

Book Review:

Post-Capitalist Society

By Peter Drucker
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Peter Drucker has long been one of the better theorists of modern business organizations. He is also a gadfly who enjoys tweaking the conservative sensibilities of his main readers, the American corporate elite, with dire forecasts and provocative propositions.

This latest work, *Post-Capitalist Society*, is well within this vein. On one hand, Drucker offers a number of keen insights into the impact of the information revolution on the organization of work and society. The book's sweeping summaries of the role of knowledge in a variety of historical settings is especially lucid and illuminating. On the other hand, more than a few of his assertions are overblown or oversimplified to the point of being ridiculous.

For instance, one of Drucker's more bizarre claims about politics is that "no successful business executive was ever greatly interested in power; they were interested in products, markets, revenues." What about Ross Perot? Or the Rockefeller brothers? Those are only the most obvious; there are so many counter-examples it makes you wonder what planet Drucker is talking about.

Drucker makes another bizarre claim about the new rich: Since World War 1, he argues, "no one has matched in power or visibility the likes of Morgan, Rockefeller, Carnegie or Ford in the United States." Microsoft's Bill Gates, of course, has been making the cover of the top magazines ever since his software-generated billions made him the richest man in America.

These bloopers, however, do not undermine the validity of Drucker's main point: new wealth in today's world is increasingly being generated by knowledge and information. This new method of generating wealth, moreover, is transforming every other aspect of the social order.

This thesis is by no means original with Drucker--although he unabashedly claims to be the source of a wide range of new ideas. Many others, from Daniel Bell to Alvin and Heidi Toffler, have described the information revolution's impact on modern productive forces more thoroughly and lucidly. Drucker does make a special contribution to the discussion, however, by his focus on Frederick Winslow Taylor and his theories of "scientific management" as a forefather of the information revolution.

F. E. Taylor, the author of the time-and-motion studies known as "Taylorism," has always been denounced by trade union leaders as the instigator of speedup and layoffs on the assembly lines. Taylor's methods, nonetheless, were instrumental in the vast expansion of productivity that made possible the "middle class" standard of living for many workers in the advanced economies of the Northern hemisphere.

"As late as 1910," Drucker points out, "workers in the developed countries worked...at least 3000 hours per year. Today, the Japanese work 2000 hours per year, the Americans around 1,850, the Germans at most 1600--and they all produce 50 times as much per hour as they produced 80 years ago."

Drucker explains how Taylor's studies of the work process on the factory floor went far beyond simply trying to find ways for workers to move faster. In fact, when a task was isolated as boring and repetitive, Taylor's proposal was to mechanize the process with machinery, while assigning the workers to the more complex, knowledge-intensive tasks.

But this is also where Taylor crossed swords with the craft unions of his day. At that time, craft skills were to be kept a secret within the craft, only to be handed down piecemeal from master to apprentice. Through his studies of the labor process, Taylor wanted to demystify craft skills, break them down into their component parts, and standardize them in written form. This would make it far easier for the average worker to gain the ability and accomplish the productivity of the skilled craftsman. Taylor saw this as a means of "democratizing" work by raising the level of the majority of the workers, rather than protecting the privileges of the few that were rooted in the restriction of knowledge.

Taylor was not only concerned with raising the skill level of individual workers; he was also focused on how their skills were linked together and organized. Says Drucker: "The function of organization is to make knowledges productive...Knowledges by themselves are sterile. They become productive only if welded together into a single, unified knowledge. To make this possible is the task of organization, the reason for its existence, its function.

Drucker's analysis here draws on his past contributions to management theory; he then extends it to other arenas, taking up changes in the forms of government, education, nation-states and society generally. In doing so, he makes the point that the information revolution rendered the previously existing forms of socialism obsolete; yet he also notes that the existing capitalist forms are being challenged as well.

"The same forces," Says Drucker, "which destroyed Marxism as an ideology and Communism as a social system are, however, also making capitalism obsolescent."

One of his more interesting points is made as a side comment on the socialism-vs-capitalism debate. In the last 25 years, he notes, the rise of pension funds has completely altered the nature of ownership in the U.S.:

"In the United States, these funds in 1992 owned half of the share capital of the country's large businesses and held almost as much of these companies fixed debts. The beneficiary owners of the pension funds are, of course, the country's employees. If socialism is defined, as Marx defined it, as ownership of the means of production by the employees, then the United States has become the most "socialist" country around--while still remaining the most capitalist one as well."

What this reveals is that working-class ownership of the means of production in the U.S. is not that different from the former USSR: it doesn't mean much without working-class political power. In this sense, the pension fund phenomenon reveals that a political and economic democracy

enhancing participation, access and control is a more radical notion than who holds the ownership title to the productive forces.

One this last point, Drucker simply tries to have it both ways. On one hand, he argues hard for increasing productivity by vastly expanding workers' control at the workplace and disparages the idea of "productivity-by-command." On the other hand, he argues that politics should be left to politicians; unions and worker organizations especially should avoid any efforts to achieve political power. This approach to politics, of course, has always been management's perspective. But it also means disabling the motive force for democratic change, even changes that Drucker himself might want to see implemented.

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