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# UNIT 7 BUREAUCRATIZATION

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## 7.1 INTRODUCTION

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This Unit will explain the coming of bureaucratization as an institution in the modern era. It will also attempt to show the way in which our life has been fully encompassed by different forms of bureaucracy, even those, which we think are engaged in fighting against it.

Bureaucratization could be said to encompass the processes both of the centralization and expansion and of the professionalization of all institutions; and this happens as much in government as in the other principal structures of power like political parties, trade unions, corporations, the armed forces, and the educational, religious, legal, and medical and other technical establishments, as also what has come to be known as the non-governmental organizations.

Its principles are well-known. It consists in centralizing decision-making through a tight chain of command, appointing professional “experts” through uniform criteria of examination and certification, demanding impersonal adherence to rules and laws, and attempting a nearly full calculability of action. An official in any one of these hierarchies acts impersonally, on the basis of expertise, and obeys and issues instructions which are “legitimate”, that is, framed in accordance with the law and the rules and regulations that derive from the law. The individual official may be replaced effortlessly, and the system functions like a machine with moveable replaceable parts. It is immensely attractive to all modern rulers, who are always looking for instruments of rule that are effective, politically reliable, impersonal, and professional.

But bureaucracies are only instruments of modern rulers: they are not the rulers themselves. How rulers are chosen is varied; but in most of the world it occurs through some form of election rather than rising to the top of a bureaucracy. The electoral processes are not bureaucratic even if they must submit to rules most often; but the electoral machines like political parties and their supporters are or attempt to be thoroughly bureaucratic organizations. **Thus, those at the top who ultimately rule, reach that position through processes that are not bureaucratic; but they rule through instruments that are bureaucratic.**

These occur alongside what is known as democratization. This appears as a paradox, since it is always assumed that bureaucracy and democracy are opposed in principle. Indeed they are, but they can and do coexist and even reinforce each other. But more, if we understand democracy, not as rule by the people so much as legitimation of rulers by the people through elections, then bureaucracy is fully compatible with it. Further, democracy also implies the active citizen asserting rights in numerous spheres, claiming

new rights, forming organizations to promote them, and participating in the political process. Every one of these actions by the active citizen requires powerful organization and funding; and even the active citizen furthering democracy acts through a bureaucracy. He advocates, promotes, and consolidates democracy through, among other things, more bureaucracy. For example, a non-governmental organization is set up to empower a citizen's group in some sphere of activity. It is set up first of all according to procedures laid down by the law; it must raise funds and function according to the charter permitted by law; its functioning is open to scrutiny; its officials are appointed in a hierarchy for fixed terms for their recognized expertise; and they are answerable to a general body. Not all of this might occur with the rigour that is implied by this bald statement, but this does apply to all large bodies, and it is the orientation of lesser ones. Innumerable small and often ephemeral bodies are formed to fight for the rights of citizens; but they must become bureaucracies, small or big, to do so effectively; and the largest and most famous of all of them are of course the political parties themselves.

The phases and processes through which the expansion of bureaucracy and professionalization has occurred have been necessarily uneven, both across countries and within countries. Usually, the armed forces, police, and civil services have been the first to do so thoroughly, followed by the business corporation and the political parties, and what are known as the "free" professions, those of education, the law, and medicine, with the non-governmental sector coming last. Significantly, in Europe and the Christian world in general, the Churches have been among the earliest to have become regular bureaucracies, perhaps earlier than the state itself. Between countries, Britain and Germany exhibit higher levels of bureaucracy in the first half of the nineteenth century, with France following and Russia coming far down the list; but in the course of the twentieth century, especially after World War I, all of them did so with a vigour and energy that yielded extraordinary results in World War II. It would suffice here to deal with just the bureaucracies of the state, of the party systems, and of trade unions, to suggest the manner in which all structures, including the ones that were most opposed to bureaucracy and professional career, have submitted to that very logic.

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## 7.2 BUREACRATIZATION AND THE STATE

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It is customary to note the process of formation of bureaucracy from about the fifteenth until the eighteenth century in Europe as royal absolutisms imposed themselves against feudal nobilities. However, this was more a process of centralization of power in the hands of the king, not of its professionalization in the manner of a modern bureaucracy. The king gradually monopolized power and appointed his own officials to collect taxes, administer justice, and run the armed forces, denying such powers to the feudal nobility and other estates. The nobilities and estates could now merely act as employees or agents of the king, no longer in their own right. In terms of professional capacity, the persons employed by the king were no different from those of the great feudal magnates. They were chosen for their loyalty (combined with competence of course, but often that was a limited consideration), and appointments were acts of personal whim and patronage. The king merely commanded a larger area of patronage with greater resources and higher stakes to play for. By this means the modern state, as the monopolist of the exercise of legitimate coercion, or the absolute centre of power in any single territory, was established by the eighteenth century; but its institutions were not the modern professional ones we know today.

That transformation occurred in the nineteenth century in Europe by when the challenge from feudal nobilities and local estates had been overcome, and the modern state accumulated apparently unlimited resources through industrialization. The challenge before the state was to harness and exploit these vast new resources and ever newer

sources, both material and human. Generating and exploiting material resources took the form of industrialization; doing the same with human resources took the form of social mobilization. Entirely new institutions and professions were required for these activities; and the emergence of professional bureaucracies takes place against this background. The first of these were the direct servants of the state, the civil servants and the armed forces.

The direct activities of the state vastly expanded, starting with Britain from the 1830s, and with it, the number of employees of the state. This occurred with interventions by the state in the fields of factory inspection, public health, municipal administration, school education, poor relief, all in a wave of “reform” in the 1830s, topped by the parliamentary reform of 1832 when the franchise was extended. But all these were accompanied by a comparable campaign against “corruption” and in the cause of “efficiency.” By corruption the reformers meant the system of patronage in place since the sixteenth century, by which officials were appointed as personal favours, salaries were distributed for doing little or nothing (sinecures), and worse still, persons could buy their jobs, as happened especially with army officers (purchase of commissions). The sweeping reforms of the thirties and forties did away with many but not all of these practices, and appointments now began to take place against proven professional qualification, especially through the competitive examination. Thus officialdom both vastly expanded and became immensely more professional.

This was when schools became modern centres of high quality education, mutating from the Dootheboy’s Hall caricatured in Charles Dickens’ *Nicholas Nickleby* to Thomas Arnold’s public schools, celebrated in *Tom Brown’s Schooldays*. Similarly, universities became centres of modern professional education, and academic scholarship itself became a new profession. In the eighteenth century, the education of an aristocrat did not require a university, but it did need the “grand tour” of the courts of Europe, to learn manners and acquire social contacts. In the nineteenth century, the grand tour was discarded, university education became indispensable, and Oxford and Cambridge assumed their formidable reputations and positions of eminence. All these systems were dominated by competitive examinations.

The process was completed in the next wave of reforms in the 1860s and 1870s, during the first government of W. E. Gladstone (1867-1874). In stages from 1870, entry into the civil service was to take place through competitive examination; purchase of commissions in the army was abolished; in 1873 seven courts of law dating from medieval times were merged into one Court of Judicature, and the obviously unprofessional judicial functions of the House of Lords were terminated; and in 1871 the Anglican Church’s monopoly of teaching posts at Oxford and Cambridge was ended. Disraeli’s government in 1874-1880 followed up with welfare measures which furthered the first series of the 1830s: a maximum of 56.5 working hours per week; further restrictions on the legal age for employment; the effective introduction of what has become almost a religious observance in developed countries, the weekend; regulation of working class housing; laying down standards for sewage disposal; controls on the adulteration of food and drugs; restricting the pollution of rivers; establishing safety limits for the loading of ships (the Plimsoll Line), and much else.

As may be gauged from this extraordinary series, each sphere of expansion of government activity demanded the recruitment of a fresh body of professionals, whether to inspect factories, to work out sewage disposal systems, or to control pollution. In each case problems had to be diagnosed, solutions proposed, and standards established, all of which required advanced academic competence gained from the modern university system; they then had to be enforced which required bureaucratic “efficiency”; and

more had to be prepared for as newer areas appeared for intervention with each technological advance or with “progress.”. The process was never-ending; government became gargantuan and ever more “bureaucratic”; but the demand for more and more of it was insatiable. The professional took charge everywhere; and education itself became a form of investment for the accumulation of a new kind of capital that yielded the richest dividends.

This process was slower in France, despite the French reputation for absolutist states, royal bureaucracies, and Napoleonic efficiency. These high levels of professionalism and bureaucracy were attained in Paris, but the province remained in the hands of local interests to a degree greater than in Germany or Britain, although less than in the Mediterranean. Napoleon certainly conceived of bureaucracy as a perfect chain of command in which the central authority issued instructions that passed “swift as an electric current” to subordinates, that is the prefects (like the district magistrates in India) governing the 83 departments (districts), sub-prefects in the *arrondissements*, and mayors in the 36,000 communes. The model was of perfect bureaucracy, and the prefect enjoyed ample power of every kind that a government in a modernizing state can possess and hence dispensed patronage as a local potentate. For that very reason local interest groups consisting of landlords, businessmen, the Church, unions when they arose, and peasant lobbies, all competed furiously to gain control of these appointments; in effect these offices became agents of local factions and clans rather than of the state itself. Already, by 1866, 37 percent of the mayors were farmers; after they began to be elected from 1882, that trend was accentuated. By 1913, 46 percent were farmers, and in the smallest communes as many as 78 percent. Thus appointments became arbitrary; transfers were frequent according to local factional struggles, officials were overtly political rather than neutral, they were expected to ensure the election of local politicians, and they were punished or rewarded according to their performance in such matters. It was in everybody’s interest to resist rationalization, and the competitive examination system was introduced only in the 1880s. But thereafter the process gathered momentum, and especially after World War I France became another typically advanced industrial society in these respects. As the above account indicates, there could be considerable differences between different states and images and ideals may be only distantly related to reality.

Russia occupied an extreme position in these respects, both before 1917 and after. In the nineteenth century, this was an undergoverned country despite the extraordinary concentration of power at the top. The towns and the provinces were left to various forms of local self-regulation (but not self-government) by local notables and factions, all in a manner that did not challenge the power of the state. Until the forties officials were astonishingly untrained, with high rates of actual illiteracy. But a new educational system was set in place from the forties, with new universities like Moscow and Kazan, and a new generation of qualified officials took up positions during that decade. In forbidding conditions they relentlessly pursued their goals of professional excellence and “progress”, none of which meant democracy but certainly did mean efficiency; they were especially concerned to eliminate arbitrariness and to establish the rule of law and rational administration. It was thanks to the efforts of this generation that the “great reforms” of the sixties were carried out, that is, the abolition of serfdom, the introduction of elected local government bodies known as the *zemstvo*, the creation of professional advocacy and courts of law that acquired a European reputation for high standards, and increasingly higher standards in the civil services and armed forces. However, a uniform competitive examination system was never introduced and appointments remained acts of patronage. But this patronage was exercised among a widening pool of expert manpower thanks to the education system expanding and improving in quality

at so rapid a rate. The greatest extension of government was perhaps in the zemstvo and the municipalities, in the domains of public health, elementary education, agronomy, collecting statistics, maintaining communications and other aspects of local modernization. These were all jobs carried out by armies of graduates of universities and sundry higher educational institutes, especially medical, technological, or engineering institutes. They were known as the “Third Element”, so called because the first was the nobility and the second was the bureaucracy in local society; but this Third Element was the backbone of the effort because they were the “experts.”

In Soviet times, these processes were carried far, with high levels of professionalism and specialization, as in advanced industrial societies. Owing to the immensely rapid rate of industrialization, collectivization of agriculture, and other processes of modernization, the administrative structure was professionalized at a similar rate, not the half century and more that Britain took in the nineteenth century. The greatest stress was placed on technical education to optimize industrialization, and a vast body of competent managers and technical staff poured out of these institutes to run the economy. Just as Western bureaucracies present a public image of training in the humanities, law, and the social sciences, the Soviet image of the administrator was of technocracy; but all were uniformly professionals selected for their expertise, combined with loyalty to the regime in question. However, there were notable variations. All activity was bureaucratized and professionalized, not only the direct activity of the state and of the Party, but even of professions which are in principle utterly inimical to these forms of organization or regimentation, namely writers and artists. Even these were required to form their own organizations to carry out their creative work, like officials, within such structures. The Union of Writers is merely the most well known. This did not in fact prevent works of great significance and originality being produced, but authors were answerable to the state in this fashion. The state provided patronage and support through these institutions, and demanded from them that standards of excellence and expertise be established and enforced. It thus elaborated hierarchies of achievement and patterns of recognition, which, in the West, was substantially the work of the market.

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### 7.3 BUREAUCRACY IN POLITICAL PARTIES

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Political Parties, like all else, tended to become bureaucratic structures as they transformed themselves into large mass organizations from the 1860s and 1870s especially. In the UK, the party used to be a loose association of groups engaged in local politics, with great variations on issues of concern and forms of functioning. But then the following changes occurred: 1) From about 1867, the local party club network expanded enormously, with each party, Liberal and Conservative (or Tory), organizing its own brass band, football clubs, benefit societies, and even building societies in a great wave of mobilization that was apparently non-political, but was designed to foster political loyalties to the party that was promoting this range of action. 2) Each of them organized their own “Constituency Associations” consisting of local voluntary activists, who came to be known as the “caucus.” These associations were centralized in a national party body: for the Liberal Party it was the National Liberal Federation from 1877, and for the Conservatives it was the National Union of Conservative and Constitutional Associations (NUCCA) from as early as 1867 but acquiring momentum in the 1880s. 3) This structure allowed the central party leadership to impose strict discipline on the local party units, especially to decide electoral strategy, candidates for election, electoral alliances, and so on. The typical party bureaucrat, known as the party agent, appointed by the central command, now supervised these associations. His main job was to ensure that party supporters were entered on the voters’ lists, to provide intelligence to the centre on the public mood, and to impose discipline locally.

The results were evident in the nineties for the Conservative Party which was better organized than the Liberals: in the 1850s, governments suffered 10 to 15 defeats in parliamentary votes in a year; from 1900, the average was just one per session. By 1914 the party had become a centralized bureaucratic machine that overrode local, individual variations and preferences and headed toward becoming a mass party with a larger and larger electorate. The local enthusiast, activist, or notable was overtaken by the party official from the centre, in the manner that royal bureaucracies subordinated the remnants of feudal aristocracies all over Europe between the sixteenth and eighteenth centuries; and independent members of parliament were increasingly a thing of the past.

This process continued throughout the twentieth century, with the Labour Party following suit when it replaced the Liberals as the alternative to the Conservatives from the twenties. In the Labour Party also, the candidate is formally selected by the constituency body, but this is subject to central control. The sovereign body is the Annual Conference of delegates and members, but its resolutions are never binding on the party whether in government or in opposition despite the many pious and ideological statements to the contrary. The conduct of members in parliament is decided solely by the central party bureaucracy. This party makes loud claims to its being more democratic than others; but it is like any other, a mass organization run by an oligarchy through its paid bureaucracy.

The German party system developed in comparable manner. The Social Democratic Party or the SPD by its German acronym, formed in 1875, and from the 1890s rapidly became a mass party with a large trade union base like the Labour Party. Indeed, the German civil service became something of a model across the ideological spectrum, from the right wing pressure group, the Agrarian League, for corporates like Siemens and Krupp, and even for its bitter antagonist, the SPD. As with the Labour Party, the Party Congress is the sovereign body; but not only does it meet only once in two years after 1914, but the party leadership and the parliamentary party (the group of members of parliament) known as the "fraktion" in the Bundestag (parliament) has the decisive say. The conservative opposition, the Christian Democratic Union or the CDU, differs only by being a trifle looser. It has tended to be more dominated by personalities, especially Konrad Adenauer, the Chancellor (prime minister in Germany) from 1949 to 1963 and party chairman until 1966. However, in fundamentals of organization, it differs little from its principal opponent, the SPD.

The contrast, to some extent, is France and the Mediterranean states. France, despite its fearsome reputation for Napoleonic bureaucracies, in fact possessed parties with weaker organizational structures than the German or British counterparts. The reason is perhaps more to do with the size of parties: the German SPD had 1.7 million members in 1914, the British Conservative Primrose League could boast more than 2 million members, while the French Section Française de l'Internationale Ouvrière (SFIO) had only 35-75,000 members and the Action Libérale Populaire only 250,000. In France, local influences and personalities counted for more than national organization. Local bodies of the village and canton decided on candidates, provided the election machine, organized the campaign, and grabbed the benefits in case their candidate won the election. The benefits were the usual patronage of the state, jobs, subsidies, relief, contracts and the like. The national party organization had great difficulty exercising control over deputies (members of parliaments), for, if these deputies kept their local supporters happy, there was little the national body could do. In these senses, French parties reflected the localism and patronage politics of the French bureaucracy also.

These features changed after World War II, especially with the Communist Party (PCF) being such an excellent bureaucracy in typically Stalinist fashion, with its professional training and strict enforcement of the Party line from above, to the extent of its not

allowing even direct communication between party cells at the base. These cells were required to communicate only with their superior levels, that is vertically. This, it should be noted is one of the typical features of the bureaucracy of state, where communications between departments must take place only with the permission of the head of the department and not between lower officials in the hierarchy.

The most obvious cases of party bureaucracies are those of the fascist and socialist states. The fascist bureaucracies formally submitted to the “leader-principle”, that is, a single charismatic leader controlled the entire movement, the party, and where appropriate, the state itself. But in modern times a single leader cannot control personally such vast machines as those of industrial societies; and however charismatic, energetic, or able the leader or dictator, he could not be any more personal in his choice of officials than the American president is: he had to submit to the logic of bureaucratic structure to get things done. These forms of leadership were chosen differently from those of the electoral systems of the democracies, they provided a different ideological direction, and they adopted a distinct style of their own; for the rest they ruled modern industrial or industrializing societies through familiar structures of bureaucracy.

The professionalization and bureaucratization of political parties is arresting for the party having been originally conceived as an agent of democracy against the bureaucracy of the state. A considerable amount of democratic rhetoric is employed by these bodies to mobilize mass support and to further their campaigns to influence the state. But the process of representing mass electorates and securing their support imposes its inexorable logic on these organizations; and they must summon the professional to use all the techniques of management and administration to ensure the required results. In addition, parties aspire to install their own governments or actually do so, in anticipation or furtherance of which they replicate the structures and functioning of the government itself. As a result, multiple bureaucracies of professionals emerge, those of the civil service itself, and those of the respective political parties.

In the case of single party states, there are ostensibly just two such bureaucracies, those of the party and of the state. But in fact there could be many of them, all hierarchies competing for the attention of the Leader and bases for manoeuvring into the top position. Thus, even in Hitler’s Third Reich, the following structures competed with each other, and each one of them could have provided the avenue to the top: the Nazi Party itself or the NSDAP; the SS, headed by Himmler, who thought of himself as the successor; the armed forces, which periodically conspired to overthrow Hitler and eventually provided the actual successor in 1945, Grand Admiral Doenitz; and the security services. This feature was more pronounced in the fascist and conservative dictatorships that spread across Europe in the inter-war years. Such competition however does not and did not take the form of elections, for which reason they are not called democratic. The most extreme and lucid case is that of the Soviet Union in which a single bureaucracy ran the country, that of the Party itself; it provided the sole arena to aspire for power; and all competition to reach the top took place strictly within it. All the other bureaucracies were strictly subordinate to it and never did challenge its monopoly, whether they were the planners, the managers, general administration, the armed forces, or the security services. As such, this single Party was, in itself, like the multiple party system of the liberal democracies, for in each case either the single Party or the multiple parties was the sole avenue to power, not the military, the paramilitaries, the civil services, the religious hierarchies, the corporate structure, the legal establishment, or the academic system. As has been noted earlier, the manner in which leaders and rulers are chosen in modern bureaucratic societies is not bureaucratic, but the instruments with which they rule are uniformly bureaucratic across the ideological divides.

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## 7.4 BUREAUCRATIZATION IN TRADE UNIONS

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Unions is the other typically democratic institution of modern times, embodying the hopes of the “exploited” to secure a just distribution of power and wealth. They are arguably also the first and most significant of the non-governmental organizations (NGOs). Their origins and formal procedures are quintessentially democratic: they were and are voluntary associations mostly of persons asserting their rights. Through most of the nineteenth century they were just such bodies, sprouting in factories and workplaces as and when occasion demanded, usually to protect their wages or to demand higher wages and shorter working hours. Factories were small in size, unions were also small, and the negotiations were highly personal, between a few workers and an employer.

But dramatic changes occurred from the eighteen seventies, with a new wave of industrialization, new technologies, and new structures of management. Plant size became larger, technologies diversified and grew in sophistication, and management was separated from ownership, leading to the emergence of professional management. Workers’ protest actions likewise became all the more complex, larger in scope, covering many factories simultaneously, or a full industry or region, and negotiations between unions and management became more professional and less personal. Along with the professional manager there emerged the professional union official. Two new bureaucracies began to face each other, those of corporate management, and those of the unions. Just as managers required academic qualifications, examination procedures for selection, and training programmes, union officials were now selected for their qualifications, subjected to competitive selection examinations, and were thereafter trained on the job. They were no longer just workers representing other workers; they could be anybody chosen for their skills at organizing research, framing plans for action, committee work, and negotiation. Negotiating skills were especially decisive, and among them high competence in mathematics and economics, since union officials were expected to negotiate ceaselessly on costs of production, productivity, profits, wage rates, standards of living, insurances, welfare and the like. But the demand went beyond negotiation. Unions had to prepare their plans on the basis of the state of the economy, not merely of a single factory or industry; their understanding of the economy and their capacity to convince a wider public about the impact of their actions on the economy and on the rest of the population became vital.

This became ever more demanding as union action began to play a role in national elections. Political parties across the ideological spectrum, from left to right, prospected for support among unions; and the social democratic or labour parties with socialist ideologies were especially energetic and commanded the largest following among the working class. As unions supported particular political parties, they needed to plan, advertise themselves, and act in tandem with the political parties and their priorities. The party bureaucrat and the union bureaucrat had to work in unison, both leaving the rank-and-file voter and rank-and-file union member far behind. As socialist ministers entered governments from the beginning of the twentieth century, and as social democratic parties became governments or led coalition governments from the twenties, union, party, and civil service officials had to work together and on an equal footing with comparable levels of competence. For the purposes of national representation, unions built up national organizations to represent them. These were federations of unions, or head organizations, samples of which are the Trades Union Congress (TUC) in Britain, the Confédération Générale du Travail (CGT) in France, or the Deutsche Gewerkschaftsbund (DGB) in Germany. There could be more than one such federation in a single country, with each ideological orientation forming its own head organization



also. These are merely representative listings. Thus the original union of a single factory had first become a member of a federation of unions within an industry, and these federations then formed the national federation like the TUC. As may be imagined, these enormous bodies could be run only by full-time paid officials, not by workers taking time off work to look after the interests of other workers. These national federations also routinely negotiated and signed agreements with national federations of employers, a typical specimen of which would be the Confederation of British Industry (CBI) representing British capitalists.

How deeply immersed unions are in affairs of state and responsible for governance may be gauged from the examples of Britain and Germany after World War II. British unions emerged from the War with heady plans for 1) public control of core areas of the economy, including nationalization and extensive regulation of the private sector; 2) high levels of employment through demand management; 3) extensive welfare “from cradle to grave”; and 4) planning of investment, including even an ambitious scheme of a “manpower budget” that would make annual estimates of manpower requirements and availability so that investment could be planned to ensure adequate levels of employment. But it was all conceived in the manner that any civil servant might; there was no concession to “democracy” in these plans; and the TUC took the decision-making hierarchy for granted with workers at the bottom, and assumed that professional management, under the surveillance of the government of course, would ensure that the benefits reached workers. Democratic guarantees lay in the presence of the TUC and of the Labour Party, not of workers playing a direct role. Little of all this was achieved in fact, especially since the TUC was not committed to socialism or to planning and was merely anxious that the agony of the Depression years should not be repeated. Therefore it was satisfied with the extensive welfare system established, that about 20 percent of productive capacity was publicly owned, and that demand management kept employment levels high. Even this relatively modest achievement demanded considerable responsibility for governance and professionals to manage the role of the TUCs. They had to be good economists enough to understand that if they pressed their wage demands too far and were too successful, inflationary pressures would build up and real wages would not rise adequately, for which they would eventually have to take the blame. In like manner, they had to be nimble political managers to keep a friendly Labour government in power and to accept the constraints and responsibilities that power brought. All these were functions of professional economists, political managers, and officials, all far removed from the original ideal of a trade unionist fighting for his little union.

This is not a question of centralization of decision-making so much as of its professionalization. Thus, the British union structure is astonishingly, indeed bewilderingly decentralized, and the TUC has little control over the national federations and great industrial unions; deals are struck between unions in an industry and the corresponding employers’ federation, and often lower down the hierarchy; any union could negotiate anything and any agreement could be abrogated; multiple unions flourished in an industry, the bane of British industrial relations according to some; and even on the employers’ side multiple bodies flourished until the co-ordinating top body, the Confederation of British Industry was formed as late as 1965. This could pass for democracy; but it is a democracy run by officials, not workers.

German unions after the War were even more optimistic than the British because they were the only sector in Germany untainted by National Socialism. As codified at the Munich Congress of the DGB in 1949, they expected 1) co-determination (*Mitbestimmung*), that is, to run industry jointly with capitalists by having an equal number of union-appointed directors on boards of companies; 2) comprehensive welfare;

3) socialization of key industries; 4) unions to be non-partisan and organized for each industry; and 5) planning. Little was eventually achieved, chiefly because of the Cold War, the rightward political drift in Germany, and the continuous government by the Christian Democratic Union (CDU) all the way until 1963. However, what was attained was 1) advanced levels of centralization and of industrial unionism, eliminating multiple unions that had so plagued the Weimar Republic in the twenties and early thirties; 2) according to the Works Constitution Act of 1952 only one-third of the directors were to be from the unions, not half as originally hoped; 3) advanced welfare. In retrospect, this is considerable, and requires unions to play a major role in governance. In the most important two industries however, coal and steel, parity between labour and other directors had already been achieved by 1947 and was formalized in 1951. German union action is also marked by an advanced degree of “juridification”, that is, any action has to be according to the law in all its detail, union membership is totally voluntary, collective bargaining may take place only between unions and managements, and strikes may be organized only by unions and not during the life of a contract. Violations of these principles attract severe penalties at law and unions must function like any corporation with full legal liability. When the DGB amended its radical Munich Programme at Düsseldorf in 1963, only nationalization was reduced in importance while co-determination retained its pride of place. Thus unions have to function, not merely as pressure groups to extract what they can for their members, but more as partners in industrial governance, and therewith as another kind of management.

However, the trends are not quite so unidirectional as implied by the above account. A constant challenge is mounted from the base, from the rank-and-file, what are known in Britain as the shop stewards and in Germany as works’ councils or *Betriebsräte*. These are elected bodies at the lowest levels of organization; they represent the immediate democracy of workers; they are concerned only with the particular problems of their members; and they have been consistently more radical than the union bureaucracies. In Britain they have repeatedly erupted to challenge union leaderships’ dealings with managements and governments. In Germany however, the highly regulated union system has integrated even these potentially radical and independent bodies. They have been permitted to negotiate agreements in extension of what unions themselves do, for example with respect to bonuses but not wages. Thus dualism, or the co-existence of unions and of works’ councils, has been built into the system.

While the above picture may describe Western and Central Europe, the situation in the Soviet Union and East Europe (after 1945) was different in certain respects. Here also the union, party, management and state bureaucracies engaged with each other, each acting for its own constituency. However unions did not act to assert the rights of workers since they were already in a state which had abolished capitalists and capitalism, and the state itself claimed to be the promoter of the interests of workers. This matter was settled as early as 1921, at the Tenth Party Congress in Russia, when unions were denied the right to agitate on behalf of workers against management, and they had to accept the function of partnership in governance, with its necessary discipline. This was then derided as “statization” and bureaucratization. In effect in the Soviet Union, all four bureaucracies were different forms of state bureaucracies, functionally differentiated from each other like ministries, but all equally subject to the same political imperatives and leadership in a manner that was direct and constitutional. The role of the unions therefore was to ensure that the policies of the Party and of the state with respect to the welfare of workers were carried out and that productivity and discipline were maintained at appropriate levels. While labour policy was determined at the top, unions at the base engaged with management on deciding the worker’s wage category, work quotas, bonuses and the like, which typically the German works’ councils also dealt with. Unions participated in framing plans at the enterprise level, kept a watch on welfare and wage

aspects of the law, monitored disciplinary proceedings, and attended to all welfare matters like housing, recreation, education, and healthcare. Unions had distinct functions in the West and the East, but they belonged to networks of hierarchies of officialdom in symmetrical fashion.

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## 7.5 SUMMARY

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As may be seen now, four major bureaucracies dealt with each other, those of unions, employers, parties, and of the state; they wrangled, negotiated, conflicted, competed, or otherwise worked together from national to local levels in a complex and interlocking system of policy formation, decision-making, administration, and most of all government formation, collectively called governance. They were all professionals dealing with fellow professionals with comparable and compatible levels of qualification, work ethic, and self-interest, but each pursuing the case for its own constituency, somewhat like lawyers appearing on opposed sides in a structured legal system.

As the above account suggests, all spheres of public action have been professionalized and are run through bureaucracies. This is only to be expected of the armed forces, the civil services, and the security services, the principal arms of the state. But the complexity of modern industrial society, even in territorially limited states like Switzerland or Singapore, attains a depth which imperatively demands professional expertise and its corporate organization to be effective. The process therefore penetrates other spheres also. Thus entrepreneurship, with its origins in individual creativity and risk-taking giving rise to the legend and slogan of *laissez-faire*, has been transformed from at least the 1870s into corporate activity run by professional managers, and its origins, like most stories of origin, have entered the realm of myth. The stories of political parties and of trade unions have been told, of both setting out as self-conscious bodies of persons fighting off the pretensions and prestations of bureaucracy and capitalists respectively and themselves becoming parallel bureaucracies and partners in those structures of governance. Churches have always been tight corporate bodies that have demanded high standards of professionalism from especially the eighteenth century and are possessed of a degree of discipline and ideological certainty that would be the envy of the armed forces and communist parties. Even the academic system, while maintaining an image of freewheeling individualism, has become properly professional from the early nineteenth century, with universities and research and other specialized institutes offloading products on to the market like corporate houses, and academics being subjected to the severe test of the market place, as evidenced in the harsh slogan, “publish or perish.” Academic research is increasingly expected to consist of team work led by project investigators who raise funds on the market and organize vast bodies of team research by experts, which then appear on the market in a flood of articles, conference proceedings volumes, and serial monographs. The dogma and ideology of individual free choice and action retain their seductive charm; but it is possible to sustain that subjective conviction only thanks to the pluralism of the modern world which gives us a choice as to which form of bureaucracy and structured profession we may individually submit to, not whether bureaucracy itself is acceptable or not.

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## 7.6 EXERCISES

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- 1) What do we mean by bureaucratization in the Modern World.?
- 2) What are different forms of bureaucracy?
- 3) What are the elements that different type of bureaucracies have in common?