Toward A Keynesian Theory of Social Processes

Amitai Etzioni

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By AMITAI ETZIONI

Everett E. Hagen and Stephanie F. T. White, Great Britain: Quiet Revolution in Planning, Syracuse, Syracuse University Press, 180 pp. $3.95.
Andrew Shonfield, Modern Capitalism, New York, Oxford University Press, 456 pp. $10.50.

Increasingly, the present society is coming to be viewed not as a condition but as an alternative, as one possible arrangement of a much larger set. The social sciences help provide an understanding of the factors and mechanisms that allow us to review such a society, propose alternative plans, and transform it in line with these new designs.

While totalitarian societies had similar ambitions as early as 1917, the United States has developed its interest in broad, guided societal changes for the most part in the last fifteen years. Most “Great Society” reforms, though, failed to take off. While the Nixon administration seems to approach domestic reforms with great caution, the list of goals Washington has set is long indeed. It seeks not only to eliminate the war, poverty, and riots, to reduce crime rates, to accelerate the mills of justice, and to retard inflation without increasing unemployment, but also to encourage Americans to become more “moral,” engage in fewer sexual escapades and deviations, refrain from the illicit use of drugs, and eat, drink, and smoke smaller amounts. And this is far from a complete list.

Yet we can state with considerable assurance that most of these goals will not be achieved. For reasons that the three books before us help to explicate, modern societies—here we deal only with democratic ones—simply have not developed the capacity to build consensus about goals and procedures sufficient to effect significant changes (which is one reason that the Kerner report remains largely a fine paperback and is not an action program); nor have modern societies the relevant know-how, either technical or social, to do so. (Thus, we do not know how to reduce the economic and psychic costs of treatments of pollution and smoking to “acceptable” limits for the existing level of consensus and commitments, even if we assume that the industries involved would allow the government to apply such knowledge if researchers had produced it.)
The social and political sciences do, however, provide a clearer picture than we have ever possessed of the components required (and their interrelations) if we are to evolve an active society, one able to guide its own transformation. Karl W. Deutsch's *The Nerves of Government* seems to me to provide a larger segment of the conceptual map than any other single work. *My own The Active Society* tries to add some sociological factors and analyses to Deutsch's rich formulations. Each of the three books discussed here provides significant insights for what is one of the most consequential intellectual adventures of this generation.

Shonfield's contribution is considerable. He offers a keen analysis of planning efforts in major postwar democracies, focusing on France, Britain, West Germany, and the United States. His comparative study of societal knowledge systems, as they are applied to economic planning, provides an understanding of the information and analytic tools that economic policy-makers increasingly command but that are still lacking in most other domestic sectors of policy-formation.

One of the central conclusions of Shonfield's book is that effective government guidance of societal processes is not possible without both systematic inputs of information about these processes and the effects of existing public policy on them and the systematic analysis of this information in terms relevant to the policy-makers.¹

While this may seem to be a fairly obvious conclusion, in practice societal guidance, both in the past (e.g., in the USSR) and at present (e.g., most domestic efforts in the U.S.), has tended to be based on very inadequate knowledge about the state of the system and the effects of existing policy on it, let alone of the possible alternatives.²

Shonfield, it is important to keep in mind, is interested in the guidance of *economic* processes, although we suggest that his conclusions, and especially the variables upon which he focuses, are of equal importance for the guidance of societal processes. He finds it "paradoxical" that the United Kingdom and the United States, the two nations that adopted Keynesian principles first and most widely, did less well than did France, West Germany, and Holland in keeping unemployment down and the growth rate up.

Subtly, and with rich detail, Shonfield explains the varying capacity of societies to manage themselves as basically reflecting different balances between public and private authority. He does not dogmatically

¹ Efforts in this direction are now being made. For a preliminary report of attempts to develop social indicators and social analysis related to them, see *Toward A Social Report* (Washington, 1969), and B. Gross, ed., *Social Goals and Indicators for the American Society* (Boston 1969).

² For a recent study of decision-making over lunch at the highest level, see Chester Cooper, *The National Security Processes* (New York 1969).
favor one over the other, but suggests that the balance needed for effective guidance has been and is changing toward one more heavily weighted on the public side. Thus, he sides with Bundy's advocacy of a more powerful government as opposed to Drucker's call for "reprivitization." Shonfield points out that until 1945, Britain's capitalism was largely unguided, so that it had a great advantage over the state-controlled economy of France, during the prewar period. After the war, however, economic prosperity came to depend on fairly active governmental guidance. West Germany, like France, provided such guidance in coalition with key banks and industries, despite an official ideology to the contrary. Britain, notwithstanding much guidance rhetoric, did not. Its government continuously "checked" with a broad range of interest-groups and allowed its desire for wide consensus almost to block policy-making and progress. In comparison, a strong public authority existed in France. There, government "consulting" agencies inspired and backed Four-Year Plans, set priorities, and exercised their power to make the priorities prevail. The development of national statistics provided necessary sophistication to the previously over-controlling French, while in Britain a similar development was not matched by a control-mechanism to utilize the new statistics.

Several comments are pertinent here. First, it is essential to note that Shonfield's analysis favors not government intervention, but rather the establishment of guidelines supported by the moral, tax, and credit power of the government—not by coercion. (The capacity of the French government to allocate credit is much greater than that of the American one.) The dichotomy between planning by decree and free market forces, into which the debate pro and con governmental control all too frequently lapses, at least in the public mind, obscures rather than helps the thought on this matter. There are obviously a variety of tools the government could use that are not coercive in the narrow sense of the term but are yet more potent than those now employed.

Second, the new guidance mechanisms evolving in continental Europe work largely through extra-parliamentary consensus-formation by semi-executive bodies, especially the planning authorities. These are composed of representatives of interest-groups and some labor unions as well as government officials; the initiative and chairmanships of these bodies are concentrated among the latter. The development of these mechanisms is in part a result of the inability of parliaments to command sufficient expertise and unity of perspective and to draw on effective representation of nationwide interest groups (as distinct from

geographic groups)—in short, to function as the central body of modern consensus-formation.

While such extra-parliamentary consensus-building increased in De Gaulle’s semi-authoritarian France, and even in West Germany, it is not accidental that Britain—more deeply committed to democratic procedures—has found it difficult to adopt this new mode of consensus-making.

Nor are the extra-parliamentary processes, at least as evolved in France, without their own difficulties. As the events of May, 1968, show, this mechanism tends to be not flexible enough to adapt to the changing power relations in the society. Maybe the fact that long-overdue university reforms were initiated only after an almost revolutionary crisis cannot be viewed as a black mark against the state-guided planning bodies, because they are mainly concerned with economic processes; even France has no equivalent agencies for guidance of social processes. But the neglect of the workers’ needs and demands—resulting in their support of the students’ revolt—is a more intrinsic defect. The planning mechanism is basically a business-government apparatus with very little representation and involvement of labor unions.

Hagen and White’s essay-book is best described as the turning of a microscope on one portion of the much larger landscape portrayed by Shonfield. A carefully detailed account is provided, in the tradition of studies of public administration, of the mechanisms Britain developed, mainly between 1960 and 1965, to plan the economy—especially the National Economic Development Council, the National Incomes Commission, and the National Plan, a formation influenced by the example of the planning authorities in France. The authors provide a very useful chapter comparing the two planning administrations. Bertram Gross, the general editor of the National Planning Service, adds an enlightening “prefatory comment.”

Reading J. P. Nettl’s study of political mobilization intensifies our deep sense of loss when we learned of his death in an airplane crash. He undertook in this book a theoretical exercise in the traditional sense: he chose a concept, reflected on its components, and sought to relate it to other concepts, particularly that of political development.

He characterizes mobilization by its “definitional limitations.” He sees it as a process that is induced and not merely occurring, one that has a “function” for the system, is neutral with regard to the purposes it serves, and encompasses both the attitude (the commitment to action) and the means for translating the commitment into specific actions.

In the discussion that follows the characterization of mobilization,
Nettl traces its types ("stalactite"/"stalagmite") and their intricate relations to political development, distinguishing between mobilization that is largely elitist and that which also involves the "masses." It is here that we find the linking of Nettl's work to the evolving Keynesian theories of society.

One of the major limitations of attempts to transform pluralistic societies is the apparent weakness of the "general will." It has often been stated that the conserving forces, located in the privileged classes and elites, tend to pay little more than lip service to social reforms and to approve only "token" appropriations to the underprivileged groups. Were this class-based theory of politics completely accurate, societal changes, guided toward fundamental reforms, would be inconceivable because the overwhelming power would be that of the conserving forces. Considerable flexibility is introduced into the picture, however, once we realize that the classes are not equally mobilized toward political action. A major factor that accounts, in "normal times," for the ability of the smaller privileged classes to prevail over the larger underprivileged groupings is that the more privileged generate more power by being more politically conscious, committed, and organized, i.e., more active.

But in times of crisis or rapid societal change, minorities, students, or ethnic groups may become relatively more mobilized, altering the fundamental power balance. As the society is more than merely an aggregate of collectivities engaged in self-serving actions, this may also lead to a greater energizing of the society-wide mechanisms for fundamental reforms. The mobilization of white liberals, students, and Negroes around the civil-rights issue in the 1964-1966 period illustrates such a development. It provided both the necessary political support for a liberal "zag" in the zig-zagging policy of the country and a more powerful federal posture toward the states. It would seem that without such "extra" mobilization of the collectivities interested in basic reforms as distinct from privileged groups, only very limited reforms can be expected to be launched and sustained by the national guidance mechanisms, even when they are knowledgeable enough about how to effect them.

The evolution of a theory that could help make the guidance of societal processes more effective, including a conceptualization of the conditions under which the necessary political support would be available, is far from complete. These three books, each in its own way, advance us considerably, with Shonfield's leading the way.