reliant people. They must expect to be learning continuously about developments in the disciplines relevant to their work. Even then changes in technology may force them to retrain entirely. Large organisations will have less need for armies of clerical or manual staff and therefore less safe, unchanging, undemanding jobs. Instead there will always be job opportunities at many different levels of skill, for those small and efficient teams of self-employed experts, or specialists, be they window cleaners or systems analysts, who will sell their particular skills to large organisations on a subcontract basis. The "unemployable" will be those who lack the ability or flexibility to create their own opportunities.

The kind of ability and intelligence that will be required in the economic sphere will not be deep specialised knowledge of a narrowly defined academic subject. Boundaries will be changing too quickly for that. Flexibility and the ability to learn new subjects and to keep abreast of technological change will be essential. Tomorrow's working population must be trained to see and create work opportunities for themselves, and not to assume that a safe, unchanging niche awaits them somewhere in exchange for satisfactory examination results.

So much for the economic needs of tomorrow's society. Its survival is equally dependent upon its moral needs. People must be able to recognise their mutual dependence and obligations. No education system will teach them to be utterly unselfish, but what it can do is enable people in their formative years to see life from several perspectives, to have a sense of fairness and of their obligations to others, to be sensitive to suffering and deprivation and their own capacity to enhance or damage the quality of other peoples' lives in what they themselves do.

These, in summary, should be our social priorities: self-sufficiency within an overall interdependence, a sense of fairness and willingness to hold back for the common good combined with inventiveness, the will to create new wealth and new ideas, a competitive but not an exploitive spirit. These priorities should be reflected in the education system that we want.

priorities of the current system

The system that we have fosters the opposite qualities. It encourages commitment to, and dependence on, a select range of subjects; it tests and rewards academic competence in an examination system that gives little opportunity to show the sort of practical, problem-solving mind that will be useful outside university; it presents pupils with career choices with about as much background knowledge of what they are choosing as television viewers confronted with advertisements for package holidays. The successful school career is signified by the acquisition of the right examination results. The child with valuable practical

skills will spend years in the classroom being told that he is an academic failure. And because schools concentrate on the examination rat race, they do not train their students to think of the world in a wider way; or to ask what contribution they can make to its well being.

In 1917, the Government thought that it would be a good idea to make the universities responsible for conducting school leaving examinations. The examination determined what was learnt in school, and the universities determined the shape of the examination: "It followed from that simple decision that the ethos of the university should become fundamental to the whole of education and training. And what did the universities deal in? Not training for a job, not developing skills in design and making, not encouraging action; they dealt in learning, grouped into subjects and disciplines and neatly compartmented according to the subject rather than the needs of people or society" (Dr Patrick Nuttgens, *Learning to Some Purpose,* Society of Industrial Artists and Designers, 1977).

Higher education today is doubly disabling. It disables the successful because it leads them to think that with their qualifications there are fewer and fewer jobs that they can do. I recently recruited into the Labour Party a young graduate with an oriental history degree, whose major job hope, along with several hundred other applicants, was to become a research officer, studying the mismatch between manual skills and vacancies in a London borough. It was a problem which, at a different level of skill, he epitomised. He was not willing to apply his intelligence to the improvement of hospital services, or better local government, let alone working in industry and making sure that it trained the people it needed to avoid future mismatches of skill. His higher education had given him a disdain for the everyday practical world through which he could in fact have had some influence on the problem he was studying.

The successes are disabled—at least delayed from contributing—by this disdain. For the failures it is worse. The education system judges success as academic success, and tells young people that they can have little hope of a successful career without passing their exams. By failing at school, they are told, they are failing in the world. Yet they must remain in school, in the institution which considers them to be failures, until the age of sixteen, with little achievement to look back on, victims of an educational version of Parkinson's Law where coverage of the curriculum extends to fill the time available.

These are the people who are required to spend their years of adolescence—years which should be a time of self-discovery, of growing independence and assertiveness—studying subjects which they do not expect to use and being made increasingly aware of their own failure in the academic race to which their school attaches such importance. After such an experience, only the single minded handful can enter the world with much self esteem or confidence in their own abilities.

No education system can make everyone an "A level" candidate. But no education system should be so narrow as to foster the belief that everyone needs to be an A level candidate. The best salesman, the best policeman, the best entrepreneur, the best trade union leader does not need to be—may well not be—a classroom "star". Our university-dominated scale of values is quite wrong in attaching more prestige to a barrister or a doctorate in history than it does to a technician apprentice or a good carpenter. Our current system of education treats knowledge as a form of currency required to buy the student into a career (and its products are usually only too happy to bury their lecture notes once access has been obtained). It separates study from action, when it should be uncovering the relationship between the two, and it puts the emphasis on academic achievement and not upon facing and solving the kind of practical problems that confront people outside school. Worse still, it serves as an expensive and dull form of confinement for those who fail to jump its academic hurdles.

It would, however, be most unfair to leave the criticism there. Inside the present unsatisfactory system exist examples of the developments which, if extended, could provide the country with an effective and fairer system of education relevant to our future needs.

some encouraging exceptions

In Sunderland, a town full of frustrated educational " failures " unable to get jobs, these apparently hopeless cases have taken part in a scheme which has done more for their self-esteem, their potential as citizens and even their academic ability, than several years of secondary schooling. Led by unemployed graduates, they have organised activities for the mentally handicapped, helped to run nursery schools and given aid and entertainment in the geriatric wards of hospitals. At the same time they have been engaged in an organised programme of study, either on day release or in evening classes. It is very different from the classroom: they can test what they learn in history or social science against what they see around them in their work. They have some experience to help them choose the subjects that will help them find permanent employment later. Learning has ceased to be insulated by the classroom wall and has therefore become exciting. Young people whom headmasters and careers officers characterised as having little ability have shown that they have organisational talent, practical skill, ability to handle difficult children, and a sense of commitment—all potential which their schooling failed to bring out. They have been given the opportunity to *do* rather than to imbibe in knowledge.

The work experience schemes sponsored by the Manpower Services Commission have also served to confound the assessment offered by our examination system. Through this scheme employers have been able to take on recruits from an unpromising army of academic rejects. These recruits, having left school with " no qualifications ", have been surprised to discover that they are actually rather good at their jobs, as shopkeepers, clerks, assemblers or expeditors, and have as much promotion potential as some of their academically successful contemporaries. The main effect of our treating academic qualifications as a guide to employment potential is to disqualify many capable applicants.

The other encouraging exception is the Open University. This splendid institution is testimony to the principle that a little money in education can go a long way, if the pupil is eager to learn and knows why he wants to learn. At fourteen and fifteen many young people have developed a powerful resistance to learning and the attempt to command subservience from them in the classroom can be an expensive exercise in crowd control which achieves little educational progress. The argument for compelling people to stay in the classroom has always been that even if they learn very little there, it is fairer and better than casting them out in the world where they will learn nothing at all. But if success at A level were to cease to be an indispensable ticket to career success, it should be possible so to organise secondary and higher education that people only come to it when they have a thirst for it and for those who do not want to continue formal education beyond the basics, to take it up later. The money saved could be used to provide a far wider array of adult extension classes. Programmes could be designed which fit study around people's normal family life rather than demanding the sacrifice of full time study. Those who did choose to plunge into the practical world at fourteen, could keep their ticket to education in the bank until they chose to use it later. At the same time, employment could become more flexible, with fourteen year olds going to work, and forty year olds being released from work to go to school.

At present we lavish educational resources on an age group which is longing to escape from the classroom. It would be far better to use the same money on the same people a few years later in their lives when they had had a chance to consider how best they should use it.

The encouraging exceptions in educational practice suggest some of the necessary ingredients of a better and fairer system of education.

reform

The Labour Party is wedded to a comprehensive system of compulsory education at least to the age of sixteen, because it has always been thought that such an arrangement guarantees the attainment by all of the basic education standards they require and ensures that there is the least possible discrimination on grounds other than ability.

It is now clear that undue emphasis upon academic achievement is a major obstacle to the fulfilment of both objectives. To assume that the level of educational attainment will be correlated with the length of time spent in full time, classroom based, secondary education ignores the all-important factor of motivation: children who can see no value in continued classroom work are quite capable of learning nothing if they are determined enough. And to compel all children to follow a predominantly academic curriculum is to discriminate powerfully against those whose talents are more practical. What is needed is a system of education which harnesses the all important factor of pupil motivation and which concentrates more upon the attributes tomorrow's society needs and less upon the requirements of yesterday's universities.

Before any reform can take place, we must first define the minimum standard. This would be the level all children must achieve before they are presented with the greater freedom and challenge which secondary education ought to offer. If secondary education is to be made more practical, more varied, more stretching, less passive and more exciting, then it is essential that all children first learn these basics. Before going any further, everyone should be able to read and write, to add, subtract, divide and multiply, and to do simple practical tasks. There may well need to be other skills which all children must possess as prerequisites of further progress. These subjects are at present taught at the primary stage of education, a stage which should continue with two major changes. The first is that there should be much more time and money devoted to remedial help for those who find difficulty in attaining the minimum and the second is that there should be much more incentive to progress from primary into secondary education. If children see that their older brothers and sisters in the secondary system are having a more exciting time and if they know that they must attain the minimum standard before they are allowed to go forward into this appetising range of activity, then they will have a strong incentive to learn well, whereas at present the prospect of year after year of classroom slog is unlikely to give them any sense of urgency.

The essence of the secondary stage in education is that it should be geared to providing a preparation for membership of the adult world, and not as at present, geared to the demands of universities and to success in examination.

How often people are heard to say that while they were at school they could see no purpose in what they were studying, and it was only when they had been in the adult world for several years that they began to appreciate what use they could have made of their time at school. It should be one purpose of the secondary stage of education to allow children to see and taste enough of the world outside the classroom to understand why they are doing what they are doing inside the classroom.

One central element of the secondary stage should be work experience. All children should have to spend several months in various workplaces, to give them a more down-to-earth experience against which to make career decisions. If this were to work properly, it would involve industry in a major new training obligation. Work should be organised in such a way as to make good use of untrained school students without jeopardising the jobs of adult employees.

Along with preparing its pupils for economic life, secondary education should also prepare them to be good citizens. No one but the most remote educationalist would imagine that this can be done from the classroom alone. It should be the second central feature of the secondary curriculum that students spend a fixed minimum of their time in positions of public and community service.

The more healthy and athletic might form a volunteer auxiliary corps, who could help people suffering in the aftermath of fires, floods, blizzards, explosions or crimes, after the professional emergency services had moved out. Some might augment mountain rescue teams; many others would work in community service projects, an area already brimming with new ideas for the use of young volunteers. There are young people who work intensively with one or two severely disabled people making it possible for them to live at home rather than in an institution, shaving and washing them, cooking a midday meal, doing housework. Others could be helping in primary schools, working with remedial teachers, or alternatively could follow the American model of tutoring where the eleven year olds help the nine year olds, and the nine year olds help the seven year olds to read. Many more could work with the mentally subnormal, so often warm and rewarding people to work with, who can with help and encouragement by volunteers and professionals be enabled to live a far fuller and more normal life. (This may be the nearest any education system comes to equipping people for the possibility that they themselves may have a mentally handicapped child.) Others could use their special talents in unexpected corners: for example, hairdressing in the geriatric ward of a hospital or running discotheques for the mentally handicapped. It is the experience of community service organisers in Britain that the helpers gain quite as much as the helped in schemes of this sort. They gain in self esteem, in self confidence and in the sense of having a contribution to make. Finally, the inclusion of service in various forms as a required part of everyone's curriculum would ensure that all citizens embarked on their working lives with a far more vivid appreciation of how much they had to offer to help their neighbour, and of the extremity of circumstances in which some of those neighbours have to live.

the school as a base

It should also be one of the aims of the secondary curriculum to link the subjects chosen for classroom study to the pupils' experiences in the work and service part of their education. Education should enable people to make sense of life: to test their more theoretical ideals against personal experience. It can help them to recognise that life is, in part, acquisitive and selfish; to reconcile them to the idea that they must make a living and provide for a family and yet also enable them to retain and apply their ideals. If practical experience is built into the curriculum it will provide something of substance for the theoretical curriculum to be built on.

Another change in the organisation of secondary education which should be considered is the introduction of a universal period—say six months—spent away from home at a Junior College.

The intention of Junior Colleges would be to take children from a range of different backgrounds, to put them somewhere strange and different and to open their eyes. Some part of their time could be spent on "outward bound" type expeditions; some on group projects of study culminating in a presentation to their colleagues. They would have to learn to live together and to help each other to do their own catering and housekeeping, within a given budget. They would also be taught how to teach themselves, how to look for information, in libraries, or through Viewdata, and how to undertake and organise a project. This would be six months of training in self-reliance, at the end of which it would be difficult for any student to imagine—in the words of the oft repeated accusation directed at university graduates today—that the world owed them a living.

If such changes were introduced, the classroom would cease to be the automatic centre of all learning from eleven to sixteen. It would be the place where students assembled between periods of Junior College, service, and work experience; the place where they went to undertake the basic learning components of their secondary education—one or two foreign languages, science, economic lessons, English grammar and language, community studies. By the age of sixteen they should not be spending more than one or two hours a week in the classroom and the rest should be spent on project work and preparation for their job which by now they should have chosen.

Those whose job choice demanded much further study—future doctors or technologists, for example, could get down to these courses from the age of fifteen. In each case, however, the academic part of the training would not have begun until after the completion of a period of related work experience—the technologist in a relevant company, the doctor in a hospital—so that they would know what they were working towards, and understand from the start the kind of circumstances to which they would be applying their theoretical knowledge.

Intrinsic to this view of secondary education is the belief that a degree is not a necessary qualification for many forms of employment which currently require it. Secondary education should enable people to choose suitable employment and to begin their training for it; occupationally related courses would be available in engineering, law, accountancy, surveying, management, banking and so on, and further work experience programmes could be developed in parallel in the manner made familiar by the teaching hospitals. Universities would continue to be "centres of excellence", promoting research, providing teaching for these occupationally related courses, and providing degree courses to older students with educational credits in the bank. Full time university students of the future would be doing their courses not because they were a prerequisite to a privileged career, but because of an intrinsic interest in the course or in developing their intellectual ability.

Many of the ideas expressed in these pages would be accepted in theory, but all are open to a simple practical objection. No one is going to drop voluntarily out of the rat race. No school is going to spend much time on community service or work experience if it jeopardises the A level results.

In the long run, the continued presence of a system of selection and rejection by graded examination is likely to prove the major obstacle to the more varied, creative and practical curriculum propounded in this chapter. So long as grading of academic performance survives, it will be used by employers as a guide to the quality of applicants, however misleading it may be. There are two alternatives. One is that we develop better, more practical yardsticks of capability. Work experience is one such practical guide. The students' project work, and choice of community service activity and his achievements throughout the secondary stage are a helpful indication. But if schools continue to insist on A levels, and continue to advise all pupils that their true goal should be to go to university, regardless of the value of this compared with plunging immediately into a job and going back to higher education later, then the time may come when the harsher alternative becomes the more effective; to prohibit by law all examinations that purport to put a general value upon a student. Under such a law, it would still be possible to set tests at the end of a course in physics or economics and to withhold certificates from those who failed. What would be prohibited would be examinations such as A level or O level, which allocate life chances on the basis of academic performance—Oxbridge to the As, good universities to the Bs and Cs, polytechnics for the other passes, and restriction from entering university and thereby a barrier of entry to many career paths to those who fail.

7. the full fruits of their labour

The Labour Party is bound to remember the 1970's as the decade which saw the return of unemployment as a major social affliction. Unemployment doubled under a Labour Government. This must have a disillusioning effect upon a Party which has been identified above all with full employment. No wonder policies to deal with unemployment are at the top of every agenda. No wonder unemployed young people look outside the Labour Party for radical cures to the disease which is infecting their lives.

What are the solutions? The debate about unemployment is usually assumed to be a debate about economic policy ; the remedies proposed bear upon the exchange rate, the general level of investment or public expenditure or import controls or an increase in the number employed by the Government.

The trade union movement and the left tend to take a static, short term view of unemployment. The solution is usually thought to consist of reflation: a general rise in demand which will enable existing businesses to continue to sell existing products. Less attention has traditionally been given to the question of what will be the established industries of 30 years time.

Tomorrow's big employers are likely to owe their existence to today's innovators and entrepreneurs. There are few ways in which the problem of unemployment could be more effectively tackled than by creating the conditions in which new enterprises can be established and expanded.

It is psychologically difficult for the Labour Party to think in these terms. The Party's closest affiliations are with the trade unions, whose role has always been defensive: to force existing employers to provide better pay and conditions and to oppose attempts by existing employers to shed labour. Today's rapid rate of technological change is naturally seen as a threat, because whatever the possibilities for indirect enrichment, it undoubtedly means the destruction of millions of existing jobs. Machinists and typists alike will soon find their functions performed electronically.

The only way in which this enormous saving of labour can result in a benefit to labour, is by the use of wealth which the new technology produces to generate new businesses and new jobs. Again, the Labour movement is suspicious for two reasons: first, because, whereas it may have a good foothold in existing industry, it may have to start again in the businesses which replace it ; secondly, because it finds it hard to believe that the extra profits produced by new technology will find their way through to investment in new jobs.

The new jobs must somehow be generated, but simply to call for more planning, or to demand that these profits are appropriated by the state, is to misunderstand the process by which new businesses are likely to be born and to flourish.

taxation and company law

There are two sets of reforms required to create a climate and a framework in which new enterprises can grow. The first is a reform of our taxation system ; the second is the reform of company law. At present, the channels which are supposed to transmit savings to investment are so blocked, diverted and silted up, as to render quite irrational the present variety of rewards for investment. Professor James Meade has given a telling example: " Consider the investment of £100 in some form of real capital equipment. Suppose the real rate of economic yield on it to be 10 per cent per annum. The funds for this investment must have come directly or indirectly from some form of savings. The net post tax yield to the saver for this underlying real investment with its 10 per cent yield can . . . in fact vary from 0.2 per cent to 58.82 per cent per annum, that is to say from one fiftieth of the real yield to more than five times the real yield as a result of our so-called tax system " (*Some Anomalies in our Direct Tax System,* Fabian Society Conference 1978). Professor Meade goes on to show how this system discriminates against the new

small enterprise: for example Capital Allowances on new plant and equipment discriminate in favour of the large, established company but provide no advantage to the new enterprise which has as yet no profits against which to offset the investment. Moreover, under this " system " savings are channelled for tax reasons through insurance companies and pension funds, and therefore away from any chance of investment in small business. As Professor Meade concludes: " If it is really desired to help the small business (whether capitalist of Labour managed co-operative) rather than giving a tax advantage to the multi-national giant, the tax system cries out for reform " (*op cit*).

The second reform which is needed to make it possible for new jobs to emerge to take the place of those which technology renders obsolete is a change in the legal status and potential of the company. Reform of the tax system should make it more attractive to invest in small scale innovation and new enterprise ; reform of company law is required to ensure that the companies which stand to benefit most from the advent of new technology use it for the advantage of employee, consumer, community and shareholder in the right proportions and to open up a means whereby the successful small company instead of growing into an irresponsible large one, may transform itself into a successful, socially owned enterprise.

But this is jumping ahead. Proposals for such a change in company law fall on deaf ears in the Labour Party because the Party has no conception of how a company should be constituted. We know what we are against, but the trade unions and the Labour Party have never really stopped to define what kind of a company they would wish to be employed in, beyond a general inclination towards public ownership, industrial democracy and, most recently, co-operatives.

One of the problems which arises from this vagueness is that questions of industrial efficiency are dealt with quite separately from those of industrial democracy. When the Labour movement discusses industrial democracy or the case for workers control, the argument proceeds on a theoretical level ; the objective is principally the redistribution of industrial power, and questions of industrial efficiency are dealt with in an entirely separate mental compartment. Few Labour movement activists have bothered to ask themselves the implications—whether positive or negative—of their views on industrial democracy.

a philosophy of industry

The beginnings of a philosophy of industry must be found in a philosophy of work. We have worked much harder to achieve the second than the first part of Marx's famous slogan: " From each according to his ability, to each according to his needs ". The first part of the paragraph in which the slogan appears should be inscribed on future programmes for industry. Marx is looking ahead to the " higher phase of communist society " in which: " The enslaving subordination of the individual to the division of labour, and with it the antithesis between mental and physical labour has vanished ; *when labour is no longer merely a means of life but has become life's principal need ;* when the productive forces have also increased with the all-round development of the individual, and all the springs of co-operative wealth flow more abundantly " (From the *Critique of the Gotha Programme*) (emphasis added). Work is not required solely to satisfy man's primary needs of food, shelter, and economic security. Man has higher needs—for self-expression, fulfilment, co-operative endeavour—which work must be organised to satisfy. The need to be a whole person, to do a job well, to see the results of his labours aid to retain individual identity against a tide of anonymity.

Most men's work does not satisfy these needs, and, in spite of the comforts and diversions of the affluent society for those lucky enough to have work at all, in spite of music centres, split level cookers and Ford Cortinas, the dissatisfaction is evident. The employees of large organisations are giving only a part of themselves to their work. Two men in the workshop

of a hospital for the mentally subnormal are engaged in childishly simple work preparing packing materials for an engineering firm. The workshop supervisor explained when he showed me round that the contract comes to him because his people can do in a day what a large factory would consider to be a week's work for the same number of people. But then those two mentally handicapped people are proud of their achievement in doing the work and find it stretching. Unmotivated and unstretched, the employees of large production units are often doing enough and no more than enough: their hearts are elsewhere. Labour for them is a means of life only and satisfies none of their deeper needs.

It is not as if people lack energy or creativity or the desire to express themselves in their work. It is just that when employment proves unsatisfying, they look elsewhere for these rewards. They do other jobs in their spare time, repair watches, build walls, restore cars. That is the only way in which, at least as individuals, they can begin to recreate their own world of work. Ask a man on the shop floor about job satisfaction and you are likely to receive a cynical reply, but ask him about his working life away from the workplace, and eyes will light up with enthusiasm.

The growth of absenteeism, the occasional purposeless dispute and the inflexible attitudes which are often adopted by employees in large organisations all lend weight to the suggestion that it may prove to be economically costly as well as socially restrictive to have designed production with so little regard for the social rewards of work. Until more effort has been made to experiment with new forms of work organisation ; and to harness the latest technological advances so as to develop a people-centred study of production engineering ; to enable those with creative potential to set up in independent productive units of their own, the calculation of the disadvantages of the excessive division of labour and the diseconomies of industrial scale, must remain a matter of speculation. It is not an argument between efficient but dehumanising industry, and inefficient but fulfilling methods of work ; the argument cannot begin until the productive possibilities of people-centred work have been explored. " Why is the trend of the last hundred years towards bigger and bigger units? Nobody, except a few monomanic tycoons, likes them. Why do we have to have them? The invariable answer is: because of technological progress. And why don't our engineers produce technological progress in another direction—towards smallness—towards simplicity—towards capital cheapness. If we ask the engineers, the answer is: 'Because nobody has ever asked us for it'. And if you ask: 'Can it be done?', the answer is: 'Of course it can be done if there is a demand for it' (E. F. Schumacher, 'Technology and Political Change', *Socialist Commentary*, March 1976). One of the first tasks of a socialist strategy for industry would be to set those engineers to work on less alienating projects.

It is likely that those proposals for exploration and experiment will be confused with utopian demands for the abolition of all large organisations and large scale technology. Such sweeping absurdities must be avoided. There are no simple blueprints. Appropriateness, and not uniformity, must be the test. Large production units and highly fragmented work will be required because some of the things that society wants can only be produced in this way. But, given their existence, the question is how can these organisations and these methods of work best be adapted to the needs and tastes of people working in them? If they are happy as they are, like the two mentally handicapped men in the workshop, then nothing need be done. But people should have the opportunity to influence how tomorrow's plants are designed. And those who wish to work in smaller units or with more variety should have an opportunity to do so. Just because large organisations are here to stay, it does not follow that all their inhuman characteristics need be perpetuated. Some of the benefits of smallness can be recreated within them: the restoration of variety and challenge to manual and clerical work ; the devolution of responsibility for as many decisions as

possible to the work group where this is what people want.

If Marx is right, and labour is one of the principal needs of a satisfying life, then it must be one of the principal tasks of a socialist programme for industry to bring work to life again ; to enable work to be so organised that people can feel an enthusiasm for it. The growth of industrial capitalism took away from many workers the ownership of the means of work. Restoration of the ownership of work is not something that will be achieved simply by the formal transfer into the state's hands of the formal ownership of the means of production. It will be achieved only by the conscious shaping of technology and institutions for human purposes.

The very idea of a people-centred organisation of work makes it impossible to prescribe one formula for the liberation of work. There are several levels at which change can be effected. Engineers can explore the technologies that would enable workers in large factories to have more independence. Trade unions can encourage their members to see the method and scale of operation as something worth influencing, and to make representations to employers about the character of the new plant in which they are investing. Government can sponsor and encourage production engineering with a human face. But more than anyone it is companies themselves who could, if they felt so inclined, transform the character of work, not only by consulting employees about the sort of workplace that they want, but by experimenting with new forms of work organisation, such as the autonomous work group (Nicholas Falk and Jeremey Bray, *Towards a Worker Managed Economy,* Fabian Society, 1976). As well as all of these steps, companies could make a significant contribution to the growth of new employment by setting aside some of the money that is saved by the introduction of labour saving, job destroying technology, to finance the establishment of independent offshoot enterprises founded by their own employees. This is already done by some companies—notably the Scott Bader Commonwealth in this country, and the remarkable Mondragon Co-operatives in Spain.

reconstituting the company

But this may be too much for the tolerance of the reader. How can anyone possibly believe that privately owned companies, whose boards of directors are accountable only to the shareholders and whose performance is judged by their return on capital employed, will engage in an orgy of philanthropy such as has just been outlined?

Agreed: they are most unlikely to put people first in this way. Indeed, publicly owned companies are equally unlikely to take such bold steps. They too are judged more on economic performance than social utility. The internal dynamics of the company do not dispose it to put people first. It has proved to be no solution to this problem to transfer the title of ownership, since the internal dynamics have been largely unchanged.

The answer is to reconstitute the company ; to dispense with the quasi-proprietary role of a group whose function is simply that of lender ; to dispose of the idea that shareholders can own the institutions of wealth production ; to rebuild the company as an independent corporate entity containing within it that complex balance of pressures and interests that will enable it to be both economically efficient and people-centred.

Under this conception, the company is a commonwealth. (The word company will continue to be used: a companion is a person with whom you share your bread, and so the word has in its origins more to do with fellowship and mutual cooperation than with exploitation or the exclusive pursuit of profit.) The company's members are its employees. Its " shares " are held collectively by a trust which is administered jointly by the members, and by representatives of the community—local and/or national, depending on size—and the trade union movement. How the company is administered is a

matter for the members. If traditional managers were employed, these would be appointed by the Board, who would themselves be elected by the annual general meeting to whom they would report. Certain places on the Board would be reserved for representatives of the community; equally the members might choose to offer representation to the body which was putting up a large amount of risk capital, be it the National Enterprise Board or any other source of finance. Lenders of risk capital would clearly understand that theirs was not intended to be a permanent influence: that, having been repaid with interest, they would have no further part in the company and the capital would be available for lending elsewhere.

The purpose of the company—making rivets, running hotels, repairing motor cars—would be stated in a General Objects clause contained in the memorandum and articles of association, although this would need to be sufficiently flexible to accommodate diversification and expansion. These would also be required to state the company's other major obligations—to the employees, to the locality, and to the wider community. It would be the responsibility of the trustees to ensure that the General Objects clause was not violated. Large companies would be required to report progress not only in a financial report but also by means of a social audit.

Constitution-making is an uncomfortably abstract business until there is the flesh of practical experiment to put on the skeleton of rules and duties. But the idea of such a constitution—or something like it—for the large company is to create a new balance of pressures within it which would transform its corporate personality.

Profit would be the first test of success, because without it there would be no enterprise. But the company would not exist for profit any more than people exist to eat: we eat to live. The company must generate a surplus in order to invest in new plant, improve the living standards of its members, develop new products, contribute to the well-being of the local community and the wealth of the country.

Profit would also be the key to the transformation of the company and the extinction of the ownership of the company. Privately owned companies would be required to set aside a proportion of their profits into an employees capital fund administered by the trustees. This fund would buy up shares and thus enjoy an increasingly large holding in the company. At some suitable point—perhaps after the acquisition of 40 per cent of the shares, the company would become a commonwealth, subject to new company law under which the remaining shareholders would be reduced to the role of lenders. Thus, the more profitable the company, the more rapid its transition to common ownership.

But profit would have to be made in a way that was consistent with the company's other obligations. The trustees might have to intervene if it were found that the company was not acting as a responsible corporate citizen—if it were deceiving customers, or polluting the atmosphere. The annual social audit would be a public test of the extent to which the company had contributed to local and national social needs—youth unemployment, race relations, job enrichment. Similarly, a new investment programme would be assessed both on its financial merits and on its social impact. It would be for the commonwealth to decide whether the social costs of, say, shiftwork, outweighed the economic advantages, and, if they did not, what steps could be taken to organise shiftwork in a way that was least disruptive to family or community life. Similarly with a new technology that "deskilled" the job and meant future redundancy could the enterprise find an alternative technology, or must it accept these but use the resources generated to create other jobs?

The decision would lie with the commonwealth or, if it chose, with its elected representatives. The trade unions would make representations for their respective groups of members (particularly where the decision was between competing localities). The experts—engineers, fin-

ance men—would make their recommendations. The representative machinery already outlined would ensure that the consumer and the community both had their say. But, with all these interests having been expressed, and subject to the approval of the trustees, the commonwealth must decide, and live with the decision.

four characteristics of the company

Whatever the constitutional details, the reconstituted company would be distinguished by four characteristics. It would be *self-governing*. It would be a community in whose future every member would have a say. The debate about industrial democracy and about worker directors has been clouded by uncertainty about the role of trade unions. If trade union representatives were really to share in the making of decisions, how could they avoid being held responsible for the results of those decisions and therefore forfeit the full freedom to oppose? This dilemma is overcome if it is the workforce as a whole which is—through appropriate machinery—sovereign. The workforce become responsible for the decisions; the trade union continues to be the advocate of one of the interests of which the commonwealth must take account before reaching its decision. Any enterprise, even a commonly owned one, may one day have to declare a redundancy. The members or their nominees must take a broad view and may feel this is necessary. But they cannot expect the unions to agree: the unions will try their utmost without damaging the enterprise to ensure that no one loses his job. In any organisation which contains more than a handful of people, there is a need for a partisan body which protects employees against the harmful effect of actions which are taken by the organisation as a whole.

Secondly, the reconstituted company is *self-regulating*. Not a conference goes by without employers, and indeed shop stewards, expressing bewilderment at the quantity of new governmental regulation that they must learn and adhere to. Since the war, Labour Governments have strained every sinew to make industry conform to wider social purposes and to limit their freedom of arbitrary action, whether over their employees, the community or the environment. Grudging adherence to the letter is not the same as willing acceptance of the spirit. If you want a person to do a job well it is better to make him want to do it well of his own volition than to force him to do it by threat of punishment. Instead of any further attempt to say "Thou Shalt Not" to industrial enterprises a transition to common ownership would free the reconstituted company for its principal task of production. The pressure to behave responsibly would be internalised, built into the constitution.

The idea of self-regulation is quite the opposite to what is proposed in *Labour's Programme*, which contains further suggestions for the *external* imposition upon companies of conformity to social objectives. These include power for the Government "to issue, in the national interest, directives to companies on a wide range of individual matters and to put in an 'Official Trustee'—a person with the powers of a Receiver, with adequate back-up staff, and responsible to the Minister—to assume temporary control of any company which fails to meet its responsibilities to its workers, or to the community as a whole".

The use of such powers may serve to evoke the appropriate penitence from an erring company, but is hardly likely to contribute to its stability, internal self-confidence or productivity. Indeed, the philosophy of external regulation which the *Programme's* section on industry embodies is reminiscent of the "hang 'em and flog 'em" brigade's attitude to penal reform: they believe that young offenders can be frightened into obedience by a sharp spell in detention centre, and are then surprised to find them coming out the other side more defiant and criminal than before. If we want resposible enterprises which strike the subtle balance between the enrichment of themselves and the enrichment of the community, the responsible approach must be by consent,

and not imposition. Good behaviour cannot be created by statutory instrument. But if the company is run by employees ; if the community is represented in its decision making bodies, and if its social as well as its financial contribution is measured each year by external auditors, then the philosophy that the enterprise is about making wealth for the community may replace its current role as a money maker for the participant with the best bargaining skills. The qualities of the self regulating company are those which Lewis Mumford looks for in the citizen: " So the question for each of us is how he will take hold of himself, not merely how he will think, but how he will act, and what he will do, in order to bring about in himself at least partly the changes that will finally transform society, and make possible new forms of life." (*The Conduct of Life,* 1936).

Thirdly, the reconstituted company is *self-owning.* It ceases to be an arrangement for the enriching of private or institutional shareholders. Nor does it become an arrangement for creating profits for the State. Under the social reconstitution of the company, no party enjoys the quasi-proprietorial position which is at present the status of the shareholder.

The Labour Party has tended to interpret the " common ownership " to which it is committed by Clause Four in a highly centralised way. Profit and power have been the reasons for extending public ownership: if money is to be made it should be made for the state ; and the state should determine how large enterprises are run.

The trouble with both these arguments is that they re-emphasise old evils under a new proprietorship. It is not enough to have new people exercising the old powers. The financial motive for acquiring profitable companies is implicit acknowledgement of the acquisitive, purely profit-seeking role of the company.

The external direction of policy by a Minister or his department takes away the local responsibility for actions which is an essential feature of a self-managed enterprise, and allows the publicly owned enterprise to say: " We're here to make money ; let the government look after social responsibility."

The transfer of ownership as property—as the power to arrange or dispose of the factors of production at arm's length from those who produce the wealth—should not be an aim of the Labour Party. Ownership of this kind should be extinguished, not transferred. Ownership has always been fundamental to socialism. The early socialists could see how industrial capitalism took away from the worker and his fellows the chance to own the means of their own work, and they evolved an alternative philosophy which sought to restore ownership of the means of work to men. As industry has grown bigger, and more centralised, the alternative has grown bigger and more centralised. Now the alternative reflects the original model too accurately: central ownership of the means of production is espoused without reference to local ownership of the mans of work. But it is with the latter that socialism started, and it is the local reconstitution of the enterprise and not the transfer of power to the centre that is needed to fulfil those earlier ideals.

The fourth characteristic of the socially reconstituted company is that it represents a *decentralised philosophy of change.* Each enterprise will shape its own development towards self-government, self-regulation, and self-ownership. The employees of each enterprise will choose the pace at which it develops and the character of that development. The path of change is therefore consistent with the eventual purpose, it is a decentralised route to a decentralised goal. It avoids the " withering away " problem. When confronted with this problem people in the Labour Movement tend to say: " Don't worry too much about changing the relations of production or socialising the company at unit level: once we've got control at the centre, we can do anything."

That hope is pious, but it is also elitist. It implies that the ordinary employee will have change foisted on his company from

the centre, instead of having the opportunity to shape that change himself.

new forms of ownership

The other argument common to the Labour Movement is that which dismisses as pointless any attempts to experiment with new forms of social ownership, of work organisation, or decentralisation within the capitalist system, arguing that nothing *can* be done until the " commanding heights " are captured.

Proponents of this point of view appear to see two distinct systems, like two sets for differene scenes of a play vying for the stage. One is Scene One—the existing but decaying capitalist system, waiting to be wheeled out at Stage Right. The other, waiting in the wings at Stage Left, is Scene Two, the fully formed, tried and tested socialist system. Thus there is no point in embellishing Scene One since it is about to be put on the scrapheap: all good ideas must be saved for the entrance of Scene Two.

In practice the world does not conform to this image. There are not two distinct sets of factors, two sets of human experience, or two systems operating in parallel. There is just one jumble of experience, raw materials and potential which constitutes society, and no-one but an arsonist would think of disposing of it in its entirety in order to start again. The experience which is carried forward to the society of tomorrow can only be the experience which has been gathered in the society of today. Those who advocate the capture of the commanding heights but resist or ignore the development around them of the institutions upon which a better society would be based are inviting the defeat of socialist aims. They would arrive on the commanding heights with plans for the retention of power and even plans for economic organisation. But the discovery of the sort of institution and the sort of technology that will meet human needs is a more delicate and fragile task. It might be possible to set the nation's production targets from the centre, but the emergence of a self-governing, decentralised economy, cannot be prescribed in this way. Politics abhors a vacuum, but it is authoritarian solutions by which a vacuum is usually filled. It is only if the Labour Party develops its own philosophy of industry that it will avert the imposition of authoritarian remedies.

The Labour Party presently lacks a coherent philosophy of wealth creation or of industry. It has a programme for industry, which makes much of investment and of planning ; and it has a policy towards strengthening trade unions. But it lacks a coherent vision of what it would like the wealth creating enterprise to be like.

It is ultimately enterprises and not planning agreements or trade unions which will employ people. A Labour Party policy for industry which lacks a conception of the enterprise is rather like a sophisticated Navy plan for fleet manoeuvres which relies on ships which have holes in the bottom.

Without such a philosophy the Labour Party will find itself in an intellectually impoverished position, attacking and imposing upon those who are engaged in organising production, instead of providing a means by which they may do so justly and efficiently.

There is no shortage of socialist literature in support of this approach. The idea of the just organisation of industry has been there in socialist thinking from Ruskin and Morris onwards. The growing commitment to producer co-operatives from Meriden to Mondragon is a contemporary manifestation of the same concern. But it is not enough to point to these pockets of progress. The whole of the economy will not suddenly be transformed on co-operative lines. What could happen, however, is that the foundations of all tomorrow's enterprises could be laid with a reform of company law and a rationalisation of the rewards to investors.

8. changing the party of change

"The future wears an ominous visage for all who want to apply old remedies to new ailments' (Nye Bevan, *In Place of Fear*).

When the ailment changes, so must the remedies. But that does not mean that the definition of health has changed. The Labour Party must look again at the socialist tradition. If it does so it will realise that the concept of man as a potentially creative being, frustrated, fragmented, and limited by the material world which he himself has unwittingly shaped, is mirrored anew in the experience of the late twentieth century. Many of the material obstacles to fulfilment of this potential may have been overcome, but it is not principally material wellbeing which is now missing.

Isolation, impersonality in buildings and organisations, frustrated, unmotivated and therefore destructive youth, material repleteness and mental thirst ; full bellies and empty minds, dull work or no work, fierce competition among interest groups to assert the state's obligation to them, a passive but complaining consumer society. These are the contemporary forms of alienation.

These problems will not be overcome by the passing of laws or the creation of new Government agencies. They are beginning to be overcome by practical people, each working in his own sphere, and they will be more easily overcome if Government helps to ensure that tomorrow's towns and technologies are designed and developed with due regard to human needs.

The most important political battles of the next ten years will not be fought on the conspicuous upland of party politics, around the apparently central issues of how much money the state spends, or how many companies are brought into public ownership. The important work lies elsewhere, permeated by three, central problem: how to design institutions which are at once flexible, efficient and responsive to human needs ; how to supplement formal, statutory provision with self-generated informal networks; how to breathe imagination into community life, working life, and educational life.

Industrially, the Labour Movement has considerable leverage ; politically it could once more have formidable power. But if the opportunities are not to end in waste and disillusionment, the power must be used with imagination. A new philosophy is needed, based on self-regulation, not external imposition ; a philosophy of change initiated from the outside, not from the centre ; of decentralised social ownership, and not national, almost notional, ownership of an uninspired and slowchanging industrial sector. The co-operative ideals of the Labour Party must not be lost in a pre-occupation with dispossessing the privileged, or of substituting one oligarchy for another.

Unless the Labour Party invests in some fresh thinking, the cycle of optimistic opposition followed by despairing Government will intensify and the Labour Party will be in danger of philosophical bankruptcy.

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Socialism tomorrow : fresh thinking for the Labour Party

A General Election defeat prompts much criticism of the Labour Party's record in government. In this pamphlet Mark Goyder concentrates his criticism on the unrealistic expectations with which the Labour Party approaches power and the lack of imagination with which it defines the important tasks.

After a brief reminder of the socialist tradition which the Labour Party inherited and of the moral purposes which are at the foundation of socialist philosophy the pamphlet divides into two parts. The first looks critically at the Party's programme and thinking. The second is an attempt to do some fresh thinking from a socialist perspective about the Labour Party's attitude to wealth creation and the public services.

The words Democracy and Equality dominate conventional Labour Party speeches, but the author believes that concentration upon these words confines the imagination of the Party and blinds it to more profound contemporary problems. By going back to the roots of socialist philosophy, he offers a fresh approach to policy on industry, education and social services. The author concludes that a new, more imaginative approach is needed in these areas—an approach based upon self-regulation, rather than the external imposition of change initiated from the centre and of decentralised social ownership rather than centralised ownership. At the same time he argues for a fresh consideration on questions of justice.

young fabian group

The Young Fabian Group exists to give socialists not over 30 years of age an opportunity to carry out research, discussion and propaganda. It aims to help its members publish the results of their research, and so make a more effective contribution to the work of the Labour movement. It therefore welcomes all those who have a thoughtful and radical approach to political matters.

The group is autonomous, electing its own committee. It co-operates closely with the Fabian Society which gives financial and clerical help. But the group is responsible for its own policy and activity, subject to the constitutional rule that it can have no declared political policy beyond that implied by its commitment to democratic socialism.

The group publishes pamphlets written by its members, arranges fortnightly meetings in London, and holds day and weekend schools.

Enquiries about membership should be sent to the Secretary, Young Fabian Group, 11 Dartmouth Street, London SW1H 9BN; telephone 01-222 8877.

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