THE LABOUR PARTY AND SOCIALISM PART FIVE

UNDERSTANDING G.D.H. COLE'S REJECTION OF REVOLUTIONARY SOCIALISM

Introduction

G.D.H Cole upheld a conception of socialism that represented an alternative to the reformism of the Labour Party (LP). But by the mid 1930's he had become a left wing supporter of the LP, and was outlining his own distinctive version of its gradualist approach. He was still against capitalism and maintained that it was an economic system that could not promote the prosperity of the people. It was a system that had many limitations and therefore deserved to be changed in radical terms. But he no longer advocated the approach of guild socialism and industrial democracy as the alternative to capitalism. Instead he outlined his own version of support for the approach of the LP by the mid 1930's. This meant promoting a government based on the development of the welfare state and limited nationalisation of some of the most strategic industries: “In fact, as far as the Left government is “socialist” in the sense of seeking to socialise any industry - its “socialism” will be of a strictly practical kind. It will socialise only where private enterprise involves manifest inefficiency – and even so, only where the service in question is of primary importance from the standpoint of national wellbeing.”(1) Therefore he was outlining an approach that was basically identical to that of the Labour government of the post-war period.

The question that arises is how had he come to support reformism? The immediate answer is that he rejected radical socialist aims in order to support the opposition to fascism, and this led him to moderate his conception of the alternative to capitalism. But this direct and immediate explanation is only part of the story. The most important and theoretical aspect is that he became a supporter of the view that the role of the state should be most important in advancing the cause of socialism. His enthusiasm for industrial democracy was diluted, and instead he outlined his version of the introduction of socialism by the role of Parliament. The most important economic aspect of this approach was that he effectively became the defender of a bureaucratic conception of planning. This viewpoint would sustain what was meant by socialism, and it could be introduced by the role of a left wing government in Parliament. Thus the role of the self-activity of the working class was diluted and instead became nothing more than an aspect of this process of change, or the realisation of socialism from above. This meant that Cole's starting point became the issue of how to plan society rather than advocating the previous approach that working people should establish industrial democracy in order to overcome the autocratic domination of capital. We believe that Cole made an unfortunate modification in his understanding of socialism. Instead of an emphasis on the role of the self-activity of working people, he became concerned with the importance of a bureaucratic elite and what it could realise in terms of the making progress towards collective production. Hence he diluted the view that socialism was the outcome of militant class struggle and the ability of working people to challenge the authority of capital. Our task is to defend the original Cole against this increasingly pragmatic and moderate version of his standpoint.

COLE'S DILUTED VERSION OF SOCIALISM

Cole defends his effective modification of his understanding of socialism in terms of the replacement of the emphasis on the importance of industrial democracy, and the participation of the working class in the organisation of the economy, with an emphasis on the role of planning. He considers that the very limitations of capitalism are defined by the fact that there is in the economy of the mid 1930's a lack of planning, and this situation is expressed in conditions of poverty and unemployment: “Why do we need a plan? Because as matters stand, our physical power to produce goods has outrun our ability to provide for their consumption, and the result is seen in widespread unemployment, suffering and bodily and mental deterioration of our people.”(2) Previously, Cole would have argued that this dire situation was because the working class was not able to overcome its subordinated position within society. In this context, the role of a plan would be the outcome of the establishment of a transformed situation in which the domination of capital within the relations of production was replaced by the supremacy of the working class. The point is that the importance of a plan is not merely a technical issue of different economic policy, but its significance is connected to the character of the relations of production. Only when the workers establish industrial self-government will they be in a position to introduce a democratic plan. But the views of the modified Cole are no longer making this point in an emphatic manner. Instead the issue of who is the most dynamic aspect of the process of planning is being defined in different terms. The primary aspect of planning is no longer to be the workers, via the role of trade unionism, but is instead the institutions of the very collective state that Cole had previously criticised.

However, this point does not undermine Cole's criticism of capitalism. He outlines how the massive increase in productive power that occurs under capitalism is unable to resolve the problem of unemployment and poverty. The present economic system is dynamic and can result in booms and the expansion of production and consumption, but because it is not regulated nor influenced by the aims of the people, it also results in slumps and the development of generalised poverty. This means that capitalism is prone to wasting both human and technical resources in terms of factories being unused, and land being neglected. Primarily, human labour can be without work for long periods of time. This situation would seem to represent an overwhelming argument in favour of an alternative economic system. But it can also be argued that capitalism is a superior economic system because it is based on production for the market, and the pricing system enables goods to be allocated and consumed in a rational manner. In this context the argument for the plan does not mean that it can distribute goods in a manner superior to the role of the market. Instead its validity is based on the fact that the aim of the accumulation of capital results in regular situations in which resources are used, including labour. However, the process of consumption, via the role of prices, is already dynamic and superior, and so the aim of the plan would be to connect this mechanism to the role of the market.

In other words the character of the plan would attempt to overcome the waste of resources, which resulted from the limitations of the profit making system, and instead connect planning to the already established efficiency of the process of consumption, which is established by the pricing system and the role of the market: “An economic plan is, in its essence, a plan for securing a right distribution of the available resources of production.”(3) But this definition could mean that a plan could be realised within capitalism in the form of extensive state regulation, or by a reformist government. Cole previously argued that a plan would become different and essentially principled only when it was an expression of the self-government of the producers. Only in this manner could it be possible to ensure that the plan truly expressed the logic of a different system and meant that the relations of production had been transformed. Instead Cole's technocratic definition of the plan implied that it could be possible to realise a combination of plan and the market within capitalism, and therefore the role of labour had only been modified and not become dominant within the economic system. This point is not addressed when Cole outlines how a plan is based primarily on realising social needs. Indeed he accepts that the logic of this form of state intervention can be perfectly compatible with capitalism, but what he additionally suggests is more radical in that the state can intervene to influence the re-distribution of wealth. This aspect implies that the state could radically modify capitalism in this manner, and develop a taxation system that benefitted the poor instead of the rich. Hence Cole is implying that the realisation of a process of the redistribution of wealth could express the possibility to modify capitalism. Production, via the plan, could be related to the fact that people’s incomes had generally increased because of the process of redistribution encouraged by the state: “It follows....that the current valuations of goods and services in the market reflect the current distribution of goods and services in the community. A society divided sharply into rich and poor, a society in which all are fairly equal in income and a society and a society in which there is every graduation from extreme wealth to the direst poverty will each have its own different schedule of demands, or relative valuations of different goods and services and of different quantities of them. Alter the distribution of income in any community, and you at once alter its schedule of demands. But in doing this you alter the relative “productivities” of the various factors of production which are used up in satisfying these demands. In other words, if you alter the income structure of a society in the present, you also alter the conditions which will determine its income structure in the future.”(4)

Hence Cole is shifting his position from one of emphasising the importance of changes in the relations of production, in terms of transforming the domination of capital into the primacy of labour, into a perspective that outlines the role of the state in changing the character of distribution. The state, which could be capitalist, becomes orientated to introducing measures of re-distribution of wealth which mean that more people can purchase greater levels of consumer goods. This process of re-distribution will also be utilised in order to ensure that social needs, such as health and education, are realised more effectively. However, the problem is that this policy could represent an improvement or modification of capitalism but it does not amount to the introduction or even promotion of socialism. Instead in a vague manner the aim of realising equality is advanced. Unfortunately the question of the relationship of equality to the aim of socialism is left ambiguous. It could be argued that some form of equality is established within capitalism, such as at the level of distribution, which still means that the relations of production remained unchanged. Labour is still subordinated to the domination of capital. In contrast, Cole considers that the state has been able to promote socialism because it has introduced an initial and basic progressive principle in the form of egalitarian distribution. However this point would only have validity if the aim of improving the ability of consumers to obtain both social and material goods became the beginning of a process of the change of society. Instead he implies that the process of the redistribution of wealth is the essence of generating the development of socialism. If this is his position, it is flawed. This is because it is possible to introduce measures that re-distribute wealth, but the relations of production of capitalism remain unchanged. Therefore disparities of wealth and power will remain unaltered.

In other words the problem of inequality cannot be resolved if the private ownership of the means of production is not overcome. Such a situation means that the owners of capital retain their dominant and powerful position within society. Furthermore, the role of labour is still subordinated to capital. But Cole argues that in an important manner less people will be poor within capitalism because of the policy of re-distribution. In some sense the balance of power has shifted from the owners of money to the majority of people who are able to obtain more consumer goods. However, we could maintain that the character of the relations of production has not changed. Instead the forces of capital still exploit labour. Hence Cole can only consider that the situation has dramatically changed because he considers that the policy of the re-distribution of wealth is the beginning of the actions of a Left wing government in relation to its task of introducing socialism by means of legislation. Furthermore, Cole has also established that a plan is essential because this mechanism would represent the most dramatic and principled method to reinforce the process of the distribution of wealth and the aim of promoting equality. Without a plan the unequal character of capitalism has not changed. Thus in a capitalist society in which state intervention has not occurred the people are in a situation of poverty; they can only buy a limited amount of goods. The governmental policy of re-distribution of wealth would enable them to buy more goods, and this process would be the beginning of changing society. In other words this policy would be the prelude to the introduction of a plan by which the very character of the economy could be changed.

Cole is aware that the superior aspect of capitalism is based on the ability of the market to offer goods for sale. Hence he does not aim to drastically change this situation. Instead the assumption is that whilst the state would provide increasing provision in relation to the public services, the progressive aim in relation to distribution would enable the consumer to have a greater ability to choose the goods they wanted. The point that Cole is making is that the capitalist producers still have tremendous power to impose the prices that realise maximum profits because they may be in a situation of monopoly, or as a result of the influence of advertising. But the major problem is that people have an inability to buy the goods they want because of low incomes. The implication is that the present situation of low consumer demand can be resolved if a process of the redistribution of wealth occurs. This aim should be supported, but it does not in and of itself imply that sufficient progress has been made in order to make progress towards socialism. Most importantly, how can wealth be re-distributed without the power of capital being simultaneously diminished and the influence of labour enhanced? This very development would mean that the importance of labour within the relations of production is increased. Only if the ability of capital to dictate economic policy is undermined, and so the significance of labour is increased, will it be possible to erode the ability of capital to undermine any process of movement towards the realisation of equality. In a sense, Cole does not dispute this point, but his emphasis is on the role of a left wing government for eroding the power of capital.

Cole outlines a scenario in which a left wing government increasingly usurps the role of private capital and become the most dominant force within the economy: “What, then, is the state to do? In order to employ the most available resources, it may be driven to invade the fields of supply hitherto monopolised by the “rationalised” industries, undertaking the production of the additional goods which they have deliberately refused to produce. As soon as this is done, even to the extent of providing substitutes for their products, their sectional monopolies are broken, and their prices have to fall. But much more than this has happened, for the state has become a competitive producer with private industry. Against this compeition, carried on not for profit, but with the deliberate intention of securing the full employment of the available productive resources, it is clearly impossible for private, profit seeking industry to stand. The clash between the two kinds of “planning” leads to the downfall of the restrictive “planning” of rationalised capitalism. The logical end of the public works policy, applied as a remedy for unemployment, is the occupation by the state of the entire field of large scale capitalist production.”(5)

It is significant that the mobilisation of the working class is not an important dynamic of this process of transition from capitalism to socialism. Instead the dynamic of state planning via the initial attempt to introduce public works, results in a process of challenging the domination of the rationalised planning of monopoly capital. The modest aim of establishing public works results in a conflict between the two types of planning within the economy, and the ultimate outcome could be the victory of state socialism. However, Cole does not explain how this possibility could occur without the mobilisation of the popular support of working people, via the action of the trade unions. Instead in an elitist manner he considers that the lack of will of previous governments has undermined this possibility of economic change. Hence he does not recognise the importance of the class struggle in his conception of the transition to socialism. Instead it is the level of determination of a left wing government which will result in the demise of capitalism. Thus he has justified the perspective of change brought about by a process of socialism from above, and so he denies the importance of socialism from below. This approach is an emphatic rejection of his previous strategic approach. Instead he outlines in a dogmatic manner how the tension between capitalist planning and state planning will result in socialism. He has no historical precedents for his standpoint, and instead he rejects the more feasible and principled approach of his previous support for the role of the class struggle. However, he does not explain why his original perspective has become out-dated. Instead he upholds illusions in what a left wing government is capable of. Hence his standpoint becomes dependent on the LP gaining a majority in Parliament, and then introducing measures that inexorably will result in socialism.

His perspective is based on the dogmatic view that capitalism cannot plan more efficiently than socialism. Hence the introduction of planning by various monopolies will become replaced by state planning with the aim of socialism. We know from the experience of war that it became quite feasible for the state to introduce planning under capitalism. Therefore it was not state intervention that made planning socialist. Instead the true test of the socialist character of planning was the important influence of the producers, which would represent the self-government of industry, and so would enable the development of a democratic plan. Cole rejected this previous approach because his emphasis was on the importance of technocratic planning as opposed to the significance of the self-government of industry by the producers. He connected the role of state planning with the aims of socialism, and so implied that the relationship of capitalism and planning was limited and restricted. The planning of monopolies was in order to extract the maximum profit from the consumer. In contrast, a left wing government could utilise planning in order to undermine the domination of private capitalism, and in this manner advance the influence of an alternative in the form of its intervention within the economy. This contrasting type of planning would promote the development of a different logic within the economy, or the genuine advance of socialism within capitalism. Hence the primary role of planning replaced the self-government of the producers as the most important criteria by which the advance of socialism could be evaluated.

Cole did accept that a right wing government could intervene within the economy, as with the reorganisation of the electricity industry, London transport and coal. He also suggests that there is a logical argument in favour of the nationalisation of many public utilities such as water and the railways. However, he also contends that there is a difference in the character of nationalisation under a pro-capitalist government compared to one that favours socialism: “For whereas the anti-Socialist advocates of socialisation for the most part desire to create public corporations as far as possible in the image of private enterprise, and to remove them to the utmost possible extent from every sort of political interference and control, socialists on the other hand, regard the socialisation of a particular industry or service as a step towards the institution of a planned socialist economy, desire to safeguard the right of the representatives of the public as a whole both to control the policy of each socialised service and bring it into close relationship with the policy of other services which already are or may hereafter may be socialised.”(6) Thus the supporters of capitalism have limited or partial reasons for nationalisation such as efficiency, in contrast the socialist considers each act of nationalisation as an integral measure that connects with a policy of promoting the socialist transformation of the economy. Cole does mention that these acts of nationalisation will involve some measure of democratic self-government, but the overall responsibility for their direction will belong to the national government. He no longer has confidence in the importance of the organisation of industry by the producers. Instead his very outline of a process of transition to socialism emphasises the role of the government. Nor does he support the transitional form of change in terms of the role of encroaching control, or the partial establishment of workers management in order that it becomes fully realised in terms of the self-government of the producers. Instead he comments on this measure that: “But concessions of this sort.......necessarily remain, at least in form, revocable and conditional upon the employers consent as long as the ownership of industry remains in private hands.”(7) Thus compared to what is considered the inferior approach of workers control, the most effective measure for ending private ownership is state intervention. The role of the working class is considered to be either ineffective or superfluous. Hence he argues that workers control under a situation of private ownership is 'entirely impractical'. (8)

Thus Cole cannot envisage any principled basis for the initiative of the workers in terms of advancing the aims of socialism. Only a left wing government could promote planning, and so only in this manner could the objective of socialism be advanced. Consequently the only alternative to the restricted and planned limitation of the monopolies in the name of super-profits is in terms of the role of a left wing government. The economic and political importance of the class struggle seems to be irrelevant in this context. Cole's standpoint is based on the understanding that only a central planning agency can estimate the necessary relationship of exports to imports in order to increase the welfare and interests of the consumer. Only a plan can establish whether it is most efficient and economical to produce internally or to import the necessary goods. Only a plan can establish what resources should be utilised in order to produce the means of production or the actual consumer goods, and this means specifically the plan should decide the number of new factories to be built, and what they will produce. The plan will also recognise the importance of realising consumer demand, and if the plan overestimates or underestimates demand, it will be able to adjust supply and demand by lowering or increasing prices. The plan will also allocate labour to where it is needed, and aim to establish the greatest possible utilisation of productive resources.

The assumption involved in this conception of planning is that the centralised character of the tasks required in promoting the maximum utilisation of resources, or influencing consumer demand and the level of exports and imports, will require the role of a central planning agency. In relation to these tasks the significance of the principle of the self-government of industry is not recognised. Indeed it could be argued that the de-centralised character of the administration of the producers can only be detrimental in relation to the precise and centralised objectives of the plan. Thus even wages will be raised by the role of the plan instead of by the militant action of the trade unions. Under capitalism the state has little ability to influence the activity of the private capitalists, but within the economy of socialism the plan will organise every aspect of the economy. However, this will not mean denying the importance of the market. Instead the plan will act to relate to the market in terms of lowering or raising prices in accordance with the principles of supply and demand. However, the plan will also attempt to increase the level of incomes so that the consumer can buy more goods. This is why one of the most important principles of a left wing government is the distribution of wealth, so that the people have more money in order to obtain a greater amount of goods and generally improve their quality of life. Therefore the crucial aspect involved in the realisation of socialism is the election of a government that is dedicated to the re-distribution of wealth, and the very attempt to realise this demand will generate the necessity to create a planned economy based on the principles of equality and social justice. This is precisely why capitalists are against planning because they recognise that it represents the principles and logic of the realisation of socialism.

Thus the dynamic logic of planning represents the possibility to create a socialist economy based on the principle of the distribution of wealth. The ability to obtain the greatest amount of goods in order to realise the welfare of the consumers requires the redistribution of wealth. The planners will accept that the existing distribution of wealth under capitalism is inadequate in relation to the realisation of needs. Instead “Our socialist planners will however by no means be prepared to take the existing distribution of incomes as an adequate criterion of the justice of production....They will therefore be inexorably driven to plan the distribution of incomes as a condition precedent to the just or expedient planning of production.”(9) In order to produce the maximum possible level of goods in order to meet the welfare of the people it will be necessary not only to increase and so re-distribute incomes, it will also be necessary to plan the production of both the means of production and consumption. The very role of the market is an argument in favour of planning. In other words if the demand for a given good is less than expected, the plan can be modified in order to take this aspect into account, and if demand is higher than anticipated then the plan will incorporate this aspect by increasing its production.

Hence Cole has outlined in simple terms why the plan and the market are not incompatible, but this inter-connection provides no role for the administration of production by the workers. Instead it seems that the plan can relate to all possible contingencies in terms of the importance of its imaginative and creative planners. Therefore Cole is arguing that the plan will connect to the fact that consumer demand has increased because of the policy of the re-distribution of incomes. The fact that the planners will know the level of income within society will enable them to anticipate – hopefully accurately – the level of demand for various items. This situation means the plan will be able to relate to consumer demand without prompting shortages or a high level of unwanted goods. The point is that the plan will relate to rather than impose its dictates onto the choices of the consumers.

This analysis seems to suggest that because the plan can flexibly relate to the issue of consumption, this means that the major issues of the economy can be resolved. Cole's standpoint ignores the fact that one of the challenges for socialism to tackle the problem of alienation within the workplace. The type of plan being outlined by Cole is not able to relate to this challenge. Indeed it cannot because alienation can only be resolved by the producers being able to establish their control and management of the workplace. Whatever the level of the quality of the central plan, its administrators cannot resolve the issue of alienation which has been inherited from capitalism. Hence the challenge is to connect the plan to the aspirations of both producers and consumers. The character of the plan cannot be limited to the aspirations of the consumers and their possible changing demand. Instead the ultimate aim should be to unite the process of production and consumption in terms of creating goods that express the non-alienated character of labour. In this sense the role of the plan cannot be limited to the objectives of the consumer. Instead production and consumption should be connected in terms of the role of non-alienated labour. But Cole's emphasis on the plan and its connection to consumption does not make allowances for this point.

It is interesting that Cole emphasises the importance of a social dividend in order to replace wages paid by private owners, and the necessity for an adequate level of exports in order to obtain the imports for the realisation of consumer demand. This analysis indicates that the bias of his approach is the role of consumption. When he was a principled guild socialist he was primarily concerned with the relationship of production to consumption. But his effective rejection of guild socialism means the importance of production is downgraded to how it relates to consumption. Thus it is not surprising that he analyses in detail the possibilities of trade in relation to the role of a planned economy. He argues that under socialism countries can take proper advantage of specialisation and only produce what they are able to in terms of cheapness, quality and quantity. The unequal trading conditions imposed by British imperialism in the nineteenth century would be replaced by equitable and non-exploitative forms of trade. But the problem with this analysis, is that trade could become the basis to justify the exploitation of the producers in order to obtain the necessary exports at the lowest possible price. This is why all questions ultimately connect back to the issue of how production is organised under socialism. In order to avoid this problem there is no principled reason to evade the issue concerning how the process of production is organised under socialism. Hence the question of the character of the relations of production is not a secondary issue. Instead we can argue emphatically that only when the producers are able to organise and manage the economy can we know for certain that socialism has been realised. This used to be the criteria of the approach of Cole, but he has rejected this standpoint by the mid 1930's and instead began to argue that the importance of the plan will resolve all outstanding economic questions.

But a plan in and of itself cannot bring about the emancipation of the producers. Instead the producers can only realise this task by their own self-activity. This is why Cole was originally correct to indicate that only the self-government of the producers can bring about socialism. Cole is now making the mistake of suggesting that an expert plan will in and of itself promote the realisation of socialism. The omnipotence of the plan is itself an alienating illusion; it is given unreal qualities to solve all the problems and issues inherited from capitalism. Instead of this reliance on the plan, the working people will only establish socialism by their own efforts. Only in this context will the plan become important and indispensable. The plan is the outcome of a revolutionary process. Instead Cole implies in a technocratic manner that the plan is the revolution. But the plan is not the defining activity of working people until principled change has been realised by a revolutionary process. Only in this context can a plan be introduced and made effective. But to Cole the revolution is reduced to the role of experts, who are the outcome of the role of a left wing government. This view is a caricature of the actual dynamics of the revolutionary process.

In other words the establishment of the structures of planning is to Cole the essence of revolutionary change. Actual history is replaced by the role of structures such as the plan. The importance of the class struggle is replaced by the question as to whether a left wing government can introduce an effective plan. Thus the introduction of planning agencies is the major criteria by which to examine whether socialism has matured. In this sense outlining the intricacies of planning amounts to a description of the future socialist society. The actual role of real human beings is glossed over because of technocratic reasoning. Hence it is not surprising that the organisation of industry is based on the role of the initial co-ordinating authority which connects together plants within a given industry. The output of the particular industry and its plans is part of the central plan. Hence the planned output of the specific plans of a given industry are an integral aspect of the overall plan, and approval for the specific plans is agreed by the overall central planning authority. Depending upon the character of the industry concerned some will be based on the principles of centralisation, such as the post office, whilst others, like building would be planned in regional terms. There will be an overall national plan that is developed in centralised terms, but some aspects of this plan will consist of the importance of the role of regional production. A national planning commission will make comments about the proposed plans of the given industries in an advisory capacity. The actual implementation of the plan will be supervised by the government and Parliament. There will be a minister of national planning within the Cabinet. Each industry will have representatives on a National Planning Authority which has the ultimate responsibility to approve the final plan, or that which has been formally agreed by Parliament. They are advised by the experts of the National Planning Commission. The efficiency of the plan would be supervised by the Department of Economic Inspection. There would be trade union representatives in order to uphold the interests of the workers, but it is difficult to assess their power in relation to the actual omnipotence of the national plan. The National Planning Authority will have responsibility for the allocation of resources between the process of the production of capital goods and consumer goods. It will be the planned economy that takes responsibility for the building of new factories. Therefore: “In other words, a planned economy involves the need for an authority specifically entrusted with the function of allocating the available supply of capital, however raised, among different uses, in accordance with the requirements of the national plan as a whole.”(10) The National Investment Board will make allocations of finance for the purposes of generating the money necessary for the investments of the plan. But the actual decisions about the relative amounts of productive resources for the particular projects will be decided by the National Planning Authority. A Tribunal would be established by Parliament which would decide the level of remuneration, or social dividend within each occupation, and this forms the income as the basis of consumption. Hence the principle of high levels of remuneration would be established in terms of the principle of attracting labour for each given industry. The final basis for agreement about wages and salaries, or the social dividend would be decided by the National Planning Authority.

Cole conception of centralised planning means that he does not consider it necessary to relate planning to the principle of workers control. There should be trade union representation on the various planning agencies.: “But I do not suggest that these representatives of special interests or functions should constitute the majority, but rather that in the same way as the National Planning Authority, the majority should be so appointed as to represent the point of view of the entire community of income receivers rather than any special sectional group.”(11) Consequently because the trade unions are defined in sectional terms their interests and aspirations should be considered secondary in relation to the priorities of the plan. The major group that is being prioritised is that of the consumer, who is being given the income necessary to purchase the goods produced under the plan. Hence the interests of consumption are recognised as being primary, because the ability to obtain the consumer goods necessary for the welfare of individuals is defined as the most important aspect of the ability to realise an egalitarian and therefore socialist society. In this context, the role of the centralised plan is of paramount importance because the effective allocation of resources as a result of the role of the planning mechanisms will enable people to obtain the goods they need in order to realise their welfare. The ability of the plan to be able to promote economic efficiency, in terms of the combination of national centralisation and regional development, therefore represents the basis on which the interests of the producer as consumer is realised. In this context the role of workers control is considered to be superfluous, because it does not contribute to the aim of establishing economic efficiency. Instead the plan is the instrument by which the objectives of a society aiming to realise equality and socialism is promoted. Hence what seems to be a complex collection of planning institutions has the purpose of connecting the aim of economic efficiency with the realisation of socialism. In this context there is no necessary basis for workers control. Instead the instruments of the plan, via the role of experts, are the mechanism and agency by which socialism is established. When he was a guild socialist, Cole outlined how the collective role of the state could not realise the aspirations and interests of the working class. Socialism was instead firmly based on the role of the self-government of industry by working people. In contrast, the major logic of Cole's recent elaboration of the effectiveness of state planning is to deny the significance of the participation of the working class in the process of creating a socialist society. Instead a collection of planning agencies, under the supervision of Parliament, are sufficient in order to generate the realisation of the aims of socialism. The role of the working class is reduced to that of a sectional interest which is formally recognised but has no major input in the elaboration of the plan of the state. Cole has become influenced by the Labour Party and Stalinism in suggesting that the centralised activity of the state is what is primary and vital if the objectives of socialism are to be achieved. This means the influence of the working class is primarily reduced to that of a consumer who has become an integral aspect of the requirements of the plan.

The above standpoint is the major aspect and content of what Cole considers to be the importance of planning and its primary relation to the possibility to realise socialism. But Cole then tries to contradict himself because he is aware that his outlined approach undermines his previous support for guild socialism and its emphasis on the self-government of industry by the working class. Thus in a surprising manner he comments: “Accordingly if a planned economy is to work well, adapting itself to constantly changing conditions and opportunities, and acting on the spirit rather than the letter of the plan when things go wrong, there must be within it a widespread devolution of responsibility and power.”(12) If he is serious about this remark, he would actually reject the very reasoning that has motivated his defence of a bureaucratic plan based on the influence of a collection of a few experts. He would instead outline in similar terms to his past works that the only possible type of plan is one that is based on the role of workers management of production. Instead in a vague manner he remarks that: “The pursuance of a common policy in major matters affecting the plan as a whole will have to be reconciled with the granting of large powers to subordinate authorities both to vary it in detail and to devise ways and means of giving effect to the general policies which the central planning agencies prescribes.”(13) This view is an example of having his cake and eating it! Cole is trying to reconcile his centralised and autocratic conception of the plan with the formal role of what are effectively still considered to be the subordinated and secondary position of the trade unions and producers. Despite his qualms about his conception of state planning he has not rejected its bureaucratic and elitist character, and instead suggests generously that the workers should be consulted about the aims of the various planning agencies. In no sense is he becoming the defender of a conception of socialism from below. He still is an advocate of socialism from above, but he wants the trade unions to be formally consulted about the plans of the state. He wants trade union approval for plans that have already been effectively decided upon.

Formally in a democratic manner he contends that: “Responsibility implies and connotes power; and a society which is autocratically controlled by a few of its members – even if this few be the most efficient for the purpose – will never be able to enlist behind it the positive cooperation of the many in making it as efficient as it can be.”(14) But this admission of the necessity of the democratic character of the plan in relation to the creation of socialism does not alter his acceptance of an elitist conception of the role of the planning agency. Instead he is using democratic phraseology in order to disguise his support for what is still an autocratic conception of planning. If the following comment is read carefully it still amounts to a defence of the elaboration of a plan by experts, the working class is still in a supporting role. Cole remarks: “The problem of planning, therefore, is not merely that of devising the appropriate central machinery, and then leaving those in charge of the various central sections of the plan to pass on their plans to local subordinates in each industry or service, but also that of devising means whereby the whole personnel of each service may have a vital role in controlling its operation and in passing on their suggestions and ideas in such a way as really to influence the formulation and working out of the general plan.”(15) Formally this might seems a vindication of a democratic conception of planning. But if read carefully, the workers are still not the major organisers of the plan. Instead they make suggestions! The major role in developing the plan still belongs to the experts. This criticism is not meant to deny the role of experts, but the point is that they should be truly accountable to the workers who make the decisions. In other words whilst the workers will be consulted about the plans, they will not represent the management of the given factories or workplaces. The task of management still belongs with the various planning agencies. Thus Cole still considers that the workers will be subordinate to the planner, who has the task of organising and managing the process of production. This means that Cole's formal reference to the importance of democracy in the organisation of the plan does not undermine the elitist manner in which the process of planning is meant to occur. Cole concedes that if the worker is not involved in the process of planning unrest and strikes will develop, and so he formally calls for the implementation of workplace democracy. But his major concern is with the aim of the realisation of efficiency. In this context the aspirations of the workers must contribute to the development of the plan: “The last word in revising plans must come from the centre; but the centre need be no more than a co-ordinating and revising authority working on the basis of spontaneous proposals coming up to it from every possible source.”(16)

If he was serious about this prospect he would be advocating a confused tension between the power and role of the planning agency and the aspirations of the workers for the self-government of industry. Thus in order to resolve this tension he would explicitly advocate either the omnipotence of the planning agency, or support for the ability of the workers to be able to establish their own form of plans, via the role of the self-government of industry. But in practice there is no tension. Instead his reference to the importance of workers control is formal. In actuality he limits the significance of workers control to the restricted sphere of the workshop: “If there is to be “workers control” in any real sense, it is the workshop that the worker must be primarily conscious of his power.”(17) This standpoint implies that the primary and centralised character of the plan is still defined by the various planning agencies. Therefore workers control is restricted to the limited and secondary sphere of the particular workshop. The overall economic power is established by the role of government and its various planning agencies. In this context there cannot be any meaningful self-government of industry. Thus it is not surprising that Cole envisages that workers control is organised and exercised by a workshop committee within a given workplace, which will have responsibility for the conditions of work. For example, the choice of the manager of the workplace will probably be made by the workshop committee. But he is explicit that the powers of this form of workers control are restricted to the role of the local. Therefore: “Beyond the single establishment there might be, at the outset, no formal machinery at all for the exercise of “workers control”. Regional boards for the conduct of an industry would probably be constituted at first by nomination by the national controlling body; and the national body itself would probably be appointed by the National Planning Authority in consultation with the trade unions directly concerned.”(18)

The workshop committees would maintain contact with the regional and national planning organisations by means of conferences, but there is no suggestion that the actual decisions of these higher boards can be overturned by the aspirations of the workers. Instead the process of consultation is strictly limited, and the overall power resides with the central planning agencies. Indeed Cole upholds this standpoint by rejecting the perspective of guild socialism, and instead of aiming at the realisation of the self-government of industry by the producers he limits his conception of workers control to the restricted role of the workshop committee. This view is not very ambitious because it could be argued that even under capitalism the management of a workplace will consult the given trade union about its decisions. Hence Cole is not proposing that the workshop committee will have greater powers than the average trade union under capitalism. Hence it is contemplated by Cole that the workshop committee will 'let off steam' but the actual important decisions about planning will still be made by the central planning agencies. This standpoint is a dilution of his pervious support for guild socialism and the perspective of the effective management of the economy by the producers.

But in an inconsistent manner, Cole still maintains that his perspective does not contradict that of guild socialism because he sincerely believes that his approach is compatible with the principle of the democratic organisation of industry: “I have stressed the point that a planned economy cannot be expected to work successfully unless it is able to diffuse very widely among those engaged in the work of production a sense of responsibility for its efficient conduct. This is partly a matter of regional as against national control....But it is also and to a far greater extent a matter of the internal organisation of each separate industry or service. For if top heaviness and bureaucracy are to be avoided, the means of avoiding them must be discovered within each industry as well as through the breaking of national units along regional lines. If socialised industry is to avoid bureaucracy the main body of those engaged in each separate industry must be imbued with a sense that the success of the plan of socialised production depends upon their co-operation, and that some sense of the power and responsibility rests upon them as individuals as decisively within their narrow spheres of action as upon those entrusted with the formulation of industrial policy in the wider sense.”(19)

This inconsistent view tries to argue that the development of some form of local economic power is as important as the influence of the centralised planning agencies. Indeed, he contends that the expression of local responsibility in some mysterious manner is able to express itself in terms of the decisions of the central planning agencies. This is an illusion. In actuality, the expression of local influence would only be able to articulate and represent itself in national terms if it was a systematic aspect of the character of the economy. In this context the local articulation of workers control would be an integral aspect of this principle in terms of its consistent application in terms of the self-government of industry. But within Cole's formulation of planning, the real economic power would actually reside with the central planning agencies. This would mean that the local application of workers control would be merely a subordinated aspect of the imperatives of the functioning of the national plan. This point is made explicit by Cole when he contends that : “I do not of course mean that that each industry or service can be left free to do things that militate against the success of the national plan as a whole. There must in every case a policy prescribed by the wider authorities responsible for the whole plan, and there must be means of securing that the controlling agencies for the separate industries duly carry out the requirements of this wider authority.”(20) Hence Cole is explicit that no particular group of workers can make proposals that would change the aims or priorities of the plan. Instead their role is limited to making advice about the given branch of industry. Thus the importance of the workers is limited to that of being local experts. They cannot 'presume' to being capable of knowledge about the targets or aims of the national plan. Cole is explicit that the national planning agency is superior in its knowledge and ability in relation to implementing the aims of the national plan.

Formally Cole maintains that he is still an adherent of self-government in industry, but his effective arguments suggest that this view is an illusion. Instead his primary aim is to motivate local groups of workers to contribute to the realisation of the national plan. In this context they have limited power or ability to voice their views. But the primary character of the plan is defined by the activity of the national planning agencies. They establish targets for production of given industries and calculate the potential of consumer demand. The workers are able to voice their opinions, but they are effectively conceived as being the instruments of the national plan. In other words, Cole has provided the reasoning as to why comprehensive workers management of industry is illusory. Instead the apparent complications and complex functioning of the plan means that it must be carried out by experts via the role of the national planning agencies. He is assuming that the workers do not have the capacity to organise a plan via the role of the trade unions. This standpoint means he has rejected the standpoint of guild socialism.

FOOTNOTES:

(1)G.D.H. Cole The People's Front Victor Gollancz: London 1937 p247-248

(2)G.D.H. Cole Principles of Economic Planning, Macmillan, London 1935 p1

(3) ibid p33

(4) ibid p61-62

(5) ibid p116-117

(6) ibid p137

(7) ibid p143

(8) ibid p146

(9) ibid p226

(10) ibid p312-313

(11) ibid p319

(12) ibid p326

(13) ibid p327

(14) ibid p327

(15) ibid p327

(16) ibid p332

(17) ibid p332

(18) ibid p335

(19) ibid p337-338

(20) ibid p338