

the spokesmen for the “peace movement” do meet, there can be little real dialogue, since they can agree neither on the nature of man, nor on the

role of the state, neither on Soviet intentions and capabilities nor on the function of weapons in the international system.

Bad Times, Better Ways?

The Search for Solutions—By DAVID DONNISON

TO UNDERSTAND where we are heading we should start by looking back to see where we’ve come from. New books about the economic and political dilemmas of Britain and other late capitalist societies appear every month—not since the end of the Second World War has such a spate of “political economy” been published. Is any agreement emerging about the problems we face or the solutions they call for?

Samuel Beer, who wrote one of the best publicised of these recent books, *Britain Against Itself*,¹ describes the three decades which followed the War as a period of political consensus. But to those who lived through these times, “consensus” is not a good way of describing the first bitterly contentious years of the Attlee Government, the Suez fiasco of 1956, and the recurrent battles over attempts to reform the Rent Acts, to tax the profits made out of land by developers, to impose charges on a free health service, and to reorganise secondary education.

What Beer may be trying to say is something rather different: there was a broad measure of agreement among a loose coalition of reformers about the general directions in which the country should be travelling. That agreement, hammered out since the turn of the century through the experience of world wars and depressions, was expressed in a crude but serviceable rhetoric about “fair shares”, “equal opportunities”, “abolishing the poor laws”, “meeting needs without regard to the ability to pay”, and “replacing the profit motive” by “extending the socialised areas of the economy.” This rhetoric was full of unresolved contradictions, but it was widely understood by a lot of ordinary people who knew well that the world they lived in could be made a lot fairer and a lot more equal before anyone need start worrying about the exact meaning and implications of such terms.

Ranked against this coalition of reformers was

another phalanx amongst whom people like Quintin Hogg (in the political arena) and Friedrich von Hayek (among the academics) wrote contradictory polemics. Between these poles the debates of the day were articulated. Indeed, too many complex issues were grossly simplified so that they could be crammed into the crude categories of these arguments.

The experience of the depression had bequeathed to the reformers the most fundamental of their convictions: the determination that the country must never again fall into mass unemployment. And thanks to John Maynard Keynes and his followers, governments had since 1944 been convinced that this guarantee could be honoured.

The most important aspects of Keynesian economics were political, as Thomas Balogh makes clear in a moving passage of *The Irrelevance of Conventional Economics*:²

“Full employment is . . . not merely a means to higher production and faster expansion. It is also an aim in itself, weakening the dominance of men over men, dissolving the master-servant relation. It is the greatest engine for the attainment by all of human dignity and greater equality. . . . Most other social advances since 1940 were, if not a direct consequence, at least conditioned by it.”

The Keynesian way of talking about the economy and its management gave new meaning to the responsibilities of government because it asserted that the health of the economy depended on the capacity of all citizens to meet their needs—to consume. It was thus the function of governments to ensure a decent living for all their people. That reinforced the lesson of total war: that in time of crisis a nation will only survive if its leaders can muster and retain the willing support of all their people. The hope offered to those people in the darkest days of the War by the proposals in the Beveridge Report was more important than an extra army.

Academics missed this point. The “conservation” of Keynesian doctrines (as Lord Balogh calls it) began at once. Cambridge dons, anxious

¹ *Britain Against Itself: The Political Contradictions of Collectivism*. By SAMUEL BEER, Faber, £9.50.

² *The Irrelevance of Conventional Economics*. By THOMAS BALOGH. Weidenfeld & Nicolson, £16.50.

to secure scientific status for themselves and Civil Service jobs for their students, sought to make these doctrines more "rigorous", "consistent" and "determinate." For that a single criterion of efficiency was required. Before long J. R. Hicks was distinguishing the size of the national income from its distribution and insisting on the primacy of the former, while D. H. Robertson was deriding economists who recognised the essentially political character of their discipline as men tempted to ape the prophets and priests. Others later redefined full employment to mean that state of the economy which produced a tolerably slow rate of inflation. They got their knighthoods and their pupils rose to power in the public services and the universities, but the nation failed to grasp the heavy moral responsibilities entailed by the commitment to full employment. Only by formulating and constantly repairing some general consensus about the distribution of the nation's resources—their division between work and leisure, between wages and social benefits, and between rich and poor—could an explosion of competing and increasingly inflationary claims be avoided.

FOR A WHILE these dangers were not appreciated. Wartime controls helped to keep the lid on inflationary pressures. The aftermath of imperial preferences in trade, the general post-War recovery of the world economy, and the improvement in the terms of trade helped too. The "Phillips curve", discovered in the late 1950s, showed how employment and prices were related. But the profession interpreted this as a scientific law describing a fixed relationship between unemployment and inflation, not as a political observation noting the current (and declining) levels of human solidarity and constraints on greed.

The rest of the story is only too familiar. Labour and Conservative governments alike declined to formulate any general principles for the distribution of incomes and social benefits. On the Right it was held that government had no business to be pronouncing on such matters: they were for the market to decide. And on the Left . . . ? Socialism may once have been the language of priorities, but trade unionism is the language of differentials.

As the world economy faltered and the British economy foundered, governments lurched back and forth—sometimes making clumsy attempts to stem the rising tide of claims for wage increases, hand-outs for industry, tax reliefs and social benefits; and sometimes (before elections) distributing goodies all round. Unwilling or unable to impose

any effective discipline on the rich, governments found that the trade unions in turn were, not surprisingly, incapable of restraining their members. The workers would wait only if the government could promise them that everyone else would be waiting too, and that there would at the end of the day be benefits which were really worth waiting for.

British governments were unable to honour either of these promises. Thus competitive demands for a larger share of the cake grew more strident and inflation grew apace. Meanwhile more and more of the young, the elderly, the unskilled, and the ethnic minorities were squeezed out of work. Once out, the unemployed found themselves politically neutered: unable, in most cases, to join a trade union; offered lower benefits on more humiliating terms than those available to people dependent on the state for other reasons; and unable to gain a hearing unless they belonged to a community which was prepared to resort to bombs or riots. (Even that has not done much good to anyone thus far.)

What can be done about this sorry state of affairs? Some writers attribute the plight of Western nations partly to the decay of social solidarity brought about by commercial interests, promoting a vulgar "consumerism" from which they made handsome profits. But, as Samuel Beer points out, all the main political parties in Britain competed with each other to exploit our greed, no longer claiming to build a society based on higher ideals, but offering instead a political supermarket which alleged it had better buys than those on offer in the rival shop. As the voters learnt that these promises were no more trustworthy than those of the detergent companies whose claims were puffed by the same ad-men, they focused their demands increasingly upon the most immediate, concrete, selfish goals.

IN ONE WAY OR ANOTHER, most of the books I have been reading call for a "remoralisation" of society—a return to more humane values. But how is that to be brought about? Peter Marris, in a perceptive introduction to his book on *Community Planning and Conceptions of Change*,³ argues that social movements and the policies they bring into being depend upon a "structure of meanings" which

"organise the relationship between three aspects of reality: the observable associations between categories of events; the emotions these events provoke; and the purposes they entail . . . Making policy is a form of learning—the extension of a set of assumptions to encompass unfamiliar situations, so that these become intelligible and manageable."

³ *Community Planning and Conceptions of Change*. By PETER MARRIS. Routledge & Kegan Paul, £9.95.

He traces the stumbling search for political learning made by central and local authorities, community workers and local activists, first in the community development projects and then in successive initiatives for the renewal of the London Docklands. Although the learning was often painful, all concerned were gradually getting their act together: giving greater weight to economic objectives, involving local people and their representatives more effectively, creating a sensible framework in which the private sector would make its contribution, and relating the whole project to the broader development of the surrounding region. Then, as one of the most ambitious programmes of urban renewal ever attempted was about to take off, the arrival of the Thatcher government and the collapse of the British economy combined to destroy the whole enterprise. It is a bitter story, not yet finished.

Marris writes about the endeavours of many people, in the private and the public sectors, on the Right and on the Left, to create

“a society less empty of compassion and co-operative endeavour. The reintegration of meaning and action is finally a question of the meaning of society itself. What, if anything, do we all want to belong to? The political and economic pressures, whose interaction I have tried to trace, are not consolidating an overriding class interest. They tend rather to provoke a disintegrative competition for personal security, from which the most powerful have most to gain.”

“The collective meaning of social policy”, he concludes, “is in desperate need of restatement.”

Thomas Balogh, an economist confronting the same problems on a national scale, gives us the most devastating indictment we have yet had of the failings of his own profession. But when it comes to solutions, the programme he offers us—whether right or wrong—has plainly been rejected by the British electorate. He calls for “socialist measures” which will “bring about a basic change in . . . power relationships”; a more forcefully egalitarian incomes policy “extending to the very highest levels”, and a tougher line with trade unions which are “perhaps the most serious threat to economic and social stability.” The incomes and prices policy which is fundamental to the success of this programme will be more likely to succeed “the faster the domestic product grows.”

Quite. But why has Britain, under governments of every kind, been so unsuccessful in achieving a respectable rate of growth? And how can that be changed? Balogh has no convincing answers.

FOR MORE FUNDAMENTAL explanations of our plight we must turn to the most important of the books I have been reading: Mancur Olson’s

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The Rise and Decline of Nations.⁴ If the title suggests a work on the scale of Adam Smith's famous book, that is not far short of Olson's ambitions. He argues that much of the folklore about economic success and failure has some validity, but that no one has yet formulated a convincing general theory about these things. His own theory is tested by extensive comparisons between the performances of different countries, different industries and different parts of his own enormous country, the United States.

Stated briefly, Olson's conclusions are that stable societies with unchanged boundaries tend in time to accumulate all sorts of collective organisations and informal collusions. The most effective of these will be small groups with uniform interests. Organisations representing larger numbers of people with more diverse interests will form later, but an equal and balanced representation of all groups is never achieved. These coalitions find they gain far more by trying to divert more of the nation's resources to themselves, or to the causes they espouse, than by trying to increase the sum total of those resources. Thus their aims are distributional; and their style tends to be exclusive, for once they have gained sufficient members to get what they want each new member reduces the benefits acquired by earlier recruits. They tend to resist innovation, to protect their markets, and to slow down the nation's response to change. Their decision-making procedures are unavoidably cumbersome, and their activities tend to enlarge and complicate the apparatus of government to no productive end. "On balance", Olson says, "they reduce efficiency and aggregate income . . . and make political life more divisive."

Wars and revolutions tend temporarily to disrupt these patterns. So do enlargements of the boundaries within which a country may freely trade—not so much because tariff reductions directly promote trade but because the creation of a larger common market tends to disrupt many coalitions and cosy collusions, and it takes these groups a few years to rebuild their networks of influence with a more distant centre of power.

Trade unions, Olson argues, play important parts in each country's tendency to decline into an increasingly stagnant economic and social conservatism. But cartels, trade associations, and professional bodies play even larger parts. Countries in which bigger groupings with "encompassing" aims play a more dominant part—major political movements bearing, or hoping to bear, responsibilities of government—tend to do better because these encompassing organisations have an interest in promoting growth. (This, he claims, explains

the relatively good economic record of a stable society like Sweden.) But the best performances will generally be found in countries, regions and cities which have recently passed through a turbulent period in which most distributional coalitions and collusions were destroyed—provided these places are expected to enjoy stability in future.

SINCE FEW WILL WANT to stage a major war or revolution in the hope of a temporarily productive aftermath, this theory offers no comforting conclusions to the Left or to the Right. Olson follows the monetarists in arguing that no "macro" policy for the nation will work better than the "micro" policies which affect individual plants, professions, and other working groups. But he follows the neo-Keynesians in arguing that *laissez-faire* will not in stable societies lead to full employment or growing competitive efficiency or fair shares for the poor and the unorganised. He makes various recommendations but offers no panaceas. Searching rather desperately for a happy ending, he concludes:

"May we not then reasonably expect, if special interests are . . . harmful to economic growth, full employment, coherent government, equal opportunity, and social mobility, that students of the matter will become increasingly aware of this as time goes on? And that the awareness eventually will spread to larger and larger proportions of the population? And that this wider awareness will greatly limit the losses from the special interests?"

As a teacher (working in a profession which is rife with the kind of coalitions and collusions which Olson condemns), I cannot match his confidence in the power of education.

Olson's analysis omits a lot of important things. His measures of economic success—multifarious though they are—rely wholly on official statistics of the formal economy. No weight is given to the domestic economy which operates within households, or the various informal economies which never come to the attention of tax-gatherers and official statisticians. Neither is any weight given to the contribution which culture—tolerance and mutual support among neighbours and workmates, for example—makes to human welfare. If those things had been taken into account, some of the positive effects of distributional coalitions and collusions might have been set alongside their undoubted negative effects. (It may be inefficient that dockers and university teachers can stay in their jobs till they retire, or get handsomely compensated if they are compelled to retire early, but in these precarious times it certainly makes a big difference to them and their families.) Some discussion of these issues might have thrown light on

⁴ *The Rise and Decline of Nations: Economic Growth, Stagflation and Social Rigidities*. By MANCUR OLSON. Yale University Press, £8.95, \$14.95.

the puzzling fact—never mentioned by Olson—that, despite their poor economic record, the British score pretty highly in international comparisons of people's general satisfaction with their lives and the countries in which they live; higher, in most respects, than the economically all-conquering Japanese.

Nevertheless *The Rise and Decline of Nations* is a landmark: a rigorous but thoroughly readable work of economics which also draws, as economists should, on history, politics and sociology. It will prove influential in policy debate and in shaping future research.

WHAT CONCLUSIONS should the ordinary citizen—or the ordinary Prime Minister, for that matter—draw from this literature? First we should note the things which none of these authors are saying: the dogs which don't bark. No one is saying that a modern economy cannot use the labour of the unemployed, or that we should henceforth give up talking about unemployment and instead focus our best efforts on sharing out leisure more fairly. (How could anyone who has walked around Liverpool or visited an average prison or mental hospital conclude that nothing more remains to be done in this country? And if

it were true that technological progress brings unavoidable unemployment, why is unemployment most common in the least innovative, not the most innovative, economies?)

All agree that the health of the economy and its capacity to maintain a reasonable rate of growth and change are crucial if the country is to remain governable in a civilised way. All agree that large-scale, involuntary unemployment is humanly intolerable, politically destructive, and unnecessary. And all agree that restraint must somehow be imposed on the selfish demands of powerful interest groups—including the richest people as well as those whose strength lies in organised numbers. Incomes policies of some convincing sort must become—in Balogh's telling phrase—"a new province for law and order." By itself, that may not be enough to free us from the combination of rising prices and rising unemployment known as "stagflation", but it is an essential first step to that end.

Effective policies for incomes and prices will demand a sense of shared responsibility, of social solidarity, which has to be based on new moral values—or a return to old ones. That will call for the learning of new social meanings, to use the language of Peter Marris.

To achieve that, "encompassing" organisations—concerned about the nation as a whole and

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not just about sectional interests within it—must play an important part in formulating the issues and contributing to the debate. Of these, the most important is the state itself. The apparatus of government and the people who wield its powers should always be sceptically appraised: they can too easily be captured and misused by sinister or selfish interests. But those on the Right or the Left who treat the state as the enemy threaten to destroy what may become the only remaining institution which retains some nationwide credibility—some capacity for responding to the needs of the whole population. (In Northern Ireland we have already reached that position.)

There is no sign that the British are yet prepared to tackle the politically daunting problems posed by this analysis, or that we have a government in sight which would be capable of the task. The present régime is leading us in the opposite direction—socially divisive, destructive of national unity and of humane public service. Its economic policies, as Balogh points out, may yet “validate Marx’s analysis.” But Balogh himself, like Marris and Olson, offers no programme which would at present carry much conviction with the British electorate—or even with the Labour Party, many of whose leading spirits seem committed to the incomes policies of the jungle.

We may have to wait for a crisis sufficiently frightening to compel people to think afresh. IMF loans, oil revenues, and other safety belts have saved us from going over the brink thus far; but, since we have made little use of the breathing space won for us in such ways, these safety belts are part of our problem, not a contribution to its solution.

No one should complacently assume that widespread violence, the bankruptcy of major public authorities—or whatever form a national crisis may take—would necessarily shift us in humane or constructive directions: they may instead lead to the arming of the police, the deployment of the army on our streets, and the suppression of civil liberties. (Again, Ulster shows the trend.) But meanwhile people of good will can only work to make their little bit of the world a saner, more humane, and more productive place—giving political culture, and production in the domestic and informal economies their proper weight alongside the activities measured by official statisticians.

IF YOU WANT TO LEARN about the work and aspirations of groups who are doing that with a disregard—sometimes naive, sometimes admirable—

for most of the issues discussed in the other books I’ve been reading, look at Betty Friedan’s latest book, *The Second Stage*.⁵ It’s repetitive, rambling, polemical. Yet she is saying very important things; and her track record as a social reformer, since she wrote her first book *The Feminine Mystique*, must command respect. The attack on men and “the family” mounted by the shriller feminists in the first stage of their movement was, she argues, a natural over-reaction—and a mistake. Along with their strident demands for free abortion, “gay rights” and so on, it alienated many of their potential supporters, and handed the real reactionaries a powerful weapon—the claim that they were “pro-family” and “pro-life.”

The excesses of the first stage distracted the movement from what should have been its chief concerns: its drive to enable men and women alike to achieve greater fairness in the division of family responsibilities, to free them to choose whatever family form suits them best, and to gain public tolerance for all humane, caring relationships. “The family”, Betty Friedan says, “is whoever you come home to.” The earlier campaigns for equal opportunities must still be pressed to a conclusion, but in future the movement should be increasingly concerned with things like new ways of dividing and sharing work in workplaces and in homes; new house designs and neighbourhood lay-outs and new forms of mortgage lending which make new forms of household easier to organise; and the introduction of family allowances (not yet available in the USA) and better collective day care for children.

Betty Friedan’s book, like Peter Marris’s, reminds us of things which Olson seems to forget. There are some kinds of collective action, some kinds of community grouping, without which the world would be a meaner and more barbaric place. How can we foster and develop these without also tying ourselves up in a web of cosy and ultimately impoverishing restrictive practices? This is the dilemma we face.

If we do ultimately encounter a serious national crisis, a lot of things will change in a hurry. There will be no time for research, for Royal Commissions, or for cautious experiment. The biggest social changes occur only when they have to: when previous ways of proceeding are no longer among the options available. New patterns then emerge as hurried improvisations. Those who have good experience to offer at that point may find their example seized upon and widely adopted. Innovators and visionaries in the movements concerned with women’s rights, race relations, ecology and conservation remind us that bad times like the present may be good times in which to try out better ways of doing things. If there is not enough good practice in sight when the time for larger changes comes, there will be plenty of people around—the

⁵ *The Second Stage*. By BETTY FRIEDAN. Michael Joseph, £8.95.

bully boys and fascists—with bad practice to offer.

New social issues are first posed and new patterns of human relations are first tried out not by academics but by ordinary people tackling their

own daunting problems in brave and intelligent ways. The academics, who write most of the books, contribute later, when the action is already under way.

Russian Censorship, Then & Now

On Police-State Methods—By LEONARD SCHAPIRO

“SOVIET LITERATURE is the mirror of a transformed and homogeneous society. . . .” These words by the Moscow editor of *Literaturnaya Gazeta* imply that authors are expected to lie, since Soviet society is neither “homogeneous” nor particularly “transformed”—many, of course, do not follow Chakovsky’s precept. But the dictum also illustrates the gulf between censorship today in Russia and in the 19th century. For much of the century literature was virtually free (in spite of his title, Professor Ruud deals with books as well as the press¹); and even when it was not, restrictions were irksome rather than prescriptive. The point illustrates the essential difference between a police state and an ideological totalitarian state: the police state is generally content to prohibit rather than to prescribe. It is true that 19th-century Russia did spend considerable sums “on bribing domestic or foreign newspapers and authors to portray Russia in a favourable light.” Professor P. A. Zaionchkovsky has discovered in the archives of the Third Department the large sums that were spent on this kind of enterprise—over half the total “secret fund” in 1880, for example. The signal lack of results produced by such expenditure suggests that the security authorities might have been better employed in searching out the conspirators preparing for the murder of Alexander II a year later.

As Dr Ruud’s careful and scholarly investigation shows (and I believe it is the first comprehensive account in English), Russia in the 19th century was very far from being the land of savage censorship that it is popularly believed to be. What appears to have taken place is a two-fold process. On the one hand, there was a long period of the kind of “dismantling” of restrictions which (according to the late Professor Leontovitch) is that which alone characterises liberalism. This gradual development, which culminated in the virtual abolition of censorship in 1906, was the result

of the willing, or unwilling, responsiveness of the autocracy to the continuing pressure of enlightened public opinion. But, on the other hand (as always in Russian history) the liberal trend, strong as it was, was constantly under threat from the traditional, arbitrary barbarity which was never far below the surface.

The reign of Nicholas I (1825–1855) was the grimmest period of censorship. The Emperor himself took a constant interest in what was published, intervened in countless individual cases, and overruled (and penalised) censors whom he considered too lenient. This became particularly evident after the revolutionary year 1848 had caused serious alarm in Russia. The Russian historian of censorship under Nicholas I, Lemke, described 1848 to 1855 as “The Epoch of Censorship Terror.” One could tell countless stories of the harassment of authors for reasons which appear too trivial even to take note of. In 1855 Turgenev was only allowed to publish *A Month in the Country* provided that the heroine was transformed from a married woman into a widow—thus destroying the main point of the play. (This was, of course, on moral grounds.) But in 1852 an obituary on Gogol, which referred to him as “great”, earned Turgenev, by Nicholas’s personal decree, a month in the guard-house, followed by indefinite exile on his estate. One could multiply such instances an hundredfold. The diary of Nikitenko, a most enlightened and liberal-minded man, who for over forty years occupied various posts in the censorship, bristles with indignation at similar incidents. (It was owing to the good fortune that *Dead Souls* was read for censorship by him that the novel was published.)

STILL, WHAT WAS perhaps more remarkable than the idiocies of a bigoted and, at times, illiterate censorship, haunted by the Emperor’s constant fear of rebellion, was the rich content of the literature which escaped through its net. All of Gogol, the best of Turgenev and Goncharov, for example, appeared before 1865. Even more remarkable was

¹ *Fighting Words: Imperial Censorship and the Russian Press, 1804–1906*. By CHARLES A. RUUD. University of Toronto Press, \$39.00, £24.00.