

Are the managers really in control?

In Part One (Socialist Standard, January 1981) we discussed James Burnham's clearly expressed argument that class society could exist without property titles vested in individuals. He was of course proved wrong by events: industrial managers have not replaced private capitalists as the possessing, ruling class, on the basis of the state ownership of the means of production (for Burnham never expected the managers to come to power within the legal framework of private capitalism).

Burnham gave as the reason why the "managers", by which he meant those who actually managed the process of production, would be the new ruling class the alleged fact that a ruling class must have some function in the process of production :

Social rule . . . depends on de facto control of the instruments of production - the means whereby society lives; and such control can be held only by some group which plays a direct and integral role in production (The Managerial Revolution, p. 232).

In the past when the means of production were small-scale and scattered this was so. At that time the various means and instruments of production could be, and were, controlled individually. But today, due precisely to the development of modern industry brought about by capitalism, this is no longer so; the production of wealth has become socialised. The wealth of modern society is produced by the co-operative labour of those who work. In this sense the point of production is not the individual mine or factory, but society. Thus it is those who control society, not those who manage production at factory level, who are really in a position to control the use of today's means of production.

It is the state which is the centre of social control so that whoever controls the state controls society and so, potentially at least, the means of production. This is so even in Western capitalism with its legal property titles. The private capitalists of the West, just as much as the possessing class in Russia (which in fact is also a capitalist class), now possess the means of production because they control the state rather than vice-versa. They use this control to back up their historically-inherited legal property titles, having long ceased to have any necessary productive function. Whereas in Russia the possessing class own the means of production directly through the state, in the West this is done indirectly through individual property titles ultimately enforceable by the state. In the end this amounts to the same thing: today's socially-operated means of production are possessed and controlled by a minority class socially, through the state, the centre of social control.

Actually, Burnham himself unwittingly recognised that access to the modern means of production can only be controlled socially when he argued that managerial rule would be based on the state ownership of the means of production. For, on the basis of state ownership, any group which established its exclusive stable control over the state would become a collective possessing class precisely because it would therefore control the use of the means of production. If

industrial managers were to organise as a group, win popular support or acquiescence, and come to gain control of state power they would indeed become the ruling and possessing class - but by virtue of controlling the state not of being managers.

Burnham was wrong, then, in assuming that the managers' technical function in production was a compelling reason why they should emerge as such a group whereas in fact they were no more, or less, likely than any other group to do so.

State Capitalism

Both Rizzi and Burnham (and, indeed, Wittfogel also) rejected the view that Russia could be described as state capitalism. Both of them regarded Russia as a new class society: "bureaucratic collectivism" for Rizzi and "managerial society" for Burnham. This rejection of a state capitalist analysis of Russia was an inheritance from their Trotskyist past where they had learned to identify capitalism with private capitalism. For Trotsky, capitalism could not exist without private property titles vested in individuals; for him "state capitalism" was state control of private capitalist industry.

Capitalism, however, is not characterised by the legal form that class possession of the means of production takes, but by the social fact that those who "possess" the means of production exploit wage-labour and accumulate the surplus-value thus obtained as capital. An examination of "the specific economic form in which unpaid surplus labour is pumped out of the direct producers" in Russia shows this to be the case there. The excluded majority live by selling their labour-power to various state enterprises; the products of these enterprises are sold on the market with a view to profit; and the difference between the wages of the producers and the value of what they produce is surplus value which is used for capital accumulation and the consumption of the privileged class. Russia is thus capitalist and its possessing, ruling, privileged class a capitalist class.

Russia can be described as state capitalist in order to distinguish the form of capitalist class possession of the means of production there from the legal property-holding of the West. It should not be forgotten, however, that private property titles do still exist in Russia (though, admittedly, not as the predominant form) and that this could grow in the future. Equally, elements of non-legal de facto class possession through the state exist in Western countries, though the capitalist title-holders are able through their control of Parliament to prevent politicians and state officials gaining a permanent and widespread privileged consumption at their expense.

We see, then, that in East and West alike control of the use of today's socially-operated means of production rests ultimately in the hands of those who control the state. It is clear that on the basis of class possession of the means of production a variety of such forms - both with regard to control of production and to the allocation of consumer goods among the privileged class - are possible. Each particular case needs to be examined on its own in the light of the historical and social facts. It is not possible to lay down a priori, as

Burnham tried to do, which particular group would be most likely to emerge as the ruling class on the basis of state-owned industry. Nor can it be said that there is any particular reason why there should be any tendency for individual property titles to be abolished and replaced by de facto possession through the state.

Classless Society

The above analysis has certain practical implications. Since the state is the organ of social control, and since it is through controlling this organ that the capitalist class, East and West, is able to maintain its possession of the means of production, it is clear that the excluded producing class of wage and salary earners must, in order to establish a classless society, begin by gaining control of the state. Not, be it quickly added, to form a "socialist government" or a "workers state" (both absurd contradictions; when there is socialism there will be no state and where there is a state there is no socialism), but simply and solely to take state power out of the hands of the capitalist class, so removing the last obstacle to society establishing common ownership and democratic social control over the means of production. This presupposes both a widespread desire and understanding among the working class to establish a classless, socialist society and that the working class have democratically organised themselves, without political or industrial leaders, to carry out this desire. In the absence of such majority socialist understanding any attempt to establish socialism would inevitably fail and most probably lead to the sort of state capitalist society, based on de facto class possession of the means of production which we have been discussing.

The essence of class possession is precisely control over the use of the means of production by a section only of society. Once the use of the means of production is under the democratic control of the whole of society then "class possession", "private property", "class ownership", call it what you will, has been abolished. The means of production could still be said to "belong" to those who controlled their use -in other words, to be "commonly owned" by the democratically-organised community.

But to talk of "common property", "social property", and the like can be misleading in that these terms do not fully bring out the fact that the transfer to society of the power to control the production of wealth makes the whole concept of "property" redundant. The question "who would own the means of production in socialist society?" can be answered just as correctly by saying "nobody" as by saying "everybody", or "society", or the "community".

What social control over production will mean in practice is that every member of society will be free to take part, on equal terms with every other member, in deciding how the means of production should be used. As Burnham put it:

For society to be "classless" would mean that within society there would be no group (with the exception, perhaps, of temporary delegate bodies, freely elected by the community and subject always to recall) which would exercise, as a group, any special degree of control over access to the instruments of production; and no group receiving, as a group, preferential treatment in distribution (The

Managerial Revolution, p.55)

Society's power to control production would be embodied in various democratic institutions. "Common ownership" and "democratic social control" of the means of production are merely, as we have said, two different ways of describing the same situation. This is why discussion as to whether one could exist without the other is quite meaningless.

Socialism is democratic or it is not socialism. A society where the means of production were formally the common property of society but where only a minority took part in deciding how they should be used would be one in which "common property" was merely a fiction since in practice the means of production would be the sectional possession of the decision-making minority.

In the end the only guarantee in socialist society against the emergence of a new ruling class which would negate the common ownership of the means of production is people using the democratic institutions - the actual democratic participation of all the people in the running of society. This is why it is absolutely essential that those who establish socialism - the majority working class who will constitute also the major part of the people of socialist society - must be fully aware of its implications, being prepared and organised to participate not only in its establishment but also in its subsequent running.

ALB

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