

OWNERSHIP CONTROL AND NATIONALISATION

Mick Padden

A review of Robin Murray's forthcoming book
'Breaking with Bureaucracy'
to be published by CLES

ROBIN Murray has been one of the most thoughtful and provocative (in the positive sense) articulators of the 'new local economic initiatives' for the past five years or more. He has the capacity to carry audiences with him in his enthusiasm for what is possibly because it's already being achieved - somewhere. While the distinctions between public and private sectors have been re-appraised and to some extent re-defined, Robin Murray has also been a clear voice arguing that an extension of the boundaries of the public element within local economic initiatives is essential for their success.

In this pamphlet he attempts to both reclaim public-social ownership as the key dimension of socialist strategy whilst pointing out how inapplicable the traditional models and practice of nationalisation now are in the current economic and political circumstances.

In its traditional forms nationalisation had become equated with socialism; "socialism emerged as a simple equation; nationalisation plus the Party".

The ownership of the means of production in itself (either through nationalisation or some other socialised form) now gives little real power over the economy. The changing nature of production in many industrial sectors has seen a move from 'control by ownership' to 'control by contract' with an increasing international character. As a result any strategy must now identify the new controlling elements in production in each industrial sector, seek to control this element through the appropriate measures and be capable of itself operating on an international dimension.

The actual operation of 'socially-owned enterprises' (in which Murray includes Local Authorities, nationalised industries and others) has been within constraints which are both external (though the market) and internal (through the practices adopted and pursued by those managing publicly-owned enterprises, local government departments and so on). These provide some of the reasons for the 'crisis in public ownership' which the successive Conservative governments since 1979 have been keen to exploit.

For those still working and thinking within a socialist tradition, the traditional equation of 'nationalisation plus the Party' has left crucial areas of political activity virtually untouched.

Characterised by Robin Murray as the "social relations of socialism", these include issues about the nature of work itself, concerns of other different segments of the working class, (unskilled and skilled, women and black people) and about the re-production as much as production.

The book does not put up a single or simple alternative to the 'Clause 4' or Morrisonian traditions of nationalisation but points to certain issues which a new model of socialist practice must address.

It offers an illustration of the address. It offers an illustration of the 'positive' and 'negative' knowledge of how this can be achieved, the experience of the new municipal socialism of the 1980's.

ownership should still be at the centre of any socialist strategy, is that only in this way can we make progress in the politics of production". It advocates the 'propoganda of practice' and the close observation of the successes and failures of socialist practice above mere abstract thoughts. In accepting many of these premises there are still critical comments to be made about the 'new model' Robin Murray is suggesting.

The first is that even if the new municipal socialisms were totally successful in their own terms, they would not add up to a national strategy. There are crucial areas of the economy and economic planning which aren't touched by local economic planning and numbers of industrial sectors, steel and the motor industry are two actually mentioned in the paper, in which the real power of local authorities to offer any practical support or control is limited.

A second comment concerns Robin Murray's apparent acceptance that competitive tendering and competition within the public sector provides mechanisms for providing choice diver-

Well if you come back on Tuesday early before the queue is twice round the building, and go to the information office somewhere on the third floor and ask for Form X2ab/12 and 12P2. Take one to the accounts section on the penthouse roof suite, the Annex, the other side of town and post the other to Lansend or John O Groats. I'll raise it at the sub committee meeting and with the local party. You'll probably be asked to attend a preliminary hearing in 3 months time. In the meantime don't give up - We're behind you.....



The book raises a host of other issues worth giving serious discussion and action - the nature of socialist management, the need to develop new and alternative forms of accountability. It provides a clear reminder that "the reason why nationalisation and social

sity and innovation.

Competitive tendering is essentially a mechanism which focuses on the cost of delivering a service rather than the quality of that service or any other considerations about how the system is actually run.

The experience of competitive tendering questions whether it successfully achieves even these limited aims but essentially the types of contract conditions which are mentioned in the paper as providing mechanisms by which a local authority can exercise control have not as yet anywhere been run with any effectiveness. For most local authorities these forms of 'contract compliance' are very much a second-best alternative to the direct provision of services which offer very limited real possibilities of control. The current likelihood is that even these limited possibilities of control using

contracts and contract conditions, and the purchasing powers of local authorities, are now to be either removed or dramatically reduced by Government legislation.

This raises a third area for consideration, rather than one of dismissal of Robin Murray's arguments, relating to the present political possibilities of local authorities themselves.

The new Conservative administration has already made it clear that local government is one of the central areas and immediate areas in which it intends to take new initiatives both to limit the power of local authorities and to resource and support local agencies outside the local government structure. In this context, while it would be important to point to positive and alternative indications of how local government can and should be conducted, the real possibilities for innovation within the municipal structure are likely to be submerged by the issues of retaining any local authority presence in what had been the mainstream areas of local service provision; education, housing and so on.

This raises a fourth point; Robin Murray uses a metaphor of guerrilla warfare and talks of a need to defend the bases where positive developments have been achieved.

But the reality is that very few local authorities have had the opportunity to make any substantial developments in the so-called municipal enterprises.

Many of the projects they have developed have been fragmentary and in some cases have moved in contrary directions. This is not to criticise the importance of innovation and challenge, but to point out that the ability of these bases to withstand any substantial onslaught is extremely limited.

In the mainstream areas of service provision in local authorities, it is also unfortunately the case that the external threats through competitive tendering and privatisation have at last encouraged appraisals in terms of what the users of services actually want, what adequate levels of wages and working conditions should be and how services can be developed positively in the future.

Robin Murray talks correctly of the importance of learning the negative lessons from practical initiatives. It's unfortunate that to date very little of these negative comments have been opened out for more widespread public discussion; perhaps understandably in the political climate of the last eight years, but a real appraisal of the actual achievements of municipal socialism is long overdue. If it isn't to be conducted by those who believe in and support the development and extension of public service then the lessons of the past eight years will be undertaken by those who don't. As the cliché goes, when one is on the defensive, it's inadvisable to try and defend the indefensible.

Democracy in Crisis: The Town Halls Respond

Soon to be published by Chatto & Windus at £5.95 by David Blunkett and Keith Jackson.

Local government is under serious attack in 1987, and is losing its autonomy fast to central government and central government organisations, most recently to the proposed UDCs (Urban Development Corporations). Policy decisions are out of touch with the problems of many areas, regional needs are sacrificed to a national strategy, and the law of the market place is substituted for democratic decision making. This book by David Blunkett, new MP for Brightside Sheffield, and Keith Jackson, senior tutor at Northern College in Sheffield, calls for the restoration of the town hall's freedom and is an informed account of democracy itself, and its future as a political force in Britain.

'Democracy in Crisis' publication date 10th September 1987.

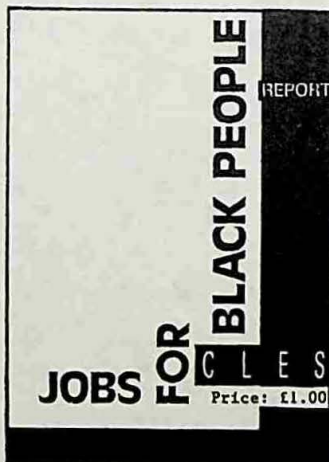
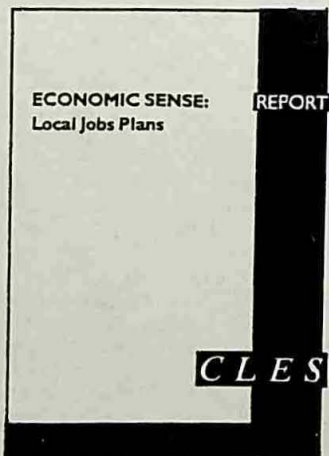
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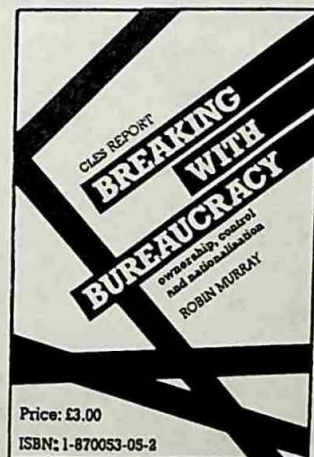
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Economic Sense, a new CLES report, argues that if local authorities increased recruitment by 300,000 over a two-year period, 42,000 jobs would be generated in the private sector. The cost to government would be only £1.07 billion per annum, or 1p on income tax.

Economic Sense: Local Jobs Plans, by Leeds Polytechnic Policy Research Unit, price £5, ISBN 1-870053-06-0, available from CLES, Heron House, Brazennose Street, Manchester M2 5HD.



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