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SOCIALIST MANAGEMENT AND WORKERS' CONTROL

MD. MAINUL ISLAM

INTRODUCTION

Socialism means a social system where the means of production are owned by the working class. Management under socialism, therefore, in a general sense means management by the workers. But management, even in the socialist countries, has emerged as a relatively independent and specialised function. The purpose of the present study is to examine and understand the nature and extent of workers' participation and control in the process of socialist management in view of the emergence of this new social division of labour, called managerial labour. This is being attempted here in the light of the theoretical ideas of Marx, Engels, Lenin and Gramsci on the one hand and the practical experiences of two very large socialist countries—Soviet Union and China—on the other.

Management is a function inherent in any society at any stage of development because without planning, organization, direction and control— even of the most primitive nature—without people fitting into a work pattern, labour activities, especially those performed on a large-scale, would be impossible. Marx recognised this inherent and distinct function under a social system thus: "All combined labour on a large-scale requires more or less, a directing authority, in order to secure the harmonious working of the individual activities, and to perform the general functions that have their origin in the action of the combined organism, as distinguished from the action of its separate organs. A single violin player is his own conductor; an orchestra requires a separate one."¹ Moreover, after defining management as "regulation and order", Marx once again emphasised that the latter "are themselves indispensable elements of any mode of production".²

While pointing out this universal character of management, Marx also revealed that the latter may be either spontaneous or conscious. Spon-

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taneous management does not involve the functioning of special management institutions. Under it, ordering and regulating influence on the system is the average result of the interplay of diverse and often opposed forces of a mass of accidental individual acts. Such influence forces way through blind chance as a general tendency; it takes its course automatically and requires no human interference. Men are obliged to adopt their behaviour to the blind play of accidental forces; being unable to conquer it, they become its prisoners.

A glaring example of spontaneous management can best be seen in the role of the market under the capitalist system, in the random play of numerous acts of selling and buying underlying which as a tendency is the law of value, the hub of the capitalist economy. The market, with its criss-cross pattern of demand and supply, automatically controls production without any interference on the part of individuals or institutions, regulates the social division of labour, allocates resources in certain proportions, upsets them, sets them up again, and so on. Referring to the situation, Marx wrote: "..... chance and caprice have full play in distributing the producers and their means of production among the various branches of industry".³

Along with the spontaneous factors of management, there operate conscious factors of management stemming from man's purposeful activities. The conscious mechanism of management involves specific activity of men, the functioning of established institutions (a system of bodies, organs and organisations) exerting a conscious influence on the system with a view to achieving certain definite results. Conscious management or the ordering of production and social life at large by people themselves is, therefore, an indispensable attribute of every society and a major manifestation of man's purposeful activity to consolidate, preserve and improve the society. Marx made it clear when he said that with respect to a given mode of production "regulation and order.....are precisely the form of its social stability and therefore its relative freedom from mere arbitrariness and mere chance".⁴

Management is, therefore, mostly a conscious and purposeful function exercised on the various areas of social life and carried out within the framework of society's political organisation with the goal of preserving its qualitative specificity, its functioning and development. Marx, however, formulated the principal purpose of control of production and hence of social life at large in order to free it from the random and spontaneous factors of control. It should be noted here that this is but a relative freedom. since society is unable to gain absolute freedom from the controlling forces of chance at any point. This holds true in case of socialist societies

as well. There too both conscious and spontaneous factors of regulation exist although the latter operate there in a much more limited form.⁵

But the degree of freedom enjoyed by particular society from the uncontrolled and random action of chances, and of its opposition to the action of spontaneous forces vary considerably. Thus the spontaneous play of market forces in an extremely unregulated manner under capitalism is the principal determining factor not only in production but also in the social relations of men in the society. Being objectively conditioned by the capitalist nature of ownership of the means of production, this significantly limits the possibilities of conscious management because of the obvious domination of the uncontrolled forces of market. As opposed to this, under socialism, based on the ownership of the working masses, qualitatively new possibilities are likely to arise for conscious and effective management.

INCREASING IMPORTANCE OF MANAGEMENT

The importance of management grows with the development of productive forces and production relations and with the growth of the social potential and possibilities for development giving rise to the new tasks to be performed. It is a factor of production as crucial to the process of development as three other classical factors of land, labour and capital. But the importance of management assumes critical proportion in the post-revolutionary socialist societies because of their emergence through a process of violent socio-political changes displacing those in power and transforming structural relationships among classes of people in the society. The centrality of management under such a situation arises out of the desperate need for managerial resources because of the destruction and chaos resulting in acute economic crises and shortages for the necessities of life. On the other hand, revolution heightens the expectations of workers and peasants for more material goods and services.⁶

But even under stable social conditions, importance of management is obvious and needs no exaggeration. Referring to the situation all over the world in general and to the experiences of Soviet union in particular, Stalyarenko observed that management tended to grow as a relatively independent function not only of the total social production but also of all areas and segments of social life. He emphasized the fact that the effectiveness of social production and solution of the tasks in the various spheres of social life have come to depend increasingly upon management. He further noted that the number of workers engaged in managerial activities is constantly rising covering not only the spheres of production but also finance as well as in such other non-productive

bodies as public administration, education, science, etc. But he pointed out that while during the last 100 years labour productivity in industry has risen by 1,500 per cent managerial productivity has increased by a factor of two per cent only.⁷

It is to be noted here that the ability of all societies to counteract and emancipate from the spontaneous factors of management is not similar. It depends upon how mature a society is, what are its objective laws and tendencies and how much these laws and tendencies afford for the intervention of man and the social institutions in the social process.

Conscious management, according to Marxism-Leninism, therefore, assumes a concrete historical political and class character. Particularly it is carried out on behalf of the class that wields economic power. Marx, Engels and Lenin showed it quite clearly that management, through constituting a specific sphere of human activity, does not exist by itself, as an absolutely independent phenomenon. As a phenomenon relating to the social system, it very much forms its part and constitutes a special sub-system containing all the characteristics of the whole.

Marx clearly demonstrated the dualistic and contradictory nature of capitalist management. On the one hand, production under capitalism implies labour in the most general sense, as a process of acting on nature with the help of tools and implements for the purpose of getting sustenance. In this sense, the management of labour as the universal form of interaction between man and nature is the organisational and technical aspect of production control and as such inherent in any kind of socio economic formation. On the other hand, this is by far the most important nature of capitalist management-regulation of labour under capitalism is the process of maximising profit (surplus value) through bourgeois exploitation of the working people. And this is the class essence of capitalist management. To quote Marx: "The control exercised by the capital is not only a special function, due to the nature of the social labour process, and peculiar to that process, but it is, at the same time, a function of the exploitation of a social labour-process, and is consequently rooted in the unavoidable antagonism between the exploiter and the living and labouring raw material he exploits."⁸

Marx, therefore, clearly points out that, as an attribute of production in general, control is shaped and modified in accordance with the essence of capitalism which lies in its exploiting nature. He further noted: "If the labour associated with capital becomes cooperative labour, the functions of administration, supervision and regulation are transformed into the functions of capital. As a special function of capital, administration acquires a

special character.”⁹ Here Marx is very clear in saying that the class character of capitalist management is the function of capital, that is, the function of capitalists exploiting hired workers by using the means of production they possess.

He further indicated that the greater the antagonism between the two i.e. between the worker as the direct producer and owner of the means of production, the greater the role of supervision. Lenin therefore rightly said: “What the capitalists are concerned with is how to manage business for robbing and how to rob through management.”¹⁰

“Just as in despotic states, supervision and all round interference by the government involves both the performance of common activities arising from the nature of all communities, and the specific functions arising from the antithesis between the government and the mass of the people.”¹¹ Marx indicated that in the same way management comes to play the increased role with the increased antagonism between labour and capital. These contradictions give rise to class-antagonism in the sphere of management, antipathy towards work discipline by the exploited, individualism and selfishness and the neglect for the public interest among workers. Referring to this, Lenin said that as a result of centuries of exploitation the working men and women have developed a general antipathy towards work, and that “inevitably created a psychology in which public opinion among the working people not only did not frown on poor work or shirkers but, on the contrary, saw in this an inevitable and legitimate protest against or means of resistance to the excessive demands of the exploiters.”¹²

While paying special attention to the economic factors in development and functioning of society, Marxism and Leninism revealed the crucial role played by the masses in making history and in the revolutionary transformation and management of the society. There can be no social system without men that are its integral part and to a considerable extent its creator and at the same time creation. Whether we speak of who is controlled (the object of control) or who exercises control (the subject of control) it must be remembered that in either case man is present. So usually everywhere and always, it is man who acts as the principal component of both object and subject of management. “History does nothing”, Marx and Engels wrote, ‘it possesses no immense wealth’, it “wages no battles”. It is man, real living man, that does all that, that possesses and fights; ‘history’ is not a person apart, using man as a means for its own particular aims; history is nothing but activity of man pursuing his aims.”¹³

This brings us to another aspect of management which is the mechanistic, bureaucratic and despotic approach of it and which takes the view that the goals of management may be attained by giving orders or dicta-

tion from above. This is essentially a feature of capitalism where management has the task of governing an enterprise or an organisation in order to achieve the goal of the capitalist owner. That goal, as it has been pointed out, is to maximise profit or to produce more for the owner of the capital than what the workers are being paid in wages. This results into a dynamic conflict situation between labour and capital.

Under capitalism, therefore, this problem of control over labour power presents itself as the central problem of management. Consequently, the primary aim of all kinds of capitalist management, as pointed out by Braverman, is to have "Control over work through the control over decisions that are made in the course of work"¹⁴. Such a control obviously means a superior-subordinate power relationship and obviously, therefore, with very little power workers tend to occupy the bottom of the ladder.

Socialism is supposed to put an end to this inevitable conflict and superior-subordinate relationship inherent in capitalist social order by putting all the wealth and means of production at the disposal of the vast masses of the working people. The founders of Marxism-Leninism or the Scientific socialism held that as soon as the working class comes to power, the cardinal goal confronting it is to ensure to the working people access to economic management and the right to work out, discuss and implement socio-economic decisions. Marx and Engels, therefore, foresaw that in the new society, there would be a reversion of capital into property of associated workers,¹⁵ transforming society into a harmonious whole, with the integral unity of the manager and the managed and the common identity of interest between higher and lower echelon of the same ladder.

This is because the very nature of socialist ideology implies the achievement of workers' participation and control in management. This becomes more obvious from the fact that not only Marx and Engels but also Lenin assigned a decisive role to the masses in history. Emphasising upon the central role of the masses in all social developments, Lenin said : ".....The minds of tens of millions of those who are doing things create something infinitely loftier than the greatest genius can foresee".¹⁶

Again, on another occasion, he said : "The greater the scope and extent of historical events, the greater is the number of people participating in them, and, contrariwise the more profound the change we wish to bring about, the more must we rouse an interest and an intelligent attitude towards it, and convince more millions and tens of millions of people that it is necessary".¹⁷

It is to be noted here that Lenin was not a mere theoretician. He was the practical builder of the first socialist state of the World as the leader of the October revolution in Russia in 1917. One of the major shortcomings of the writings of Marx and Engels on the nature of socialism¹⁸ and Communism is the absence of an elaborate discussion about the concrete principles, forms and methods of management which would characterize the socialist and communist mode of production. Obviously it would have been possibly speculative for them to undertake that venture in advance. Therefore, this task was assigned by history to Lenin who elaborated a socialist theory of management through concrete practice in course of building socialism in the Soviet Union.

Management of any kind is goal-directed. Goal is the starting point that affects all of its processes and characteristics. Socialist management is no exception to this rule. As distinct from capitalist management, socialist management has its class goals as well, which are the goals of the working masses to build a society free from exploitation. Lenin made this point clear when he said : "As we begin socialist reforms, we must have a clear conception of the goal towards which these reforms are in the final analysis directed, that is the creation of a communist society".¹⁹

Now the question is : how are these goals to be achieved in a socialist society ? That is of course the precise manner in which the working class, who are supposed to be the ruling class, take part in the management. With the victory of October socialist revolution in Russia, Lenin felt the pressing need for a theory of management which will be commensurate with management of the new socialist state of the U.S.S.R. which was hitherto being run by a state bureaucracy. He was of the view that bureaucracy as an organization was an instrument for capitalist domination and, as such was both antagonistic to and unnecessary in, any socialist society. Taking Marx's analysis of the Paris commune of 1871 as a model for the transformation bourgeois bureaucracy to communist association, he stressed the need for democratizing the administrative functions of bureaucracy by means of workers' control. This he felt necessary because : "Abolishing the bureaucracy at once, everywhere and completely, is out of the question. It is a utopia. But to smash the old bureaucratic machine at once to begin immediately to construct a new one that will make possible the gradual abolition of all bureaucracy—that is not a utopia".²⁰

This abolition of bureaucracy, Lenin thought, would usher in a complete withering away of every form of state in general.²¹ But so far as non-state organizations are concerned, particularly in case of technical

organizations like productive enterprise he made a fine distinction between the roles of bureaucrats and technical experts, former being essentially a phenomenon of capitalism and latter being an organizational necessity under any social system. He, therefore, asked not to confuse the two as the one was concerned with the question of control and accounting and the other was concerned with the question of scientifically trained staff.²²

Lenin observed that although the latter were serving the capitalists at the moment, they will serve even better in the future under the direction of the armed workers. Lenin, therefore, divided management into two distinct aspects: Political and technical. Workers' control, according to him, was to be political and not technical. The latter comprising managers, engineers and various other people having specialised knowledge and expertise to run modern industries are not to be controlled in their technical functions as they require precise authority and responsibility. He, therefore, stressed that : ".....Large-scale machine industry—which is precisely the material source, the productive source, the foundation of socialism—calls for absolute and strict unity of will which directs the joint labours of hundreds, thousands and tens of thousands of people. The technical, economic and historical necessity of this is obvious, and all those who have thought about socialism have always regarded it as one of the conditions of socialism".²³

As against this more or less absolute authority to be exercised by the management in definite process of work and in definite aspects of purely executive functions because of practical necessity, Lenin asked for the adoption of the more varied forms and methods of control from below to counteract all possibility of distorting the principles of Soviet or People's Government, in order to weed out bureaucracy repeatedly and tirelessly.²⁴

Lenin also felt assured that the organizations in the Soviet system will not degenerate into bureaucratic machines because of the existence of firm connection between the Soviets and the working and exploited people.²⁵ Lenin, therefore, suggested a form of labour-hired management : "Once we have overthrown the capitalist we shall have a splendidly equipped mechanism free from the 'parasite', a mechanism which can very well be set going by the united workers themselves, who will hire technicians, foremen and accountants, and pay them all, as indeed all state officials in general, workmen's wages".²⁶

Democratization of work as conceived by Lenin was to be only a democratization of control, not the democratization of technical functions. Because, as Hearn puts it, "Control and accounting functions comprise the power dimension of bureaucracy, and to the extent they are democratized, bureaucratic domination is precluded. Technical functions are independent of this political dimension and therefore technically determined subordination is not open to political challenge"²⁷

Therefore, the socialist management that Lenin attempted to establish was one of technical efficiency of the professional experts (like managers and technical persons) combined with the creative initiative and spontaneous participation and control of the working masses. Guided by these principles, according to Bendix, Lenin gave the Soviet manager almost absolute authority within the orbit of his assigned authority but then subjected the broad managerial policies that defined his tasks to absolute popular control.²⁸

Consequently, Lenin developed the idea of 'democratic Centralism', the essence of which has been defined by Afanasyev 'as the combination of democracy or the sovereign power of the working people, their all-round initiative, their power to elect governing bodies and leaders and to make the latter accountable to the people on the one hand and centralisation or carrying out administrative functions from one centre with undivided authority and rigorous discipline on the other'.²⁹ Another Soviet authority on management, considered it (democratic centralism) as a system of dialectical unity when he said : "Lenin always considered the strengthening of democracy in national economic management in dialectical unity with the need to strengthen centralism, i.e. unity of will in the organization and management of modern social production".³⁰

Democratic participation and one-man management in reality was found to be antithetical to any dialectical unity because strengthening of the latter negated the strengthening of the former. In practice, one-man management was strengthened by Lenin himself which required absolute obedience and discipline on the part of labour. But the core problem of any labour-discipline is the 'problem of stimulating or encouraging people to work'. To solve it various schemes of incentives were introduced to persuade workers. On the other hand, such coercive instruments as labour courts were introduced to inculcate labour discipline. Any one, opined Lenin, who violated the demands of labour-discipline must be discovered, brought before the courts and punished mercilessly.³¹

The above measures, as pointed out by Clegg and Dunkerley, "were

just some of a number of organization devices adopted from capitalist practice".³² Lenin also set up the Central Institute for Labour to study the works of such capitalist management experts as Fayol, Taylor etc. Besides, he asked the new Soviet management to emulate the up-to-date achievements of capitalism in this regard. But by far the most important recommendation that he made to the Soviet management and which was eventually adopted, was the Taylorist organisation of labour, the bed-rock of all capitalist management till today. To quote Lenin : "The task that the Soviet Government must set the people in all its scope is—learn to work. The Taylor system, the last word of capitalism in this respect, like all capitalist progress it is a combination of the refined brutality of bourgeois exploitation and a number of the greatest scientific achievements in the field of analysing mechanical motions during work, the elimination of superfluous and awkward motions, the elaboration of correct methods of work, the introduction of the best system of accounting and control etc. The Soviet Republic must at all costs adopt all that is valuable in the achievements of science and technology in this field. The possibility of building socialism depends exactly upon our success in combining the Soviet Power and the Soviet organization of administration with the up-to-date achievements of capitalism. We must organise in Russia the study and teaching of the Taylor system and systematically try it out and adapt it to our own ends."³³

As it is very much apparent, Lenin himself recognised 'the refined brutality of bourgeois exploitation' inherent in it. But it becomes more apparent from a classic work of Harry Braverman where he dealt very elaborately with the exploitative and inhuman nature of the Taylorist system because of the extreme bourgeois division of labour carried under it. Braverman observed : "His 'system' was simply a means for management to achieve control of the actual mode of performance of every labour activity, from the simplest to the most complicated. To that end he pioneered a far greater revolution in the division of labour than any that had gone before"³⁴

However, the important developments that took place during the later days of Lenin in the process of socialist management signifying some qualitative changes for it, were the emergence of the one-man management, reliance upon bourgeois experts and material incentives and on top of that, the adoption of Taylorist system of division of labour. Of course, there were objective reasons for this. It is to be remembered that the October socialist revolution took place only in one country which was a backward small-peasant economy and was almost encircled by a hostile

capitalist world. Soon after the Bolsheviks came out victorious, they were to face an internal civil war and an external attack from the developed capitalist countries. Consequently the economy was in shambles and the productive forces were in most chaotic conditions and Lenin was in a desperate hurry to protect and consolidate world's first socialist revolution which receded the primacy of the workers' control and management to the background. "Moreover", as Mouzelis points out, "such factors as the non-socialist relations of production between the workers and peasants, the still existing small bourgeois and the tsarist bureaucrat with his feudal mentality constituted a fertile soil for the further strengthening of bureaucracy".³⁵

Lenin was conscious about this retreat from pristine socialist principles which he himself termed as a 'step backward'. But he considered it as a necessary retreat imposed by the circumstances surrounding the construction of new social relations and it was going to be only a temporary measure "in a certain field and to a certain degree".³⁶ But unfortunately as Bettelheim observed, these temporary measures became a permanent feature. "On the whole, the system of norms and bonuses remained dominant and was carried to a very great length during the five year plans"³⁷, he wrote.

Consequently priority of production, profit and technique, a system of material incentives and bonuses and reliance on specialists and experts acquired more primacy in Soviet management. This in its turn gave rise to some kind of command approach to management, which even Soviet dissidents of Marxist persuasion, allege to be still in prevalence.³⁸

But the very inner logic of the Socialist state entails some kind of industrial democracy, however formal it may be. Even Lenin never urged for a system of management which will be of despotic nature of the capitalist type. He rather always emphasized that every worker be made to feel that "not only that he is proprietor of his factory but also a representative of his country".³⁹

Therefore, various mechanisms of workers' participation and control like factory committees, Trade Unions, Collective agreements, workers' meetings and Production conferences were evolved in the Soviet Union since Lenin's time. But with Stalin's coming to power, role and importance of these institutions receded to a large extent. But since 1956 (i.e. from Khrushchev's time) their power has increased considerably and with the enactment of new law in 1983 on Labour Collectives enhancing their participation in management and separating the concept of such parti-

icipation from the institution of trade unions, has further improved the situation, although it is yet to emerge as a perfect institution.⁴⁰

ANTONIO GRAMSCI AND SOCIALIST MANAGEMENT

As against these views of Lenin and the practical experiences of the Soviet Union, it might be found useful and interesting to examine the views of Gramsci which arose out of his own experiences of the working class struggle against capitalist methods of production in Turin, Italy. It was this struggle witnessed and experienced by him that he reflected upon from prison in his prison Note-books which provided much of his theories. In order to focus this class struggle in his native land Gramsci founded a weekly newspaper called *ordine Nuovo* (A New order) at the end of world war I. It was the time when Lenin was busy building World's first socialist country in the U.S.S.R. and evolving socialist management in practice. Gramsci on the other hand was involved in a struggle against capital for labour and constructed theories in the light of labour struggle for workers' control and socialism still under the control and domination of capital and a capitalist state.

The main concern of the *Ordine Nuovo* was to create an Italian equivalent of the Russian 'Soviets'. It was these that had a direct bearing on organization theory, The paper defined the proposed soviets as democratic mass organisations where all workers would participate. Known as 'Factory Councils', they were supposed to be organizations of a direct workers' democracy with mass participation and impregnated with the Marxist ideas of class struggle and revolutionary transformation of Society. Moreover, he asked very strongly for workers' control by means of creating and improving cultural level of workers through self-education and self-change and thereby exercising working-class hegemony before actual revolution takes place.

He viewed the revolutionary transformation of the society from Marxist dialectical perspective which was opposed to any determinist interpretation of historical materialism. As such, he was against any view of history which considered a socialist transformation would take place 'naturally', as a matter of mechanical economic forces or out of historical necessity. On the contrary, he thought that a revolutionary transformation of the society can take place only through conscious and direct participation of the working masses. For this he stressed upon the need for the improvement of the cultural level of the workers and overcoming the gap between revolutionary intellectuals vis-a-vis the workers through the medium of the "organic" working class intellectual. While

the process will start at workers' councils in the factories and will eventually extend into the working-class neighbourhood, knitting together and centralizing all the proletarian energies and activities of the Ward and the workplace giving them the totality of proletarian existence.

According to Gramsci's view, such an indigenous system of workers' democracy practised by workers in opposition to capital would not only "give a permanent form and discipline to the masses" but would also be a "magnificent school of political and administrative experience". With that end in view, he emphasized the need for setting up appropriate educational organizations or real vocational schools inside the factory where every worker's mind will be opened up for knowledge as against the brutalizing fatigue from work. In practice, the councils were to be the centre of meetings, discussions, assemblies, educational and cultural events. From these, he thought, would develop a process of collective decision making about production which would eventually lead to a more participatory democracy in the society.⁴¹

The task of workers' control as envisaged by Gramsci was therefore not mere economic and political, but cultural in a very wider sense of the term. Because it was supposed to increase the willingness and ability of the masses to exercise power and diffuse consciousness among them about their rights and duties as comrades and workers in a concrete and effective manner since it would spontaneously arise out of living historical experience.⁴²

Gramsci placed such an enormous emphasis on the cultural and educational factors because of the danger of dividing a proletarian revolution into two separate parts. Destroying the bourgeois state first, and then, to build a new revolutionary social order of the socialist type. To him revolution was indivisible because the revolution as the conquest of social power for the proletariat can only be conceived as a dialectical process in which political power makes possible industrial power and industrial power political power.... To the extent that can be achieved by party action, it is necessary to create the conditions in which there will be not two revolutions, but in which popular revolt against the bourgeois state will be able to find the organizational forces capable of beginning the transformation of the national apparatus of production from an instrument of plutocratic oppression to an instrument of communist liberation.⁴³

It does not mean, however, that Gramsci did not feel the need for a

revolutionary political party for the radical transformation of the society. He rather felt strongly for such a party to catalyze and channelise the struggle for workers' power and raise it to the national level. Otherwise, such a struggle was bound to remain sporadic, localised and defensive to a factory consciousness and would fail to withstand the onslaught of the capitalist state.

What Gramsci emphasised very strongly was that a proletarian party without building a proletarian sub-culture of the type discussed above will lead not to a workers' power and workers' democracy but to a power of the party-elite. This is what is alleged to have happened in the Soviet union by the critics, even of the Marxist persuasions, like Herbert Marcuse and Charles Bettelheim and Soviet dissidents like Roy Medvedev. But the Chinese experiences in this respect give further credence to the views and methods of Lenin and Soviet Union. Particularly during the cultural revolution (1966-1976), attempts were made by the extremely radical followers of Mao to introduce a proletarian management system which was much similar to the ideas of Gramsci. These were largely a reaction to the methods and principles of management followed by Soviet Union evolved since Lenin. And these were precisely the principles of priority to production, of the predominance of the director and experts and of the stress upon material incentives and bonuses. This was the method which at that time came to be called by the Chinese as "Magnitogorsk Constitution"⁴⁴ as opposed to "Anshan Constitution"⁴⁵ enunciated by Mao in 1960.

Attempts were made during the period (of Cultural Revolution) to obliterate the distinction between administrative and performance tasks with the avowed aim of transforming management by a handful of cadres to management by the majority of workers or mass management 'workers'. Management Teams and Revolutionary Committee were formed with that end in view, who were supposed to act as intermediaries between Management and the masses and serve as a control over the managerial bodies. Bonuses and all other material incentives were discarded and extreme egalitarian methods in the payment of wages were introduced. The whole exercise was supposed to turn management as a specific instrument for the proletariat to develop socialist production relations by exercising their own power as the de facto owners of the means of production.⁴⁶

But towards the beginning of the 1970s, this movement for radical changes in the system of management started showing serious errors of ultra leftism, resulting in the lack of authority and responsibility, declining

role of technical and managerial expertise, and discarding too much of rules and regulations under the allegation of "Concocting rules and regulations to bind the masses hand and foot".⁴⁷ This resulted in too much weakening of the management and technical expertise essential for successfully running any modern enterprise under any social system.⁴⁸

Consequently Joan Robinson found during her visit to China in the spring of 1972 that from the winter of 1970, a campaign had started against ultra-leftist activities resulting in utter chaos in the field of management.⁴⁹ Even in the official Chinese press, articles started appearing by that time emphasising once again the need for management in any society, for the increasing role of technical and managerial cadres, for clear-cut division of work and responsibility and for defining the scope of managerial authority. Thus by 1972, in order to strengthen administration, management of the enterprises were being consolidated afresh by dispensing with some of the radical measures in the name of mass-control.⁵⁰

With the end of the cultural Revolution and coming of Deng Hsiao-Ping and his followers to power centralised authority and responsibility of the management along with the primacy of production, profit and material incentives were again restored. But this was done within the context of socialist society and under the control of the communist party of China which claims to represent the working class of the country. Moreover, the trade unions, the youth leagues and, above all, the workers' Congresses have been established since then with legal rights to exercise some supervision and control over management at least twice annually.⁵¹

In fine, considerable headway has been made in these socialist countries in the indirect participation and involvement of the working people in management. But so far as the goal of direct and explicit democracy is concerned, which was the original vision of Marx, Lenin, Gramsci and Maoist followers of China is yet to be achieved.

But this presents us with the problem of explaining the contrast between some of the Leninist views and practical experiences of the Soviet Union and China and the views of Gramsci and Maoist followers. One way to explain this is the difference that tends to occur between abstract theorisation and practical experiences. Further, stark reality of the situation faced by a socialist country immediately after the revolution has an important bearing upon the nature of management. Such a reality manifests itself in the desperate need likely to evolve to lift the masses from dire poverty of the ages on the one hand and to catch up in record time and from a state of absolute backwardness, with the level of the advanced

industrial countries on the other. With that end in view, they tend to construct and commission a huge productive apparatus with some kind of domination and regimentation under the slogan of "socialist modernization" or "Socialism in one country."⁵²

As it seems from our discussion above, particularly at the initial stage of building socialism, which Marx considered as a lower phase of communism, some vestiges of the erstwhile capitalist society including management, are likely to remain as a necessary hang-over of the past under the over-all guidance of a revolutionary party, central planning and nationalization and state ownership. Such an impression gets further credence from the evidences of post-Mao China which we have already discussed. Supporters of the present level of socialist management consider it to be the maximum inclusion of working people in the management process under the existing conditions of their level of development of productive forces and production relations. Since socialist self-management can not be unlimited at the present stage of socialism, it is argued, a situation can not be allowed to develop in a way which contradicts overall interest of the society at large. After all, various independent decisions by the individual work collectives affect all members of the society which is the owner of the means of production used by them. "Socialist self-management, therefore, belongs to a system of planned organization of social production and is an element of centralized management and its democratic character is determined by them"⁵³.

But that does not minimize the original Marxist and Leninist vision of a system of management of the productive forces which will be instruments of liberation rather than control. As Marcuse stressed that as long as control over the means of production and over the distribution of the product is not vested in the "immediate producers" themselves, and there is no control and initiative "from below", nationalization is only another instrument for increasing and manipulating the productivity of labour, for accelerating the development of the productive forces and for their control 'from above'⁵⁴. Consequently one can not but agree with the following assertion of him when he said : "Marxism depends, for the attainment of its goals, on the solution of the conflict between the productive forces and their repressive organization and utilization. According to Marx, the abolition of capitalism is not an end in itself but the means for solving this conflict, thereby terminating the enslavement of man by his labour and the domination of men by men. And in so far as such enslavement is institutionalized in the process of production, it can be abolished only

in the process of production, and the individuals can be free only if they themselves control production.⁵⁵

This seems to have remained the essential problem with the management of all state socialist countries at the moment. Whether solution of this will result from increasing education and economic development in the socialist states, as Lenin and Bukharin thought, is yet to be seen.”⁵⁶

NOTES AND REFERENCES

1. Karl Marx, *Capital*, Vol. 1, Progress Publishers, Moscow, 1974, p. 313.
2. Marx, *Capital*, Vol. III, Progress, Moscow, 1977, p. 792.
3. Marx, *Capital*, Vol. 1, *op. cit.*, p. 336.
4. Marx, *Capital*, Vol. III *op. cit.*, p. 792-793.
5. Otherwise, the question of allowing some kind of market regulation in Socialist societies would not have arisen.
6. According to the Guinean revolutionary leader Amilcar Cabral, “The people fight and accept the necessary sacrifices in order to gain material benefits” (NZONGOLA—NTULAJA; “Amilcar Cabral and the theory of the national liberation struggle”, *Latin American Perspectives*, Vol. II, No. 2, spring, 1984, p. 51).

Similarly as early as 1933, in an article titled “Pay attention to Economic work”, Mao Tse-Tung rebuked those party members who neglected the importance of economic work to socialist construction. (*Beijing Review*, May 19, 1978, p. 8).

7. A. Stalyarenko; *The Psychology of Management of Labour Collectives*, Progress, Moscow. 1983. P. 11.
8. Marx, Vol. 1, *op. cit.*, p. 331.
9. Marx, Vol. I, *op. cit.*, p. 332.
10. V.I. Lenin, *Selected Works*, Vol. 3, p. 355.
11. Marx, Vol. III, *op. cit.*, p. 364.
12. Lenin, “The Immediate Tasks of the Soviet Government”, *Collected Works*, Vol. 42, 1971, p. 83.
13. Karl Marx & Frederick Engels; “The Holy Family or critique of critical criticism”, In K. Marx & F. Engels, *Collected Works*, Vol. 4, Progress, Moscow, 1975, p. 93.

14. Harry Braverman, *Labour and Monopoly Capital*, Monthly Review Press, N.Y. & London, 1974, p. 107.
15. Marx, *Capital*, Vol. III, *op. cit.*, p. 428.
16. V I. Lenin; "Third All-Russia Congress of Soviets of Workers', Soldiers' and Peasants' and Peasants' Deputies", *Collected Works*, Vol. 26, 1964 p. 474.
17. Lenin, "The Eighth All Russia Congress of Soviets", *Collected Works*, Vol. 31, 1966, p. 498.
18. Socialism, according to Marx, is a transitional phase of communism and as such a lower stage of communism. (For the details see his critique of the Gotha Programme).
19. Lenin, "Extraordinary Seventh Congress of the R.C.P. (B)", *Collected Works*, Vol. 27, 1965, p. 127.
20. Lenin, *Selected Works*, Lawrence and Wishart, London, 1969, p. 297.
21. *Ibid*, p. 349.
22. *Ibid*, p. 337.
23. Lenin, *Selected Works*, Vol. 12, Progress, Moscow, 1976, p. 611.
24. *Ibid*, p. 616,
25. *Ibid*, p. 615.
26. Lenin, *Selected Works*. Lawrence and Wishart, London, 1969, p. 299.
27. Hearn, F., 'Rationality and Bureaucracy : Maoist contributions to a Marxist Theory of Bureaucracy', *Sociological quarterly*, No. 19, 1978, pp. 37-54.
28. Reinhard Bendix, *Work and Authority In Industry*, University of California Press, Berkeley. 1974, p. 193.
29. V.G. Afanasyev, *The Scientific Management of Society*, Progress, Moscow, p. 186.
30. Gvishini, D., *Organisation and Management*, Progress, Moscow, 1972, p. 92.
31. Lenin's views on the subject as summarized by Reinhard Bendix, *op. cit.*, p. 193.
32. Steward Clegg and David Donkerley, *Organization, class and control*, Routledge & Kegan Paul (RKP) 1980, p. 116.
33. Lenin, *Selected Works*, Vol. 2, 1976, p. 603.
34. H. Braverman, *op. cit.*, p. 91.
35. Nicos P. Mouzelis, *Organisation and Bureaucracy : An Analysis of Modern Theories*, RKP, London, 1975, p. 12.
36. Lenin, *Selected Works*, Vol. 2, 1976. p. 595.
37. Charles Bettelheim, *Cultural Revolution and Industrial organisation in China*, Monthly Review Press, 1974, p. 75.

It may be pointed out here that Clegg and Dunkerley thought that Lenin deliberately perpetuated these changes as he changed his views in this regard between 1917 and 1921. According to them, "he (Lenin) increasingly regarded management, as it was traditionally defined, as having a continuing major and

central role to play in organisation. Factory Committee and trade unions decreased in importance in his thinking to be replaced by the stress on incentives". (Clegg & Dunkerley, *op. cit.* p. 117).

38. Roy Medvedev, *On Socialist Democracy*. Spokesman Books, Nottingham, U.K. 1977, p. 259,
 39. *Ibid*, quoted, p. 260.

What Lenin wanted was the centralised authority of the management, once the problems and issues had been discussed most elaborately with the working masses and a decision has been arrived at, for reasons of technical efficiency and strict accountability. This becomes clear from the following statement of Lenin :

" while preparing the masses for participation in all aspects of government and economic administration, while encouraging the most detailed discussion of current problems so that they may arrive at correct solutions independently, we should at the same time distinguish strictly between two kinds of democratic procedure : On the one hand, there is discussion and meetings, and on the other, the establishment of a system that holds officials strictly accountable for their actions and demands an absolutely disciplined, zealous execution of instructions and directives so that the economic machine can run like clock work" (Roy Medvedev, *op. cit.*, Quoted, p. 260).

40. For a detailed and critical discussion of the same, see Darrel Slider, 'Reforming the work place : The 1983 No Soviet Law on Labour Collectives' *Soviet Studies*, Mcmillan, Vol. XXXVII, 2, April, 1985.
41. Gramsci, A. *Selections from Political Writings (1910-20)*, Summarized by Clegg and Dunkerly, *op. cit.*, p. 112.
42. "Soviets in Italy", *New Left Review*, 51, (Sept.-Oct., 1968) p. 35.
43. *Ibid*, p. 54.
44. Named after the system of management obtaining in the Iron and Steel Complex at Magnitogorsk in the U.S.S.R.
45. Relevant principles of the Anshan Constitution, according to Tung, were :
1. Keep politics firmly in command.
 2. Strengthen party leadership.
 3. Launch vigorous mass movements, such as socialist-labour emulation drives.
 4. Reform irrational or outmoded rules and regulations.
 5. Encourage close cooperation among cadres, workers and technicians.
 6. Go all out for technical innovation and technical revolution.

(Rosali R. Tung., *Chinese Industrial Society After Mao*, Lexington Books, D.C. Health and Company, 1982 p. 25).

46. For the details, see Charles Bettelheim, *op. cit.*, Also see Chinese Economic Students (In Translation), Special Issue on Socialist Management, Fall, 1975, Vol. IX, No. 1.
47. Quoted in Carl Riskin; Maoism and Motivation : Work Incentives in China, *The Bulletin of concerned Asian scholars*, Vol. 5, July, 1973, p. 21.
48. Present writer during his visit to China in August, 1980, was told by the aged Director of Administration of a very large Iron and Steel complex at the suburb of Beijing that there was 'absolute chaos in the complex during the period because of the lack of authority and personal responsibility. It was mostly an exercise in endless meetings, slogans and criticisms and there was hardly any work. He asked the writer to get it confirmed from a senior worker who was there to receive our delegation along with the director.

Similar stories do abound in China and are available from the account given to Joan Robinson by the Chinese informants during her visit to that country in 1972. (For the details see her "Economic Management" : China, 1972 (Mimeo). Anglo-Chinese Educational Institute, Cambridge, March, 1973).

49. Joan Robinson *Ibid*, pp. 62-68.
50. Hongoi, No. 4, April, 1972, Quoted in Carl Riskin, *op. cit.* p. 21.
51. *Beijing Review*, November 17, 1980, p. 3.
52. Used by liberal pragmatists like Deng and his followers in China and authoritarian-collectivist like Stalin in the Soviet Union.
53. E. Torkanovskii, 'State Economic Management and the Initiative of Work Collectives, Problems of Economics', (A journal of Translation published by M.E. Sharpe Inc., 80 Business Park Drive, Armonk, N.Y. 10504) Vol. XXVII, No. 12, April, 1985, p. 60.
54. Herbert Marcuse, *Soviet Marxism*, RKP, London, 1963, pp. 81-82 and p. 94.
55. *Ibid*, p. 97.
56. Nicon P. Mouzelis; *op. cit.* chapter one, foot note No. 11 P. 188.