

The Anarchist Library
Anti-Copyright



Hierarchy of salaries and incomes

Cornelius Castoriadis

Winter 1979

Cornelius Castoriadis
Hierarchy of salaries and incomes
Winter 1979

Published in The Red Menace Volume 3, Number 1, Winter, 1979.

www.connexions.org

Originally published in CFDT Anjourd'hui, No. 5

(January-February, 1974), reprinted in Cornelius Castoriadis,
L'Experience du Mouvement Ouvrier: Proletariat et Organization
(Paris: Union Generale, 1974). Translated by Tom McLaughlin.

theanarchistlibrary.org

1. For several years now and especially since May 1968, the idea of self-management, of the effective control of production by workers, has ceased to be a utopian concept held by a few individuals and small groups, and has become a topic of frequent and animated public discussion as well as the programmatic position of such an important labour union as the CFDT. Even those who up to now were the staunchest opponents of self-management are gradually being reduced to defensive positions (such as "it isn't possible right now", "not absolutely", "it depends what you mean by it", or "we must test it first").

Someday it will be necessary to examine the reasons for this change. For the time being we can note that this is the destiny of new ideas in all fields, particularly in the social and political sphere. Their adversaries start by saying that such ideas are absurd, then say that everything depends on what meaning is given to them, and end up by saying that they have always been strong supporters. We must never forget that such a purely verbal "acceptance" of an idea is one of the best ways of robbing it of its vital energy. If those

who up to now were its strong enemies suddenly adopt an idea and take on the job of putting it into practice, we can be sure that, whatever their intentions, in the vast majority of cases the result will serve to emasculate it. There is strong evidence that modern society possesses an unparalleled virtuosity in the art of co-opting and sidetracking new ideas.

But in the case of self-management other important factors have aided its acceptance by some business leaders and politicians — something that no one could have predicted.

These factors relate to the profound crisis of the modern industrial system, the organization of work and the techniques that correspond to it. On the one hand it is more and more difficult to make workers accept tasks that are strictly limited, brutalizing, and totally uninteresting. On the other hand it has long been apparent that the division of labour pushed to absurd lengths — Taylorism, the attempt to fix the workers' tasks in advance down to the smallest detail in order to better control them — has passed the point where it benefits the business enterprise and now creates enormous difficulties at the same time as it intensifies the daily struggle in production between workers and those who would impose the system on them — a conflict which becomes more and more evident, for example, in strikes over working conditions.

The bosses say that this conflict cannot be reduced by granting wage increases, and faced with the collapse of the dream of complete automation, they are led to consider the introduction of some partial modifications in working conditions. Hence the projects and attempts at "job enrichment", autonomy of production teams, etc. Opinions may vary as to the real meaning and possible results of these efforts. However, two things are certain: such a process once started could very well achieve a momentum which might not be controllable by the capitalists and the state. On the other hand, since the present organization of society sets precise limits to such efforts, they will not affect the power of the hierarchical bureaucracies which really run every business, however small, and even less

will they challenge basic relations of power in society. Without a fundamental change, all modifications inside the business will have only a very limited significance.

In any case there is only one way to combat this dilution of the idea of self-management by the powers that be. We must make it as clear as possible, and draw out all the implications. Only in this way will we be able to distinguish the idea of a collective management by producers, the control of society by all men and women, from its empty and misleading caricatures.

2. In all discussions of self-management one fundamental aspect of the organization of business and society is hardly ever mentioned: hierarchy of power and of wages and incomes. However, as soon as one thinks of self-management beyond the limits of a production team, the hierarchy of power, and the chain of command as it now exists are necessarily called into question, and therefore so is the hierarchy of incomes. The idea that true self-management of an enterprise could co-exist with the present power is a contradiction in terms. What meaning could we give to the term "self-management" if we still had the same pyramid of power with a minority of bosses at different levels managing the work of a majority of workers reduced to following orders? In what sense could workers really run production and the enterprise if a separate group of bosses kept the power to make decisions in its own hands? Above all, how could workers take an active interest in the progress of the enterprise and feel that it vitally concerned them — failing which, any attempt at self-management would be defeated — if, on the one hand, they are condemned to passivity by having to maintain a system of leadership that makes the final decisions by itself, and on the other hand, the economic inequality finally persuades them that the progress of the enterprise is not their concern because it benefits only a small part of the personnel?

Similarity, in a much wider context the progress of the enterprise is affected in a thousand ways by the economy and society, and thus the self-management of an enterprise cannot have any

real meaning unless organizations of workers and the rest of the population assume those functions of coordination and planning that are now in the hands of those who wield economic and political power.

3. Certainly the existence of a hierarchy of power and income is presented as justified by a host of arguments. Before discussing them we note that they have a clearly ideological character: on the basis of unstated assumptions they attempt to justify with only an appearance of logic a reality with which they have little connection. They submit reality to the last few decades' official ideology, an ideology currently decomposing and no longer coherent. It can no longer invoke values that no one accepts, and is incapable of inventing new ones. The result is a mass of contradictions: thus in France we have Gaullist "participation" alongside the absolute and uncontrollable power of the president of the Republic. Similarly, the arguments used to justify bureaucracy contradict each other, are based on different and incompatible assumptions, or lead to conclusions diametrically opposite to what really happens.

4. The crux of the official ideology's notion is the justification of a hierarchy of income based on a hierarchy of power, which in turn is defended as based on a hierarchy of "knowledge", "qualifications", "talents", "responsibilities" or the "shortage" of specialized skills. One can see immediately that these scales do not coincide or correspond with either logic or reality. There can be a shortage of garbage collectors and an oversupply of teachers; great scholars have no responsibility while workers with very little "knowledge" have a daily responsibility for the lives of hundreds of thousands of people. Furthermore, any attempt to make a "synthesis", to "balance out" these different criteria is necessarily arbitrary. Finally, it is even more arbitrary to use such a scale, even if it were justified to a given differentiation in incomes. Why should one year of school or a diploma be worth 100F and not 10 or 1000? But let us look at the arguments one by one.

therefore far from incomprehensible that many cling to it, and that occupational and professional rivalries are far from disappearing.

perspective we must try to see to what extent this hierarchical representation of society is wearing out and being put into question.

5. It is said that the hierarchy of power and incomes is justified by a hierarchy of knowledge. But in the business enterprise as in society at large it is not those who are most knowledgeable who give orders and earn the most money. It is true that the majority of the hierarchy have diplomas. But setting aside the fact that it is ridiculous to identify knowledge with diplomas, it is not the most knowledgeable who ascend the ladder of power and incomes but those who are most skillful in the competition that occurs within the bureaucracy running the enterprise. An industrial company is practically never run by the most learned of its engineers: he is most often confined to a research bureau. And in society we know that scholars, important or not, have no power and earn only a small fraction of the income of the director of a medium sized firm. Neither in an enterprise nor in society are power or high incomes given to those "who have the most knowledge or "technical skills", rather, they are determined by the ability to survive in the struggles between cliques and clans (a talent that has no economic or social value except for him who possesses it) and by the links one has with capital (in the western countries) or the dominant political party (in the eastern countries).

6. What has just been said sheds light on the argument justifying hierarchy on the basis of differential skills. As soon as we consider the differences in hierarchy and salary that are really important — not those between an assembly line worker and a tool maker but those between manual workers and the top management of an enterprise — we see that what is rewarded is not the ability to do a good job but the ability to bet on the right horse. But the official ideology claims that the hierarchy of incomes corresponds to a very specific skill, the ability to "direct", to "organize" or even the ability to "conceive and sell a product". However, it is evident that these skills have no meaning except in the present system. "The ability to direct" in its present sense only has meaning for a system that separates and opposes order takers and order givers, those who work and those who direct the work of others. It is the present

organization of a company and of society that creates and requires the task of "directing" separate from the collectivity of workers and opposed to them. The same thing applies to the "organisation of work". This is no less true for the "ability to conceive and sell a product", for only to the extent that society depends on the creation of artificial needs does such a function and the corresponding skill have meaning and value.

Furthermore, these functions are not accomplished by individuals. Groups of ever greater importance and impersonality are charged with the "organization" of work and production, with publicity and sales, and even the most important decisions concerning the enterprise (investments, new manufacturing processes, etc.). The most important point is that in a large modern enterprise — just as with the state — no one really leads: decisions are made after processes so complex, impersonal and anonymous that most of the time it is impossible to say who decided what when. One could add that there is an enormous difference between the way things are supposed to happen and the way they actually occur, between the formal and the real processes of decisionmaking, just as in a work place there is a difference between the way the workers are supposed to do their work and the way in which they actually work. While a decision may be formally taken by an administrative committee, in reality the decision is already made behind the scenes or is altered by those who have to execute it.

7. Arguments in favour of hierarchy based on responsibility have no more weight than any of the others. We must start by asking in what cases can responsibility really be localized and assigned? Given the increasingly collective nature of production as well as other activities in modern society, these cases are extremely rare, and are not found in general except at the lowest levels of the hierarchy. Furthermore, there is no connection between the logic of the argument and what really happens. A railway crossing guard or an air traffic controller have the lives of hundreds of people in their hands each day but they are paid less than a tenth of what the

mobility" and "promotion" and the fact of economic growth make them see the upper echelons as levels that they try and hope to reach, they attach less importance to differences in income than they would in a static situation. One is tempted to conclude from this factor that there is what we could call a freedom to create illusions about the real importance of income differences present in the majority of the population; recent surveys have shown that in France people underestimate the difference in incomes to a fantastic extent.

But without doubt there is a deeper factor more difficult to formulate which plays the main role here. The triumph of the gradual bureaucratization of society has also and necessarily been the triumph of an imaginary representation of society — in whose creation everyone shares to some degree — as a pyramid or system of hierarchical pyramids. To be blunt, it seems as if it is impossible for man in modern society to imagine a society whose individuals are really equal in rights and obligations, where the differences between individuals correspond to something other than the differences in their positions on a scale of command and incomes. And that is due to that fact that no one can think of himself as something in his own eyes (or as the psychoanalysts say, establish his "sense of identity"), except in terms of the place he occupies in a hierarchical structure, even if it is one of the lowest positions. In fact, one could say that this is the only way that modern bureaucratic society leaves open for people to feel that each one is someone — by holding onto a last vestige of apparent self-determination, even as all standards and sources of meaning are emptied of any meaningful content. In a society where the objectives as well as the manner in which work is performed have become absurd, where there are no more truly living collective activities, where the family shrinks and breaks up, where the mass media and the rush to consume reduce everything to uniformity, the system cannot offer people anything to hide the emptiness it creates in their lives except that ridiculous bauble, the place they occupy in the bureaucratic hierarchy. It is

a division of labour and interdependence of different jobs, which is generally the case in modern industry. If, since it is increasingly true that society as a whole and not individuals pay the costs of education, it is reasonable for those who have already benefited at the expense of society by gaining an education that trains them to do more interesting, less painful work, to demand further that they should also obtain a higher income.

This concerns profound sociological and psychological factors which determine individuals' attitudes to the hierarchical structure. It is no secret, and there is no reason to hide it: we find with many people an acceptance of and even support for hierarchy that is just as strong as that found in the privileged strata.

It is even doubtful that workers at the bottom of the bureaucratic structure are more opposed to hierarchy than others (the situation is complex and varies with the times). We must seriously examine the reason for this state of things. This would require a long and difficult study which could have to be made with the greatest participation of the workers themselves. Here we can only give a few reflections.

We can always say that it is true that the official ideology of hierarchy has penetrated all sectors of the working class; but we must ask how it happened since we know that in France as well as England the working class movement was strongly egalitarian. It is also true that the capitalist system could not have continued to function, and above all could not have taken its modern bureaucratic form, if the hierarchical structure had not only been accepted but supported and "interiorized"; it was necessary for a considerable part of the population to agree to play the game for the game to have been playable. Why does it play this game? Partly, no doubt, because the modern system, the only "meaning for existence" that society is capable of producing, the only bait it can offer is consumption, and hence an income that constantly rises. To the extent that people take this bait — and for the present almost everybody seems to take it — to the extent also that illusions of "upward

bosses of the railways or Air France earn, even though the latter do not have the direct responsibility for any lives.

8. It is hard to take seriously the hierarchy of salaries based on a relative shortage of skills. As long as such a shortage exists it can push the wage level of a given category higher than it was before, but it cannot go beyond certain narrow limits. Whatever the relative "shortage" of factory workers and the relative "surplus" of lawyers, the latter will always be paid more than the former.

9. Not only are all of these arguments illogical and out of touch with what really happens, but they are incompatible with each other. If one takes them seriously, the level of salaries corresponding to "knowledge" (or even to diplomas) is quite different from that corresponding to "responsibilities" and so forth. The present system of payment try to make a "synthesis" of the factors supposedly determining rates of pay by means of an "evaluation" of work accomplished in such and such a job or such a place (job evaluation). But such a synthesis is a gross mystification: one can neither measure each factor taken separately nor add them up, except in an arbitrary fashion (with "adjustments" that do not correspond to any objective datum). It is by now absurd to measure knowledge by diplomas (whatever level of quality of the course of the education system). It is impossible to compare responsibilities except in some cases that are banal and without any importance. There are drivers of passenger trains and freight trains: how many tons of coal are equal to a human life? Hare-brained measurements established for each factor are added to oranges and apples with the aid of coefficients which correspond to nothing but the imagination of those who invent them.

The best illustration of the mystifying character of the system is furnished by the results of its application. One would have thought that after two centuries of nonscientific determination of incomes in industry, that job evaluation would have overthrown the existing structures of incomes. It is difficult to believe without knowing, why it is that enterprises have income levels which miraculously

correspond to the discoveries of this "new" science. However, the changes effected by the application of the new method have been minute — which shows us that the method has been adjusted in order to change the system as little as possible, as well as to give it a pseudo-scientific justification. Furthermore, job evaluation has not diminished the intensity of conflicts over absolute and relative income that occupy the daily life of enterprises.

More generally we can never insist too much on the duplicity and bad faith of all these justifications that always reduce factors relative to the nature of work into base differences of incomes — despite the fact that by far the least important differences are those which exist among workers, and the most important are those between the mass of workers on one side and the different categories of bosses (political or economic) on the other side. But the official ideology thereby attains at least one result: for no logical reason, and contrary to their own self-interest, the workers themselves seem to attach more importance to the small differences that exist between them than to the enormous differences that separate them from the top ranks of the hierarchy. We will return to this question later.

All this concerns what we have called the ideology of the justification for hierarchy. There is a discussion that seems more "respectable", that of academic or marxist economic science. We cannot give a detailed refutation here. Let us say simply that if on a coal-burning locomotive, you get rid of the engineer; you do not "lessen" the product (transport) "a bit", you wipe it right out; and the same thing is true, if you get rid of the fireman. The "product" of this indivisible team of engineer and fireman obeys an all-or-nothing law; there is no "marginal product" from the one that you can separate from that produced by the other. The same thing holds true in a single shop, as well as throughout the whole of a modern factory, where the jobs are strictly interdependent.

For Marxist economics, incomes are determined by the "labour theory of value", that is, they are equivalent to the cost of produc-

tion and reproduction of this commodity, which under capitalism is labour power.

Therefore, differences in the level of wages earned by skilled workers and unskilled workers must correspond to the differences in the costs of forming these two categories of work. (The main factor being the training of future workers during their "unproductive" apprenticeship years.) It is easy to calculate that, on this basis, the differences in income levels would scarcely exceed the proportion of 1 to 2 (between work absolutely devoid of any skill and work that requires 10 to 15 years training). However, this has little to do with reality, either in the western countries or in the east (where the hierarchy of incomes is practically as blatant as in the west).

We must emphasize that even if the academic and Marxist theories offer an explanation of income differences, they cannot furnish an adequate justification. For in each case hierarchy is accepted as a given fact, unchallenged and unchallengeable, when it is really nothing but the result of the continued existence of the overall economic and social system. If skilled work is "worth" more, this, according to the Marxist conception, is because a workers' family has spent more for his education (and theoretically must "recoup the costs" — which means in practice that the skilled worker must in turn finance the education of his children). But why were they able to spend more, something that other families could not do? Because they were already privileged with regard to income. All that these explanations say is that if we start with a hierarchical differentiation, it will continue to perpetuate itself by these mechanisms. Let us add that in academic economics, incomes supposedly correspond to the "marginal product of work", ie., that which is "added" to the product in an hour or work by an extra worker, (or, the amount subtracted from the product by getting rid of one worker.) Without entering into the theoretical discussion of the concept — we can easily prove its untenability — we can immediately see its absurdity in the case that interests us, the different payment of different skills starting from the point where there is