

Work and the Idea of Work in the First Half of the Twentieth Century

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The first half of the twentieth century, and in particular the thirty years from 1914 to 1945, was an age of military, political, economic, social, and cultural conflict, a period of disenchantment, disillusion, discord and despair, in which hatred flourished and the Christian and humanitarian impulse was scarce. The year 1928, when Blessed Josemaría Escrivá was inspired to formulate a new vision of the sacred nature of work and everyday life, was the eve of the low point of the twentieth century. In the sphere of international politics, the following year, 1929, brought the death of Germany's moderate Foreign Minister, Gustav Stresemann, and an end to the effort to overcome the legacy of the First World War. Regarding the politics of the Church, 1929 marked the year of a highly problematical concordat between the Vatican and Mussolini's government. In economics, it was the year of the New York stock market crash, widely understood as the beginning of the Great Depression.

To an observer in 1900, this desintegration of order and stability would have looked surprising. There was plenty to be confident about at the beginning of the century: in the domestic politics of many European states, representative and responsible government was becoming more common. Internationally, conflicts were resolved by arrangements between the great powers. Economically, there was a substantial level of integration, with large flows of goods, capital and labor that were largely unaffected by national control and regulation (modern historians speak about an initial period of "globalization"). Property rights were secure and widely understood as a basis of civilization. The Catholic Church, under the skilled leadership of Leo XIII, had come to a stable understanding of and relationship with the principles of republican and democratic government.

What were the problems that effectively destroyed the belief in secular human progress? Some might reply that it was the chance of the First World War. Historians, however, who look at the origins of the disintegration actually see many causes for concern before 1914: the seeds of destruction were sown at the moment of greatest optimism.

In particular, men suffered because they increasingly saw human problems in terms of the struggles of large collectives: the nation and the working class. The claims or supposed rights of such collectives were the center of large-scale political clashes. In particular, such clashes arose out of the interpretation — an erroneous one — of the character of work.

The technical and organizational changes associated with what we call “the industrial revolution” brought a profoundly altered concept of work, both in time and space. Instead of work being dispersed in many localized workshops, farms, etc., large factories coordinated the activities of hundreds or even thousands of workers. This obviously required a chronological coordination so that hours of work were regulated by bells or other sounds to orchestrate the common activities of the factory hands. They were subjected to a completely new and unfamiliar regimentation, in short to industrial discipline. Wages may have risen and material and sanitary conditions improved — but the new world still felt strange and uncomfortable. The factories were frequently unsafe. Hours of work were long, and there was little rest because of the pace demanded by the new machines. The operators actually felt that they had been reduced to the position of a mere cog (and an expendable one) in a gigantic automaton.

Industrial work changed the way workers saw market activities and exchanges. Instead of selling products — as even many humble workers had done in the pre-industrial setting (we imagine the weaver selling pieces of cloth) — workers now simply sold a much more abstract concept: an hour, or a day, or a week of their work.

Many theorists thought that the new circumstances marked a sharp deterioration in the moral, if not the material, circumstances of the worker. His work was reduced to the status of a dehumanized “commodity,” and any pride and dignity of the laborer was destroyed. The most influential secular theory of the new economy of labor was that provided by Karl Marx. It derived from a metaphysical concept of “alienation” that had been originally part of Hegel’s analysis of changed human relationships due to the intrusion of relations of authority.

Marx’s practical approach to what he believed was a philosophical as well as a social problem involved the organization of the workers in an all-encompass-

ing “party” which he saw as a necessary part of re-providing meaning in a world in which alienation meant that labor was meaningless. The act of collective organization would make a new social world in which the significance of relationships would be restored. Secondly, that party would make a revolution which would end the social relations that lay at the root of the alienation.

After the experience of the twentieth century, it is not hard to see the ways in which the second part of Marx’s prescription was filled with error. But the source of the error lies in the first part of the analysis,; namely that a social organization (such as a political party) can really constitute a significant and sustaining “meaning.”

The problems inherent in Marx’s analysis — and its increasing persuasiveness and popularity — became more acute as a result of the damage inflicted by the First World War. The World War marked a general brutalization, a nationalistic mobilization of passion and hatred, which permanently scarred those who survived the experience of the trenches. Some of the fighting took on a genocidal quality, bringing an experience that had previously been confined to Europe’s colonial experience, back to the old continent.

The War and its aftermath also added a new dimension to social conflict. In part, this was because of its massive effect of dislocation. Many workers were mobilized and replaced by others, and after the end of the conflict they wanted to return to their old positions. Inflation affected incomes and made struggles over wages much more central. Without wage increases there would be very substantial income reductions. In part, the War also prompted a new level of industrialization with a widescale use of unskilled labor, and large new industrial concentrations or enormous new factories. This was the experience in Munich, Budapest, and Turin.

After the War, Europe and indeed the world was shaken by much more macro-economic instability. There had of course been trade-cycle downturns in the nineteenth century, but the experience of the 1920s, and especially that of the Great Depression of the 1930s, was quite new: sustained mass unemployment. Again, the workplace seemed to be the center of every political and social problem. Many people responded by arguing that it was a prime task of politics to respond by fighting a war against unemployment.

In doing this, they found that they were confronting a set of really insoluble policy dilemmas. Working class parties had previously argued that one of their primary goals was to improve living standards for their members. In the 1920s, many such parties were in political power, or close to attaining power: they were no longer the ghettoized political community that they had largely been before the First World War. In order to attract votes, they explained that they would make life better for their voters. The Austrian and German socialist theo-

retician Rudolf Hilferding actually formulated a theory of a “political wage”: The voter could choose his wage level. However, the greater the wage pressure and the more widespread the theory of the political wage, the more depressed investment levels became, and the higher the level of unemployment.

The orientation towards the wage issue and the emergence of unemployment as a scourge seemed to bring a bankruptcy of democratic politics since the promise of politics seemed more and more removed from the real performance of politics.

At this time, political parties organized more and more around the workplace. This was the formula for the success of communist parties in Western Europe, as well as in Russia, where the communist party had first asserted itself in 1917 in factory councils (soviets). This development — in which political action focused on conflicts of interest and on the economics of redistribution — had very harmful consequences.

One sphere of human activity, work in the factory, was reified to constitute the principle determinant of reality. The “worker” was glorified by propaganda of the socialist left and the nationalist right, and it replaced the idea of “man” standing in a complex of social relations, friendships, and family ties. It had always been one of the strongest elements of the socialist critique that the new character of work in the factory destroyed or made impossible old-style family relations.

For much of the twentieth century, then, politics was seen through the prism of a particular concept: how antagonistic interests had developed in a conflictual society. This excluded debate about the freedom or dignity of the individual and the family, but it also made the actual business of political society — providing a basis for stability — impossible and unsustainable.

Politics in most advanced industrial countries amounted to a relatively simple redistributive struggle. The left thought of policies — taxation, subsidies, state insurance systems, the provision of education and health services — that would make income and wealth distribution more egalitarian and equalize life chances. Meanwhile, the right wanted to avoid redistribution and thus to preserve as much of possible of its richer endowment of assets. The assumptions of both sides depended on the absence of big international movements of goods, capital, or labor. Redistribution took place within a decidedly national context.

With great economic openness, however, such as existed before the First World War, or such as existed again at the end of the twentieth century, the assumptions underlying the distributive conflicts were no longer valid. Global flows threaten expectations about income and wealth distribution. The right would now see rent income diminished by global competition. For a substantial part of the left, labor and goods mobility undermines the incomes of the less

skilled and the under-privileged. The defense of the idea of work now involved imposing tight controls on movements across frontiers, and in setting up nation-states that would manage national economies in isolation from the rest of the world community.

The late nineteenth and early twentieth century era of globalization holds a parallel for this contemporary development. The land-based European aristocracy was weakened by the competition of cheap grain and other foods shipped across the oceans. As farm prices and rents fell, the aristocracy faced economic decline. They often mobilized small-scale farmers, artisans, and small producers, who shared the landed elite's belief that unfettered competition was harmful (as indeed it was to them). For these groups, globalization amounted to an unpleasant sort of redistribution. On the left, a growing industrial working class wanted to use political power to change economic relations — to advance more progressive tax policies, or to stop the use of tariff protection in defense of the old order. In the center — which was increasingly beleaguered by the anti-global reactions of left and right — a liberal commercial elite saw the products of economic opening or globalization as wholly beneficial. Instead of a two part split between left and right, there was thus a triple division, among anti-globalization conservatives, pro-globalization liberals, and redistributionist leftists.

When the extremes of the political spectrum became radicalized, as they did in the interwar period (the anti-international right moved to fascism, the left to revolutionary communism, the result was frequently a paralysis of democratic politics. There could no longer be coherent parliamentary majorities. With the mid-twentieth century economic crisis that destroyed global integration in the wake of the Great Depression, however, the preeminence of the nation-state was reasserted. After the collapse of world trade and capital flows in the interwar depression, and as international migration became severely limited, the conflicts which mobilized fascists against communists, or communists and fascists against the democratic liberal order, could no longer arise. Politics thus became much simpler and allowed a stabilization of democratic practices. The nation and the nation-state, and its control over economic policy, formed a protective carapace of labor, now conceived almost entirely in *national* terms.

The old triple polarization, however, has begun to return with the new wave of globalization. Again, there is an anti-international right that has come to play some role in all the major industrial countries, and that tries to defend existing prosperity and property rights from the wild vagaries of the international market. In the United States in the 1990s, the protectionist impulse was embodied by Patrick Buchanan in an extreme right form, and by Ross Perot in a new centrist-populist style. In Europe, this sentiment is effectively galvanized by hostility to the European Union.

The protectionist anti-globalization impetus of the left is less visible in political parties than it is in labor union movements, but these in turn can shape political programs. For unions, the new right is a competitive challenge for support. For their members, international competition is a major threat as imports or immigrants may cut wages for less skilled workers. Consequently a demand for the exclusion of the products of “unfair competition” is transmitted to mainstream, center-left parties, such as the socialist party of France or the U.S. Democrats. The fear of lowered wages plays into a broader coalition based on umbrella anti-globalization resentments directed against multi-national corporations and international financial institutions.

In the modern center there is something quite similar to the endangered liberal order of late nineteenth century Europe: the political movement of an elite that espouses globalization largely because it benefits from it. This is the group that has cynically been termed (by the philosopher Richard Sennett) “Davos man”. It is hardly likely that such a program — presented in these terms — would ever command massive electoral popularity. The costs of globalization, and the resentments that it generates, are too obvious. This type of party, committed to simple liberalization and opening, rarely moves beyond the range of five to ten percent of the vote that the German FDP attracts. When Leszek Balcerowicz’s Freedom Union in Poland won 17 percent in a parliamentary election in 1997, this represented a stunning success. The current opinion polls indicate a support of only around five percent — which is actually the “normal” level for this kind of political movement.

The new politics creates a widespread feeling of malaise. The old political movements of the twentieth century are largely exhausted: classic conservatism because the world is changing too rapidly for conservatism as stasis to be coherent or appealing any more; and classic socialism because the rapidity of change erodes traditional labor positions in exactly the same way. The bankruptcy of these two very respectable but now quite out-moded positions leaves the path open for a new populism, based on an anti-globalization groundswell, that is inward-looking and likes the idea of the revival of the nation as a protective bulwark against foreign goods and foreign migrants and foreign ownership. The populist reformulations are fundamentally at odds with the universal values which still form a core of western political traditions.

It seems clear from this analysis that a rethinking of the politics of interest and the politics of work is urgently required. That was indeed the task that Leo

XIII set for the Church, and it has remained a focus of discussion, notably in the great encyclicals concerning the social teaching of the Church.

The foundation for the modern social teaching was laid by Leo XIII's encyclical *Rerum Novarum*. It analyzed the new problems of work in industrial society, «it gradually came about that the present age handed over the workers, each alone and defenseless, to the inhumanity of employers and the unbridled greed of competitors. A devouring usury, although often condemned by the Church, but practiced nevertheless under another form by avaricious and grasping men, has increased the evil». (6) The encyclical both condemned such exploitation as well as the collectivist response of a working class organization aimed at transforming social relationships — in short hand — attacking the institution of private property. Indeed it logically and precisely identified the problem of thinking in terms of collectives, «It is a capital evil with respect to the question. In this discussion we wrongly assume that one class of Society is of itself hostile to the other, as if nature had set rich and poor against each other to fight fiercely in implacable war». (14)

The encyclical saw the Church's role as not simply diagnosing an evil, not even just in finding the cure, but also in administering the remedy (21). Translating the remedy, the application of Christian teaching and the economy of rights and duties according Christian philosophy, into the practice of the world was deeply problematic, however.

One solution, that the state should protect workers, held some attraction, but a very limited one, as the encyclical emphasized. Such an attempt to deal with the consequences of social distress is subject to the difficulty that the state itself rapidly gets drawn into the world of interest conflicts. Instead of arbitrating, the state becomes a party, and the partisan quality detracts from the ability of the state to pursue its general mission of the protection of all. If this course is pursued too far, the state becomes simply another agent in the class war, and by this action, intensifies that war.

For these and other reasons, the encyclical is cautious about endorsing state action as the major solution. Instead, it emphasized the necessity of unorganized and voluntary or spontaneous responses to social problems (48), and it saw in Catholic voluntary associations a major alternative to the associational structures of trade unions affiliated with socialist organizations and dedicated to the cause of class war.

While these played a significant part in the political and social history of some countries, they were by no means a determining influence. In many cases, their competitive relationship with the socialist unions meant that they took on many features of those organizations. By mid-century, indeed even by the time of

the Great Depression, the idea of specifically Christian labor unions was in full and fast retreat.

The solutions envisaged in Pius XI's encyclical, published on the fortieth anniversary of *Rerum Novarum*, raised even greater problems than those of its precursor. It shared the acute diagnosis of *Rerum Novarum* but found prescriptions and remedies that eventually proved unsuitable and misleading. The encyclical *Quadragesimo Anno* set out an even-handed condemnation of the materialism of individualist capitalism and socialist collectivism, and sought to identify a middle or third way between two evils, presented as two rocks that could destroy navigation (46). It regarded the Church as holding the balance between two wrong philosophies, «Just as the unity of human society cannot be founded on an opposition of classes, so also the right ordering of economic life cannot be left to the free competition of forces». (88) There is a problem in such an approach (actually analogous to modern suggestions about a “third way” in western European politics) in that by setting up this opposition and thinking of a *via media*, the encyclical inevitably encouraged many to the wrong assumption that a solution should be sought on the same level of argumentation.

The difficulties emerged precisely because this way of thinking encourages a search for a solution that is like liberalism or socialism, but slightly different. Unlike its predecessor, *Quadragesimo Anno* had to grapple with the economic issues arising out of large-scale unemployment, «For everyone knows that an excessive lowering of wages, or their increase beyond due measure, causes unemployment». (74) Concern with the details of wage setting brought new problems. There were, the encyclical reasoned, two circumstances under which there might be pressure to reduce wages: if the business had made bad business decisions «because of lack of energy or lack of initiative or because of indifference to technical and economic progress,» a cut in wages was not justified. In this case, the presumed (but unstated) just solution was for the inadequate enterprise to go bankrupt, so that the bad employer, not the innocent employees, would be punished. If, on the other hand, the pressures on the business which led to difficulty were external (as might be assumed plausible in the world of the Great Depression) the fault lay elsewhere and «those who are the cause of the injury are guilty of great wrong». (72) But this raises the obvious question: who are they? Should the encyclical not be more precise? A systematic search for blame or sin is hard in a complex society, where outcomes are shaped by the interactions of many people and do not arise out of the intentions of any one. To take an obvious example from the world of the Great Depression: no one wanted the Great Depression, and modern historians find it impossible to say *who* was to blame (they are good at analyzing structural causes, the weakness and under-capitalization of financial systems etc.).

The encyclical should obviously be seen as a product of its age, in which there were furious debates about speculators and other villains — but then, as indeed now, such language is really unhelpful in understanding the logic of destructive panics. It does not and can not assess the way in which action in a complex social setting has a long chain of unintended and unforeseeable social consequences. It is, in short, not really suitable or usable as a social doctrine. What the encyclical left instead seemed close to a message of despair, coupled with a (misplaced) hope that state regulation (if undertaken in the right spirit) might correct the problem, «Free competition has destroyed itself; economic dictatorship has supplanted the free market; unbridled ambition for power has likewise succeeded greed for gain; all economic life has become tragically hard, inexorable, and cruel.» (109) But the encyclical half appeared to endorse this outcome, «Free competition, kept within definite and due limits, and still more economic dictatorship, must be effectively brought under public authority in these matters which pertain to the latter's function». (110)

In retrospect, *Quadragesimo Anno* appears as an interesting reflection on the question of how a social doctrine might be established but also as a flawed product of a flawed age.

One hundred years after *Rerum Novarum*, the character of work in industrial societies had changed quite dramatically again. With the decline of vast-scale factory production it became easier to look for human dignity in work again. *Centesimus Annus* is full of subtle perception about the way in which the structure of the economy has changed, but also on how some of the issues that had plagued Europe during the early years of the industrial revolution (long hours of work, harsh labor conditions for women and children, exploitative owners) had now appeared in poor developing countries.

It abandons completely the idea of looking for a middle way between socialism and capitalism. In socialism, «Man is reduced to a series of social relationships, and the concept of the person as the autonomous subject of moral decision disappears, the very subject whose decisions build the social order». (13) The critical emphasis is laid, as elsewhere in the new teaching of the Church, on freedom and responsibility. Only on the basis of free and autonomous decisions can morality be a guide.

«Man tends towards good, but he is also capable of evil. He can transcend his immediate interest and remain bound to it. The social order will be all the more stable the more it takes this fact into account and does not place in opposition personal interest, and the interests of society as a whole, but rather seeks ways to bring them into fruitful harmony. In fact, where self-interest is violently suppressed, it is replaced by a burdensome system of bureaucratic control which dries up the wellsprings of initiative and creativity». (25)

A doctrine of responsibility does not simply label human endeavors at organization as harmful but explains why and wherein the harm consists. Freedom and dignity are related. Freedom is the basis for the effective release of ingenuity and creativity. Work is not a place of necessity but an area where responsible and informed choices can be made. The same judgment holds good of the other side of the social equation: the behavior of managers and owners. Without analyzing the room for choice, there is no possibility of a business ethic. Such a doctrine requires the end of a concept of “work” as a special sphere, independent of other traits of the human personality and divine grace. This was indeed the essence of Blessed Josemaría’s message in 1928.