THE LABOUR PARTY AND SOCIALISM PART THREE

G.D. H. Cole's Alternative to Labour Party Socialism

INTRODUCTION

In the late 1940's Cole accommodated to the prevailing LP understanding of socialism. This was based on the gradualist view that a mixed economy could become the basis of the promotion of socialism. Nationalisation by the state would represent the basis of the advance of the economy towards socialism. (1) This perspective was a dilution of his previous views about the prospects of socialism via the role of industrial democracy and the importance of the working class for the process of change. The regression of Cole meant that his latest manifestation of what was meant by socialism was not as ambitious as the approach of Bevan and Benn. However, his initial approach meant that instead of defending an elitist conception of socialism from above, he instead connected his strategy to the role of militant class struggle and the role of trade unionism. (2) In other words the progress made by the workers in the industrial realm would be indispensable for the possibility of generating the political conditions for the demise of capitalism and establishing a different type of society.

Unfortunately, the most problematical aspect of Cole's approach was that he defines his standpoint in the anachronistic terms of guild socialism. This meant his contemporary approach was undermined by a label for his views which relates most prominently to the period of the middle ages. The age of the guilds was based on the role of industry in the period of declining feudalism. It has no effective relevance for the period of capitalism and the development of the contemporary working class. Nevertheless, despite this limitation his approach remains the most power exposition of what is meant by socialism from below. He outlines in eloquent terms the importance of workers management of industry, and utilises this standpoint in order to outline how the character of a post-capitalist economy can only be organised in these terms. The alternative to this type of society can only be one which is dominated by a state bureaucracy. Unfortunately, he forgot these lessons when he accepted the approach of the post-war Labour government as the most effective manner in which capitalism could be overcome. His capitulation influenced Bevan and Benn, because they also emphasised the importance of state socialism at the expense of the significance of socialism from below. However, Stuart Holland, to some extent re-discovered the spirit of Cole, and outlined how democratic socialism should be connected to the importance of industrial democracy. Nevertheless Holland's approach was still based primarily on the role of parliamentary democracy and so underestimated the primary aspect of workers management in the process of transition to socialism. This is why it is important to re-elaborate Cole's early approach and indicate why it is the principled criteria for understanding socialism. But, such an appreciation does not mean that we should be uncritical of his standpoint, and we should outline his limitations where appropriate. The primary text we shall be using will be his work: 'Self-government in Industry'. (3)

G.D. H. COLE'S CONCEPTION OF SOCIALISM

Cole considered that his approach was opposed to the collectivist view that socialism should be introduced by the role of the state, and in this manner should be modest about the process of economic transformation. Instead he emphasised that it was the process of economic change which would determine whether society had been changed in a principled manner. The point was that the working class should overcome its subordination to the imperatives of capital, and instead could become the dominant expression of the production process. This would be defined in terms of the workers becoming the management of industry. Such a prospect is made possible by the election of the managers, who would become accountable to the workers. In this organised manner the role of the trade unions would become the most important aspect of the relations of production. The accumulation of capital would be replaced by different criteria. This situation would mean that it would become possible for the process of production to be related to the interests of consumption, and society in general would be able to provide effective public services. Primarily working people would be able to define the character of society and establish its priorities.

This approach was an alternative to the Bolshevik justification of the party state and the tentative limitations of reformism. Cole was outlining how the state was the servant of the community within his approach. He is suggesting that the role of the state and the community are distinct, and so the organs of government should be an expression of the interests of society. His approach results in the following conclusion: “The real action of the state in any time or place is, then, determined by the distribution of power in the community. Political power in itself is nothing; it is important not for itself, but as the expression of social power. This social power...under modern conditions, it is inevitably in the main economic and industrial in character. Whatever may hold good in other times, it is true of our own that economic power is the key to political power, and that those who control the means of production are able, by means of that control to dominate the state.”(4) Therefore, contrary to the views of the collectivists, the state is not primary, and nor is the state abolished on the basis of anarchist views. Instead the role of the state should represent the primary forms of economic power, and under socialism this means that the working class has established its control and management within production. Therefore the role of politics under capitalism should be able to change the character of economic power. Hence victory in the class struggle means transforming the relations of production so that the primary power of capital is replaced by that of labour. The crucial aspect is that the producers, via the role of the trade unions, have a superior claim to represent the community than capital and its parliamentary institutions. It is the state which represents the sovereignty of power, but this is secondary to the fact that the institutions of labour express the interests of the community. There is a tension between the state as an institution of power within capitalism which is in conflict with the producers who represent the community. This tension can only be resolved when the state become truly subordinated to the role of the community in terms of the establishment of workers management.

Hence Cole is outlining reasons firstly, why the state can be oppressive in relation to the contrasting interests of society, and secondly, why this contradiction can be resolved in terms of the state become responsive to the role of community in terms of the introduction of industrial democracy. This approach means that Cole agrees with Marx that the state under capitalism is an instrument of exploitation, but he disagrees that this situation means the state should be abolished. Instead the state is transformed by the community, in the form of the role of the workers, imposing their imperatives onto the state, so that it becomes an instrument of democracy and the political promotion of emancipation. Therefore the state is not the major agency of change, as it is under collectivism, whether Fabian, or Marxist, but is instead an instrumental agency of the community. The ultimate political sovereignty of Parliament, as the territorial instrument of the state, is modified and made secondary to the community composed of producers and consumers. The one- sidedness of anarchism which denies the role of the state, or of syndicalism, which ignores the importance of the consumer, is replaced by the organisation of both producers and consumers within society and the state: “Neither Parliament nor the Guild Congress can claim to be ultimately sovereign: the one is the supreme territorial association: the other the supreme professional association. In the one, because it is primarily concerned with consumption, government is in the hands of the consumers; in the other where the main business is that of production, the producers hold sway.”(5)

But in the last analysis if any disputes arise because of the two forms of sovereignty, the ultimate expression of power is with the role of the producers. However, it is important to note that Cole does not utilise this approach to deny the interests of the consumer. The ideal society will be one in which the importance of industrial democracy means that the aspirations of consumption are satisfied in a superior manner. He is aware that the producer is also a consumer, and so because of this situation the ability of production to meet the requirements of consumption will be an important priority of industrial democracy. This is why syndicalism had its limitations because it emphasised the importance of production as an expression of the character of workers control, and so neglected the interests of the consumer. Furthermore, this recognition of distinct interests also means that power should be divided between the state and the guilds, or the economic organisation of the producers. In this manner, the interests of the individual will be upheld. Hence the state will not become an overwhelming dominant force that would enable it to impose coercive power onto society, and nor will the producer be able to impose the importance of the economic onto society. Cole has outlined how he is concerned that if any form of sovereignty becomes dominant it would mean that the specific interests of the members of society would become undermined. The role of the economic is dominant within society, and in that manner industrial democracy is realised, but this situation does not mean that the interests of the state and the individual are neglected. Consequently, the situation represents a balance of power; the state is not absolute and instead has to accept the ability of the producers to have legislative powers. But the state has retains its ability to pass political legislation, and uphold the interests of the consumer.

Cole is making an important point. The Bolsheviks utilised their control of the state, via political domination of the Soviets, in order to establish supreme power. There was no other institution which could have modified this situation in terms of the application of a principled balance of power. In contrast, the Parliament of the democratic bourgeois state also has absolute sovereign powers. This means that the interests of the producers can be subordinated to capital via the legislative supremacy of Parliament. Instead of this one-sidedness, Cole proposes a balance of power, but with the ultimate bias towards the producers. This enables the economic exploitation of capital to be overcome, whilst the party dictatorship of Bolshevism is also avoided. The major problem with this standpoint is that Cole does not outline whether there will be any role for political parties in his system of dual sovereignty. In order to avoid any suggestion of one party dictatorship, he seems to assume that people can be represented without parties. Thus trade unions and guilds replace the role of parties. This seems to be an omission because Cole fully accepts the role of Parliament, which implies the importance of the party political system. Despite this limitation, Cole is making the valid point that the trade union can represent the producer more effectively than a party. The importance of the trade unions within his system means that the party does not become a dominant force that could undermine the ability to express the genuine class interests of the producer. It is the trade union that is the most authentic expression of the ability of the working class to act as a revolutionary force, or with the potential to define the potential to exercise workers management within the economy. In contrast, the party, however socialist or Marxist, is always tempted to usurp the role of the workers in relation to the organisation and administration of production. This seems to explain Cole's reluctance to outline what would be the role of the political party under socialism. Instead he is adamant that the trade union is the primary organisation of the working class.

In contrast, Lenin could only conceive of the role of the trade unions as being secondary to the party in relation to the tasks of developing socialist economy and society. This is why he is reluctant to support workers control of production. To him, the party is the ideal expression of the revolutionary mission of the working class, whilst the trade unions only have a defensive role. Cole understands that the initial task of the trade unions is to defend the immediate interests of the working class, as in terms of collective bargaining. But the alternative situation in which the trade unions created a reformist Labour Party has not been satisfactory. The revolutionary collectivist view that trade unions will be replaced by the role of the party is not an alternative to this present unsatisfactory situation. Instead the increasing militancy of the trade unions in the period before and after the First World War indicates that it has a potential to become more than primarily defensive. This means the trade unions have the potential to be the organisers of production under socialism, and so undermine the development of an absolutist state. Thus the trade unions should organise production, whilst the state advances the role of the political, and upholds the interests of the consumer. Cole suggests that this situation would mean that the sphere of production does not intrude on the role of the political. But he must have been aware that the domination of the producers within the economy would mean that they had a significant influence on the political realm. However, he also recognises the problem of absolute power. In this context he is not suggesting that the producers have the right to exploit the consumers. Instead both of these interests should be protected in terms of the divided character of sovereignty. He even suggests that the state would have the ultimate right of ownership of the means of production, but the producers would control the organisation of production. The crucial point is that the producers would have self-government over industry. This situation would not be guaranteed by the collectivists, because they would promote both the ownership and control of the economy by the state. The state would organise the economy on behalf of the producers, rather than the workers having the capacity of self-administration. What Cole is aiming at is the realisation of the situation in which there is a partnership of equals involving the producers, consumers and the state. Presumably, this situation would mean that any distortions in the balance of power could be avoided, and instead the relationship between the different parts of society would be resolved by means of negotiation instead of domination.

This standpoint is connected to the view that the basis of promoting socialism is based on the view that the major aim is not the abolition of poverty but of wage slavery. The generation of poverty is based on the situation in which the working class is subordinate to capital, and so the basis to end inequality and the differentiation in wealth means that the producers must have the self-determination to manage industry. If this possibility is not realised, the result will be a form of authoritarian socialism in which the state is bureaucratic and based on the collective power to be able to dictate to the producers and society in general. The crucial point is that the collective state would not overcome the subordinated condition of wage labour: “The Collectivist state would only make his position better by securing him a better wage...in other respects it would leave the worker as he is now – a wage slave, subject to the will of a master imposed on him from without. However democratically minded Parliament might be, it would none the less remain for the worker in any industry, a purely external force, imposing its commands from outside and from above.”(6)

In other words unless the workers have control over their ability to organise and control the process of production, Cole is adamant that socialism cannot be realised by the paternal role of a collective state that is acting on behalf of the people. Instead this type of state would only reproduce the conditions of exploitation and domination in a new form. Only the actions of the working class itself can overcome the problem of bureaucracy, and so the producers require the autonomy and power to be able to tackle the problem of the dominant state. The point is that collectivist ideology does not accept the possibility of the self-government of industry by the workers: “The Collectivist is prepared to recognise Trade Unionism under a Collectivist regime. But he is not prepared to trust trade unionism, or to entrust it with the conduct of industry. He does not believe in industrial self-government; his 'industrial democracy' embodies only the right of the workers to manage the trade unions, and not their right to control industry.”(7) In contrast to this justification for the continued subordination of the producer within the relations of production based on the imperatives of the state, the proponent of guild socialism does not compromise on the importance of the organisation of the economy by the trade unions. The workers must liberate themselves from both capital and the state if they are to have the required autonomy to organise production. This is why Cole disagrees with Bolshevism, because it also defends the ideology of collectivism and therefore subordinates the producers to the dictates of the 'workers state'. The elitist and statist aspects of Bolshevism mean that it is distrustful of militant trade unionism and its aspirations to organise industry. But Cole is explicit: “The workers cannot be free unless industry is managed and organised by the workers themselves in the interests of the whole community. The trade union, which has been until now a bargaining force, disputing with the employers about the conditions of labour, must become a controlling force, an industrial republic.”(8) The view being expressed is that collectivism cannot realise socialism because it rejects any recognition of the role of the working class in the transformation of the relations of production and establishment of self-government within industry.

In other words, Cole was suggesting that it was not possible for socialism to be realised in terms of the primacy of the state or party. Only the self-activity of the working class, as expressed in the significance of the trade unions, could realise the possibility of an authentic and principled transformation of capitalism. Cole was expressing Marx's implicit view that only the class struggle of a working class conscious of its goals and aspirations could bring about the development of an alternative society. The role of intellectuals was to outline a strategy concerning the character of the future socialist society, but only the action of the working class could realise this perspective in practice. Consequently, Cole was rejecting any suggesting that the party could act on behalf of the class in terms of being a vanguard organisation. Instead the role of the party was to encourage the class to express itself in the most dynamic terms. This aspect was vital because the role of the working class was essential if the principles of socialism were to be established. Thus socialism was the outcome of the dynamism of the workers engaged in changing society and establishing a social formation that expressed their ability, creativity and aims. In contrast, the elite role of the party could only establish a collectivist state that expressed the domination of the bureaucracy over the class. This situation could not represent principled forms of emancipation because the result of this development was the continuation of domination and the subordination of the working class within the relations of production. Cole could argue that this is exactly what had occurred within Russia. However, it could also be argued that the unfavourable level of the productive forces in Russia meant that that the possibility for the realisation of the self-government of the producers was unlikely to be realised. Instead in order for Cole's approach to be realised required a high level of capitalist development and the connected collective strength and cohesion of the working class. It could also be argued that Cole's approach was dogmatic because he ignored the importance of the Soviets. He did not recognise their potential to represent the political will of the workers. In this sense his approach was euro-centric. But despite these problems, Cole had still outlined a convincing perspective of how socialism could express the self-emancipation of the workers. His standpoint was one of the most convincing expressions of the perspective of socialism from below.

Furthermore, Cole did not neglect the importance of the consumer. He recognised that socialism would have to resolve the sometimes conflicting interests of the producer and consumer. This would mean that the process of production would have to create goods that would be wanted by the consumer, and an important role of the democratic state was to uphold the interests of the process of consumption. Hence he understood that the importance of the sovereignty of the producer would have to be expressed in terms of a balance of power, in which the role of the state and the consumer was not neglected. It is also interesting that Cole makes no detailed mention of any central planning agency. Instead the assumption is that the character of planning would be carried out in a de-centralised manner in terms of the importance of the trade unions, and the related management of the workplaces. This point is connected to the fact that the state is not the primary agency of economic activity, and is instead a political mechanism. Hence any planning will be carried out by the producers. Centralised planning is considered to be an ideological view of the Fabians and Bolsheviks. It is not vital for the type of socialism being advocated by Cole. He would consider his standpoint to be the legacy of William Morris's interpretation of Marxism. But the utopian aspect of Morris is replaced by a convincing exposition of how socialism would be realised. This means that Marx's failure to outline the future society is being overcome by Cole. His approach is in the spirit of Marx. He is outlining what the Commune state would be like in terms of its economics and the organisation of industry. Marx would not necessarily have agreed with every aspect of Cole's approach, but he would have appreciated the attempt to explain why the working class can only be emancipated by its own actions. The party acting on behalf of the class cannot realise human liberation, even if this situation was unavoidable in societies like Russia. Cole had outlined how socialism could be realised in societies based on the development of capitalism. It is a tragedy that his standpoint did not become influential within the working class movement of Europe.

The strength of Cole's position is provided by the fact that the increasing militancy of the trade unions, the development of rank and file organisation such as shop steward committees, means that the workers are increasingly ambitious and prepared to organise against both the employers and the state. Thus the trade unions are not upholding a conservative and defensive role of accommodating to the wishes of the employers. Instead they are acting as industrial unions, which means all the workers of given industries are being organised, and as a result they have become ambitious proponents of the interests of labour and the aspiration to displace the domination of capital over industry. This situation means that the workers are able to realise a perspective that will bring about transition to socialism. This is the strategy of encroaching control, in which the actions of the workers become increasingly ambitious and so promote the possibility of overcoming the domination of capital within industry: “Only through their own organisations can the workers hope to counteract this tyranny of industrialism: and the method clearly prescribed for them is that or progressive invasion of capitalist control of industry, a progressive wresting of the right to make decisions from capitalism and a vesting of it in the workers themselves, a progressive atrophy of capitalism corresponding to a development of function and opportunity and power for the proletariat. This is the true line of advance, and this policy Trade Unionism must pursue, not only in its dealings with the employers and with the state, but also in refashioning its own organisation.”(9)

In the immediate aftermath of the First World War this approach was relevant and represented how the class struggle could become a conscious struggle for socialism. Instead of the long-term and vague perspective of revolution, Cole was outlining how the working class could increase its power in the immediate situation, and therefore enable it to establish the possibility to overcome the domination of capital within the relations of production. This process of development would create the prospect of the overthrow of the capitalist state by means of political revolution. However, Cole understood that in order that the demise of capitalism could be placed on the agenda, the working class organised in the unions, should carry out a policy to bring about the control of the economy by labour. This process would represent both a militant and peaceful process by which the balance of forces would be transformed in favour of labour and against capital. In this situation the conditions would be created for the overthrow of capitalism in both economic and political terms. In contrast to this coherent strategy the Communist International with its adoption of its united front tactics could only call for unity of the various political forces within the unions. (10) They could not recognise the potential of the militancy of the unions to create the conditions to transform society.

The Communists could not recognise that the strategy of revolution may be different in the West, and that the trade unions could have a decisive importance. Cole understood this point, and he outlined a powerful strategy of class struggle, in which the trade unions would have a pivotal role in the process of changing society. His approach was not abstract, and instead was based on developments within Western Europe, especially the UK and France. In contrast, the Communist International was over-influenced by developments within Russia, and so did not recognise the political differences between this situation and that which was prevalent in Western Europe. Cole outlined a revolutionary strategy based on the importance of workers control. This approach was entirely compatible with the actual development of the class struggle. Unfortunately his standpoint was a minority standpoint. Even the syndicalists tended to emphasise the role of the general strike rather than workers control. It could be argued that his standpoint was made antiquated by the actual development of the general strike in 1926. Nothing could have been further from the truth. If the working class had consciously supported Cole's strategy the process of workers control could have been immensely advanced by 1926. This would have meant the general strike would have been nothing more than the confirmation of the success of the process of encroaching control of industry. The general strike would have been far more powerful if workers control of industry had been consolidated in the UK. In this context the right wing trade union leaders would have had less opportunity to betray the strike. Instead the strike would have been merely the confirmation of the development of workers power within the economy. The success of the strike would have been far more assured in this situation. The tragedy was that Cole's approach was not adopted, and instead dominant defensive trade unionist leadership led to the betrayal of the general strike.

Cole's following comment outlines this organic relationship of the development of the process of workers control with the possible success of the general strike: “The General strike, then, or its equivalent, may be the last stage of the march of society towards industrial freedom. But clearly catastrophic action can only be based upon long preparation and upon actual achievement of an evolutionary character. The more we are inclined to foresee catastrophic action as the last stage of the coming social revolution, the more prepared must we be for the evolutionary steps which alone can pave the way for the great catastrophe. It may be true that the wage system can be destroyed only by a frontal attack upon the economic power of capitalism in the spheres of commerce and finance, but it is no less clear that the way to such an attack lies over the front line of capitalism – the control of production. We come back, therefore, to the view that for the moment labour's task is to concentrate on industrial action and organisation.”(11) The point being made is that even if we accept that the general strike will be the culminating aspect of the process of change, the very effectiveness of this tactic can only be prepared by the increasing development of the progress of the struggle for workers control. In other words the general strike does not arise out of no-where. Instead it should be based on the culminating advance of the process of the overcoming of the situation in which wage labour has been defined as a commodity. The ability to end the situation in which wage labour is merely an expression of the domination of capital means that the balance of forces within industry is being transformed. It is in this promising situation that the prospect for the victory of a general strike is immensely improved.

However neither the trade union leadership, nor the Communist Party shared the perspective of Cole. They had no realistic strategy of either the development of workers control, or for the victory of the general strike. Instead they accepted the limits of the situation in 1926, and so accommodated to the ruling class. If Cole's strategy had been adopted, this would not have meant that victory was inevitable, but it would have meant that the trade unions were prepared to tackle the offensive of the ruling class, and also been prepared for the ascent to power. The balance of forces would have been favourable for the victory of the general strike. The political emphasis of the Communist Party meant they lacked any credible strategy of militant trade unionism, and instead they were also taken by surprise by the advent of the general strike. Instead of calling on the unions to go beyond the limitations of the trade union leaders, they accommodated to this strata in terms of placing confidence in the TUC general council. They lacked any conception of the struggle for workers control, and failed to call for Soviets in 1926.

Cole outlines how under the system of wages, labour can be bought and sold like a commodity under the control of capital. How can this situation be overcome? He does not consider that the role of the state is sufficient in order to end this situation. Indeed the state may replace the capitalist and so continue the subordinated status of labour in terms of its inability to control its own activity because of its commodified status. Only the increasing ability of labour to develop its strength to control its own economic activity, which means that capital comes under the control of labour, will it begin to undermine the commodified status of the workers. This also means that the workers should establish control over unemployment and sickness payments, or else their dependency on the state or capital may continue. To Cole only the establishment of control over all aspects of production and the product can realise the condition of workers control. What is not elaborated is a strategy of how this process relates to politics and the task of overcoming the state power of capital. Instead in a vague manner, workers control is considered as sufficient in order to overcome the commodified condition of wage labour. This development means the transformation of the capital-labour relations, which implies the inexorable process of change within society. If the Communist party lacks an industrial strategy, it could be argued that Cole does not develop a political perspective for the overcoming of the state power of capitalism. Instead his emphasis is on the economic process of change to the exclusion of the role of the political.

Cole also outlines how the capitalists will be prepared to support nationalisation if it denies the possibility of workers control of the industry. His position means that he is receptive to the view that state capitalism can be an important economic basis to oppose the advance of the trade unions. Hence he does not equate nationalisation with the generation of socialism. The point that is important concerns the actual political conditions under which nationalisation occurs. Hence the aim is to create a democratic state that can nationalise the economy in terms of the interests of the working class. Unfortunately, Cole did not remember this approach when he was uncritically supporting the \Labour government in the post-war period. In this situation he considered that state capitalism was advancing the prospect of socialism in terms of the expansion of public ownership, and he seemed indifferent to the fact that this nationalisation did not involve the role of workers control. His original position was explicit that public ownership under the auspices of the state could only enhance the role of bureaucracy, and would represent an unaccountable organisation that lacked the significance of democratic control. But this situation only exists as long as the trade unions are weak and unable to impose their significance on the process of nationalisation. However, if the unions are strong the situation dramatically changes. In these instances the role of nationalisation could be to enhance the situation of the workers: “In these cases the very strength with which the workers make their demands will hasten their transference to state employment; where trade unionism is strong and intelligent, nationalisation will be inevitable.”(12)

But in order that this development results in the realisation of complete industrial democracy it will be necessary to generate the class consciousness of the workers. A union with limited demands means that the process of nationalisation will still be based on the influence of the capitalists, and the workers are still subordinated to the state in this situation. But this development is not a backward step because the very fact of nationalisation will inspire the trade union to oppose the control of the bureaucracy within management: “The industries that will then be nationalised are however, precisely those in which the demand for control is most articulate. To this demand the bureaucracy incidental to state management will afford a stimulus, and the result will be a great growth of the spirit of unrest. After nationalisation, we may expect the Unions in the nationalised industries to lead the way.”(13) Therefore nationalisation is significant not because it is progressive in itself and so representing some form of movement towards socialism, but instead because it represent the intensification of the class struggle. Nationalisation can express the potential to advance the cause of workers control of industry. It will provide the confidence that the workers require in order to promote the aim of self-government of the given industry. With the increasing class confidence of the workers, the workers will increasing be in a situation in which they can assume control of an industry when it is nationalised: “The workers, grown wise enough to exercise, and strong enough to win control, will at once assume management when the state assumes ownership of the means of production.....At the same time, the workers in the various nationalised industries, who will also have gained already a large share of control, will make good their claim to management, while the state will restrict itself to ownership and criticism of the workers managerial methods.”(14)

It could be argued that this perspective underestimates the extent of the opposition of the bourgeois state and the capitalists to the progress of industrial democracy. This criticism has some validity but it does not negate the importance of this strategy of revolutionary change. If the working class had been seriously orientated towards the aim of establishing self-government in industry, including nationalised enterprises, the balance of forces between capital and labour could have been radically changed. Unfortunately, this standpoint was never advocated by the Labour Party which had an uncritical view of the role of nationalisation under the bourgeois state, whilst the Communist Party never recognised the potential of militant trade unionism. Cole outlined how it was not the task of a supporter of industrial democracy to either advocate or oppose nationalisation, but instead under any circumstances to uphold the principles of self-government. But if nationalisation occurs, the supporters of industrial democracy should demand that the workers have an important role in the management of the industry. This potential advance would then represent the basis for further progress towards the completed self-government of the producers. The point is that he is connecting partial progress, such as the establishment of joint control with the state or capitalists with the potential to realise completed self-government. Hence the immediate measures of joint control should become the basis for movement towards the successful attainment of the ability of the producers to achieve the domination of the given industry. In this sense, the importance of the role of the partial does not deflect from the significance of the completed goal. Therefore, the class struggle is intransigent and militant, but it also means that it is possible to achieve what is revolutionary change without the utilisation of armed force. Instead what has occurred is a transformation of the balance of power within industry. This development amounts to revolutionary change. The capitalists are then confronted with the issue of whether they accept or reject this development. But the fact that the producers have acquired economic power must limit the possibility of a counter-revolutionary revolt. The former ruling class knows that the character of economic and political power has been transformed within society. A reactionary revolt will not necessarily change this situation.

Cole outlines how the major problem with the collectivist standpoint is that they deny the necessity of industrial self-government of the producers. This is based on the rejection of the important fact that effective political democracy is based on the realisation of industrial democracy. Hence the collectivist emphasise the significance of efficiency within industry rather than the possibility of the producers to define the possibility of organising production in an effective manner. But if there is a lack of democracy within industry, it is most likely that genuine democracy will be lacking in political terms. This point was obvious in relation to the process of degeneration of the October revolution. The rejection of industrial democracy was connected to the creation of the one party state, and the centralisation of the economy under the auspices of the domination of the state together with the absolute rule of the Bolsheviks. The collectivists ignore the fact that efficiency within industry will be encouraged when the workers have the ability to define their own destiny and organise production. Furthermore, even in bourgeois democracy the politicians are not really accountable to their electors, and instead democracy is able to justify the absolute rule of the government. In comparison a situation of self-government within industry means that people are accountable to each other, and so they can attempt to implement truly collective goals that have been decided by the workplace. In this situation the workers will be able to elect supervisors who are able to express the interests of the workers, and so provide principled leadership within the workplace. The system of guilds will be national, but it should also be based on the principle of de-centralisation, and if democracy is genuinely practised within the guild system this will ensure that the political system will have a similar character.

This analysis indicates that Cole was able to outline the aspects for the realisation of democracy within society. The limitation of the collectivists was that they considered that if the political structure was democratic, it was not necessary to transform the economy in a similar manner. Instead it was sufficient that the economy should be efficient, and therefore organised by a bureaucracy. To Cole this approach represented an illusion. The political system could never be genuinely democratic unless it was connected to the principle of self-government within industry. This situation would ensure that the state was truly accountable to the electors because this principle was being practised within industry. The point is that if the economy is organised in terms of the accountability of the managers and supervisors to the workers, this situation will also be expressed within the political system. The assumption is that the various parties will become accountable to the electors when the influence of the role of industry is felt within the system of government and the political institutions. Furthermore, the class solidarity and cohesion of the workers organised on the basis of self-government will be reflected in the accountable character of the political system. Previously democracy was not properly expressed in the political sphere because of the absolute and autocratic domination of the capitalist within the economy.

This new situation will be generated because of the fact that both industry and politics are an expression of the importance of accountability. The union is based on situation in which the leaders are elected and subject to re-call by the membership. Thus: “Throughout our system, one principle will be operative. Collectivism means for the worker government from above; and we have given it as the essence of the guild idea that it means government from below. At every stage, then, whenever a body of men has to work under the supervision of a leader or officer, it must have the choice of that officer. And in the same way every committee must be appointed directly by those over whose work it is to preside.”(15) Hence if industry is organised in this manner of accountability, it would be unprincipled and contradictory to try and develop the political system in any other manner. Political structures can only be effectively autocratic if the same situation is in existence within industry. The introduction of self-government within industry will create the necessary justification and support for the transformation of the political structures in similar terms. In contrast, Lenin's concept of the Commune state implied that the character of the state would be transformed so that it became genuinely participatory and popular, but the issue of the economy was not cogently addressed. Lenin was never fully committed to the promotion of self-government within industry. Instead Soviet democracy degenerated and state centralisation was introduced within the economy.

The problem with Cole's approach consists in his conception of the character of the economy. He considers that it will be possible for each workplace to choose the good to produce: “Thus each body of workers will be free until the total demand is exhausted, to specialise in the especial products it most likes to produce. There will be no standardisation or centralisation of production; indeed, the need for it will be removed by the standardisation and centralisation of exchange. The individual works will be a free and self-governing unit, and in the works the individual craftsman will find his freedom.”(16) This point is valid to a limited extent. But it would be futile to create a good that the consumer did not want. Thus it is necessary that production is orientated to the realisation of the needs of the consumers. This aspect would not necessarily undermine the enjoyment and skill of the process of production. Instead it would be the task of the producer to increasingly create inventive products that were able to realise ever higher levels of satisfaction of the consumer. But, it would be futile and inefficient to create goods that no-one wanted, and so in this sense there is no absolute freedom for the producer. It is still possible to obtain job satisfaction by creating a product that consumers want. Indeed, Cole effectively agrees with this criticism when he maintains that: “The 'cheap and nasty' product will be replaced by well-made goods, sold at a 'fair price', and produced at a fair cost. (17)

The issue of the future of large-scale machinery in the guild system depends on its compatibility with the self-government of the producers. It is quite feasible that machines will be both necessary and functional for the process of production in a system of workers control. In other words the ability of the producers to establish control over their machines will mean that it is possible for this machinery to become an aspect of the non-alienating work of the producer. But if this development is not possible, it would not be a regression for the producer to become a new type of craftsman. The point is that the producer will decide what is the relevant form of production that is able to combine creativity with efficiency. In contrast, the collectivist state would ignore the interests of the worker and instead impose methods of production that enabled the most rapid development of the productive forces. This situation would not overcome the alienation of the workers, and also would imply that the process of work was based on compulsion rather than the priority of creativity. But the aim of ending industrialism is dogmatic and does not allow for the possibility to relate industrial methods of work with creative objectives. The aim is not to go back to the past, but instead to create a future society that is both modern and emancipatory. Having said that, Cole does not disagree that the cultural values of Morris can still be compatible with the guild system. The role of the crafts will be combined with advanced industrial techniques in order to create a society that is in the interests of both producer and consumer.

Cole is adamant that the process of exchange will still be based on the role of buying and selling of goods. This situation does not imply the restoration of capitalism, but instead it will be possible to establish a system of prices that is in the mutual interests of both producer and consumer. The only alternative to this development would be rationing. The point being made is that there will not be an economic condition of abundance that would enable the free distribution of goods. It is also possible that distributive guilds could be created to ensure that the interests of the consumer are catered for. In other words the system of distribution does not have to be radically transformed to the point that a market is abolished. Instead consumer demand will represent the role of the market, and the producer will be dedicated to creating goods in order to satisfy this demand. The aspirations of the consumers will be established in terms of their input in terms of the priorities of production. However, this does not deny the possibility that producers will attempt to influence the consumer in terms of creating innovative goods that are able to realise the interests of consumption in a higher level. The interaction and relationship of production and consumption will replace the necessity for a centralised plan of production. Instead of this plan imposed onto the imperatives of producers and consumers, the economy will be based on the inter-relations of the role of the workers and consumers. This will mean a market that is transformed by the situation of the self-government of the producers will replace production for profit. The important public services will be provided by the taxes of the people. The role of the state will be to supervise the requirements of the major services and to uphold the interests of the consumer, or overcome any tendency for the producers to impose monopoly prices.

CONCLUSION

Cole has outlined a conception of socialism that is a principled alternative to the collectivism of the Fabians or the Bolsheviks. He has outlined how socialism is not dependent on the role of the state and instead is defined by the principle of the self-government of the producers within the economy. He has also outlined how the spontaneity of the working class can be both progressive and revolutionary. The class struggle, as expressed by the role of the class struggle, is vital if a democratic and principled form of socialism is to be realised. He has also outlined a strategy of transition, or encroaching control, which would represent the increasing ability of the workers to realise self-government of the economy. However, the major limitation of his approach is that he possibly over-estimates the progressive role of the trade unions. Even Rosa Luxemburg related the importance of spontaneous class struggle to the role of the party. Hence his approach would be strengthened if it was related to the role of a party, which would have a crucial role in promoting the goal of self-government of industry. This development would not mean that the party would impose itself on the activity of the working class, but instead would advocate and promote the tendencies towards the aim of realising the self-government of industry. In contrast to this party perspective, Cole was very much isolated, with his small group of supporters, in advocating guild socialism. The Labour party represented a formidable collectivist opposition to this standpoint. Nor could he interest the merging Communist Party in his approach. Therefore his approach remained at the level of an intellectual current which relied on the militant spirit within the post first world war trade unions. Eventually Cole himself drifted to the right, and he became a distinctive supporter of the gradualist approach of the Labour party. It is necessary to reconstruct the most appropriate part of guild socialism for the present, and indicate its relevance for the contemporary class struggle. This process should be connected to the re-elaboration of revolutionary Marxism and Leninism, and connecting this standpoint to the issue of the development of the aspiration for socialism.

FOOTNOTES:

(1)G.D.H Cole: The Intelligent Man's Guide to the Post-war world, Camelot Press, London 1947

(2)G.D.H. Cole The World of Labour, G. Bell, London 1915

(3)G.D.H. Cole Self-Government in Industry Hutchinson Educational, London 1972

(4) ibid p5

(5) ibid p17

(6) ibid p44

(7) ibid p45

(8) ibid p47

(9) ibid p81-82

(10Communist International: Theses on Communist Work in the trade unions, in Theses, Resolutions and Manifestos of the First Four Congresses of the Communist International, Ink Links London 1981 p429-433

(11)Cole op cit p113

(12) ibid p146

(13) ibid p148

(14) ibid p149

(15) ibid p185

(16) ibid p204

(17) ibid p206