

The essence of the change was the disappearance of the idea that social institutions and economic activities were related to common ends, which gave them their significance and which served as their criterion. In the eighteenth century both the State and the Church had abdicated that part of the sphere which had consisted in the maintenance of a common body of social ethics; what was left of it was repression of a class, not the discipline of a nation. Opinion ceased to regard social institutions and economic activity as amenable, like personal conduct, to moral criteria, because it was no longer influenced by the spectacle of institutions which, arbitrary, capricious and often corrupt in their practical operation, had been the outward symbol and expression of the subordination of life to purposes transcending private interests.

The natural consequence of the abdication of authorities which had stood, however imperfectly, for a common purpose in social organization, was the gradual disappearance from social thought of the idea of purpose itself. Its place in the eighteenth century was taken by the idea of mechanism. The conception of men as united to each other, and of all mankind as united to God, by mutual obligations arising from their relation to a common end, which vaguely conceived and imperfectly realized, had been the keystone holding together the social fabric, ceased to be impressed upon men's minds, when Church and State withdrew from the center of social life to its circumference.

What remained when the keystone of the arch was removed, was private rights and private interests, the materials of a society rather than a society itself. These rights and interests were the natural order which had been distorted by the ambitions of kings and priests, and which emerged when the artificial super-structure disappeared, because they were the creation, not of man, but of Nature herself. They had been regarded in the past as relative to some public end, whether religion or national welfare. Henceforward they were thought to be absolute and indefeasible, and to stand by their own virtue. They were the ultimate political and social reality; and since they were the ultimate reality, they were not subordinate to other aspects of society, but other aspects of society were subordinate to them.



Thus conceived, society assumed something of the appearance of a great joint-stock company, in which political power and the receipt of dividends were justly assigned to those who held the most numerous shares.

The result of such ideas in the world of practice was a society which was ruled by law, not by the caprice of Governments, but which recognized no moral limitation on the pursuit by individuals of their economic self-interest.

The first famous exponent of this philosophy was Locke, in whom the dominant conception is the indefeasibility of private rights, not the pre-ordained harmony between private rights and public welfare.

The attempt to refound society upon rights, and rights springing not from musty charters, but from the very nature of man himself, was at once the triumph and the limitation of the Revolution. It gave it the enthusiasm and infectious power of religion.



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Mankind has, at least, this superiority over its philosophers, that great movements spring from the heart and embody a faith, not the nice adjustments of the hedonistic calculus.

Henceforward emphasis was transferred from the right of the individual to exercise his freedom as he pleased to the expediency of an undisturbed exercise of freedom to society.

While eschewing, in short, the phraseology of natural rights, the English Utilitarians retained something not unlike the substance of them. For they assumed that private property in land, and the private ownership of capital, were natural institutions, and gave them, indeed, a new lease of life, by proving to their own satisfaction that social well-being must result from their continued exercise.

What it implies is, that the foundation of society is found, not in functions, but in rights; that rights are not deducible from the discharge of functions, so that the acquisition of wealth and the enjoyment of property are contingent upon the performances of services, but that the individual enters the world equipped with rights to the free disposal of his property and the pursuit of his economic self-interest, and that these rights are anterior to, and independent of, any service which he may render. True, the service of society will, in fact, it is assumed, result from their exercise. But it is not the primary motive and criterion of industry, but a secondary consequence, which emerges incidentally through the exercise of rights, a consequence which is attained, indeed, in practice, but which is attained without being sought.



Functional Society

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A society which aimed at making the acquisition of wealth contingent upon the discharge of social obligations, which sought to proportion remuneration to service and denied it to those by whom no service was performed, which inquired first not what men possess but what they can make or create or achieve, might be called a Functional Society, because in such a society the main subject of social emphasis would be the performance of functions.

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But to say that the end of social institutions is happiness, is to say that they have no common end at all. For happiness is individual, and to make happiness the object of society is to resolve society itself into the ambitions of numberless individuals, each directed towards the attainment of some personal purpose.

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Such societies may be called Acquisitive Societies, because their whole tendency and interest and pre-occupation is to promote the acquisition of wealth.

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Under the impulse of such ideas men do not become religious or wise or artistic; for religion and wisdom and art imply the acceptance of limitations. But they become powerful and rich. They inherit the earth and change the face of nature, if they do not possess their own souls; and they have that appearance of freedom which consists in the absence of obstacles between opportunities for self-advancement and those whom birth or wealth or talent or good fortune has placed in a position to seize them.



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Such happiness is not remote from achievement. In the course of achieving it, however, the world has been confronted by a group of unexpected consequences, which are the cause of its malaise, as the obstruction of economic opportunity was the cause of social malaise in the eighteenth century. And these consequences are not, as is often suggested, accidental mal-adjustments, but flow naturally from its dominant principle: so that there is a sense in which the cause of its perplexity is not its failure, but the quality of its success, and its light itself a kind of darkness. The will to economic power, if it is sufficiently single-minded, brings riches. But if it is single-minded it destroys the moral restraints which ought to condition the pursuit of riches, and therefore also makes the pursuit of riches meaningless.

Thus part of the goods which are annually produced, and which are called wealth, is, strictly speaking, waste, because it consists of articles which, though reckoned as part of the income of the nation, either should not have been produced until other articles had already been produced in sufficient abundance, or should not have been produced at all. And some part of the population is employed in making goods which no man can make with happiness, or indeed without loss of self-respect, because he knows that they had much better not be made, and that his life is wasted in making them.

So to those who clamor, as many now do, "Produce! Produce!" one simple question may be addressed:—"Produce what?" Food, clothing, house-room, art, knowledge? By all means! But if the nation is scantily furnished with these things had it not better stop producing a good many others which fill shop windows in Regent Street? If it desires to re-equip its industries with machinery and its railways with wagons, had it not better refrain from holding exhibitions designed to encourage rich men to re-equip themselves with motor-cars? What can be more childish than to urge the necessity that productive power should be increased, if part of the productive power which exists already is misapplied?



Men may use what mechanical instruments they please and be none the worse for their use. What kills their souls is when they allow their instruments to use them. The essence of industrialism, in short, is not any particular method of industry, but a particular estimate of the importance of industry, which results in it being thought the only thing that is important at all, so that it is elevated from the subordinate place which it should occupy among human interests and activities into being the standard by which all other interests and activities are judged.

It is a contempt for all interests which do not contribute obviously to economic activity. When the Press clamors that the one thing needed to make this island an Arcadia is productivity, and more productivity, and yet more productivity, that is Industrialism. It is the confusion of means with ends.

When men have gone so far as to talk as though their idols have come to life, it is time that some one broke them. Labor consists of persons, capital of things. The only use of things is to be applied to the service of persons. The business of persons is to see that they are there to use, and that no more than need be is paid for using them.

But there cannot be a division of functions between the worker and the owner who is owner and nothing else, for what function does such an owner perform? The provision of capital? Then pay him the sum needed to secure the use of his capital, but neither pay him more nor admit him to a position of authority over production for which merely as an owner he is not qualified. For this reason, while an equilibrium between worker and manager is possible, because both are workers, that which it is sought to establish between worker and owner is not.



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There are, in theory, five ways by which the control of industry by the agents of private property-owners can be terminated. They may be expropriated without compensation. They may voluntarily surrender it. They may be frozen out by action on the part of the working personnel, which itself undertakes such functions, if any, as they have performed, and makes them superfluous by conducting production without their assistance. Their proprietary interest may be limited or attenuated to such a degree that they become mere rentiers, who are guaranteed a fixed payment analogous to that of the debenture-holder, but who receive no profits and bear no responsibility for the organization of industry. They may be bought out.

Which of these alternative methods of removing industry from the control of the property-owner is adopted is a matter of expediency to be decided in each particular case. "Nationalization," therefore, which is sometimes advanced as the only method of extinguishing proprietary rights, is merely one species of a considerable genus. It can be used, of course, to produce the desired result. But there are some industries, at any rate, in which nationalization is not necessary in order to bring it about, and since it is at best a cumbrous process, when other methods are possible, other methods should be used. Nationalization is a means to an end, not an end in itself.

If the ownership of capital in each industry were unified, which does not mean centralized, those risks which are incidental to individual competition would be eliminated, and the credit of each unit would be that of the whole.



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But the object in purchasing land is to establish small holders, not to set up farms administered by state officials; and the object of nationalizing mining or railways or the manufacture of steel should not be to establish any particular form of state management, but to release those who do constructive work from the control of those whose sole interest is pecuniary gain, in order that they may be free to apply their energies to the true purpose of industry, which is the provision of service, not the provision of dividends. When the transference of property has taken place, it will probably be found that the necessary provision for the government of industry will involve not merely the freedom of the producers to produce, but the creation of machinery through which the consumer, for whom he produces, can express his wishes and criticize the way in which they are met, as at present he normally cannot.

R.H. Tawney, The Acquisitive Society p. 179

To do the managers of industry justice, this whining for more money is a vice to which they (as distinct from their shareholders) are not particularly prone. There is no reason why they should be. If a man has important work, and enough leisure and income to enable him to do it properly, he is in possession of as much happiness as is good for any of the children

R.H. Tawney The Acquisitive Society p. 180/1

So the organization of society on the basis of function instead of on that of rights, implies three things. It means, first, that proprietary rights shall be maintained when they are accompanied by the performance of service and abolished when they are not. It means, second, that the producers shall stand in a direct relation to the community for whom production is carried on, so that their responsibility to it may be obvious and unmistakable, not lost, as at present, through their immediate subordination to shareholders whose interest is not service but gain. It means, in the third place, that the obligation for the maintenance of the service shall rest upon the professional organization of those who perform it, and that, subject to the supervision and criticism of the consumer, those organizations shall exercise so much voice in the government of industry as may be needed to secure that the obligation is discharged.



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It is obvious, indeed, that no change of system or machinery can avert those causes of social malaise which consist in the egotism, greed, or quarrelsomeness of human nature. What it can do is to create an environment in which those are not the qualities which are encouraged. It cannot secure that men live up to their principles. What it can do is to establish their social order upon principles to which, if they please, they can live up and not live down. It cannot control their actions. It can offer them an end on which to fix their minds. And, as their minds are, so, in the long run and with exceptions, their practical activity will be.

R.H. Tawney The Acquisitive Society p.183/4

Such a combination of unity and diversity is possible only to a society which subordinates its activities to the principle of purpose. For what that principle offers is not merely a standard for determining the relations of different classes and groups of producers, but a scale of moral values. Above all, it assigns to economic activity itself its proper place as the servant, not the master, of society. The burden of our civilization is not merely, as many suppose, that the produce of industry is ill-distributed, or its conduct tyrannical, or its operation interrupted by embittered disagreements. It is that industry itself has come to hold a position of exclusive predominance among human interests, which no single interest, and least of all the provision of the material means of existence, is fit to occupy. Like a hypochondriac who is so absorbed in the



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processes of his own digestion that he goes to his grave before he has begun to live, industrialized communities neglect the very objects for which it is worth while to acquire riches in their feverish preoccupation with the means by which riches can be acquired.

R.H. Tawney

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That obsession by economic issues is as local and transitory as it is repulsive and disturbing. To future generations it will appear as pitiable as the obsession of the seventeenth century by religious quarrels appears to-day; indeed, it is less rational, since the object with which it is concerned is less important. And it is a poison which inflames every wound and turns each trivial scratch into a malignant ulcer. Society will not solve the particular problems of industry which afflict it, until that poison is expelled, and it has learned to see industry itself in the right perspective. If it is to do that, it must rearrange its scale of values. It must regard economic interests as one element in life, not as the whole of life. It must persuade its members to renounce the opportunity of gains which accrue without



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any corresponding service, because the struggle for them keeps the whole community in a fever. It must so organize industry that the instrumental character of economic activity is emphasized by its subordination to the social purpose for which it is carried on.



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