



## Personalising Ownership an alternative economic system

The industrial publicist, **Robert Corfe**, has argued in his leading publications, that if living standards are to be maintained, this is only possible if each nation state seeks to maximize its self-sustainability in terms of producing tangibles or exploiting its natural resources. His devastating critique of socialism on the one hand, and rentier capitalism on the other, has led him to develop the alternative concept of the Personalisation of Ownership, that lies at the heart of his socio-economic philosophy of Social or Productive capitalism.

The Western world is now faced by a crisis it cannot confront by any of the accustomed measures of nation states or their cooperative efforts in combination together. The crisis is no longer merely a threat for everywhere living standards are already seriously undermined. The evidence for this is demonstrated through massive personal in addition to public debt; through collapsing pension arrangements; through the polarization of wealth; and through the inability to fund sufficiently, hospitals, education, and other services dependent on the sources of taxation.

Whilst the credibility of socialism worldwide as a practicable ideology for government was finally shattered following the collapse of the East bloc in 1989; the credibility of laissez-faire or global capitalism was shattered following the banking debt crisis of 2008. The impotence of financiers in resolving a problem of their own making was demonstrated by their reliance on the ordinary taxpayer to dole them out of a difficult situation, and the latter were made poorer by the outcome.

Hitherto, either socialism or rentier capitalism, in one form or another, have been regarded as the only economic options as a form of government. This conviction or prejudice has simply resulted from long historical tradition, and the idea that other alternatives do not or cannot exist. Politicians and their paid academic backers are so deeply entrenched in an all-pervading environment that they are incapable of breaking free from an accustomed mindset.

As with many answers to a knotty problem, the Personalisation of Ownership is such an obvious concept it is astonishing that attention has not been drawn to it before. Whilst its potential has always existed beneath the noses of our political masters, it nonetheless presents a sharp contrast to the ownership systems of socialism or rentier capitalism. Whilst socialist ownership is Collective, i.e.

controlled by elected representatives or elites that apportion distribution; rentier capitalist ownership is controlled by giant corporations whose actual outcome entails the polarisation of wealth.

Neither of these economic systems is directly concerned with the reality of the individual. The socialist concept is purely abstract, and socialism has always been contemptuous of the individual, irrespective of whether we cite its interpretation under Soviet dictatorship, or the gentler mode of Nationalisation in post-War Britain where middle class elites ruled over industries whose workers felt side-lined or insignificant. It was the latter that gave rise to the culture of “Strike-ridden” Britain.

The rentier capitalist concept of ownership, falsely denominated “Privatisation” – a piece of Orwellian Newspeak with quite a contrary meaning – spelt the concentration of ownership into ever fewer hands. Because the latter system attempted to position itself as the opposite of socialism, it claimed to represent the interests of the small businessman or woman, but the theory never match the actual reality.

The Personalization of Ownership, on the other hand, not only insists that ownership should be accompanied by control over what is owned, but that ownership must be individual and direct. That is, it should not be representative except in the case of share-holding investment situations, or in other inescapable circumstances. In such an economic system, the personalisation of ownership should be established as a legal right, that may only be partially or temporarily waived from time to time through personal choice.

Personal ownership is invariably linked to the demands of democratic life. No democracy has ever emerged in history except through the right to individual ownership and the growth of commerce; and no successful or real democracy has been maintained except through the recognition of individual property rights. With the emergence of democracy in Modern history, voting rights were always linked to property qualifications until quite recent times. This was not, as some cynics might assume, to intentionally oppress an underclass, but to facilitate the practical representation of specific groups, in making the democratic or party system meaningful. The development of governmental democracy in the advanced countries of the world was necessarily slow and serpentine in gradually acquiring its stability and permanence, and only in stages were all population sectors eventually included in participating in a democratic society.

The personalization of ownership, as now being advocated, is called into being to meet a crisis situation. The symptoms of the crisis have been described above, but the causes must now be cited separately. They are two in number. The first is that the productivity of tangibles on a gigantic scale in the Western world has been transferred to the Far East. This is a disaster on an unanticipated scale when it should be recognised that the only true source of Social Wealth Creation is through the production of tangibles or the exploitation of natural resources.

Service industries or those stemming from information technology (IT) are dependent on the former, and it would be the height of folly to assume that the latter could be depended upon for the longer term. Insurance and other financial services we jealously safeguard as exclusive to our own abilities will eventually and inevitably move to those territories where the manufacturing of tangibles predominates. I well remember in the 1950s when manufacturers asserted that Britain would always remain world leaders in the production of motorbikes, white goods, textiles, etc., and almost all those producers have long since gone into oblivion. No nation possesses an exclusivity of skills in any field of activity on a secure or permanent basis.

The second cause of the current crisis is that the political left/right divide, that has constructively defined the democratic process for 200 years, has now exhausted its utility as a mechanism for progress. This is because of the transformation of society and the world of work over the past 60 years, and that party ideologies have been unable to keep pace with social change. Politicians are aware of this problem and have responded by ditching ideology and their principles in favour of a convenient day-to-day pragmatism, thus exposing themselves to accusations of hypocrisy and deceit. The consequence is that party memberships and voting figures have collapsed as electors turn away in disdain from what they view as a corrupt governmental system.

The public can no longer accept the divisions and grounds for conflict as presented by the outdated party systems, and meanwhile, new problems have arisen that are not addressed by the people's representatives. These new problems are the hyper-inflation of property values, preventing the ownership of homes by the younger generations; the millstone of student debt; the failure of pension plans to meet their original promises; and worsening terms of employment.

Meanwhile, parties of both the left and right collude (intentionally or otherwise) to produce a worsening future. Firstly, both favour industrial gigantism for their different reasons: the left because of a misplaced belief in the economies of scale; and the right because of the usurious profits to be gained through the accumulation of ever more enterprises under conglomerate control. Secondly, both benefit from the profits of the great corporate enterprises that have virtually bought up the political system. It is therefore no wonder that voters turn away from the mainstream to so-called "populist" movements that seem to answer their needs – or at least, appear to speak with greater sincerity.

It should be noted that the practicality of implementing the personalisation of ownership is contingent on a number of factors. It is only practicable in the more advanced industrial economies where the educational levels of the majority and socio-economic awareness have reached a sufficient level. In addition, it is necessary that such a society is dominated by a middle-middle majority approximating 90%, with minimal numbers at each end of the social spectrum; constituting the super-rich at the apex of about 2 ½ %; and an underclass at the base of approximately 7 ½ %.

This heterogeneous middle majority, as we witness at the present time, has emerged through the democratic and social legislation of the post-War period, comprising those who have risen in status and living standards from a very low level, and those who have been reduced from a privileged and very affluent way of life. This middle majority, because of its heterogeneity, has not yet had sufficient time to develop a distinctive class consciousness – although such awareness is already emerging amongst the more thoughtful sectors of the population.

The great significance of this transformation of society is that it has changed the mechanics of social interaction. The contrast between society today and that of the 1960s and before is dramatic. I well remember the fears and virulent hatred between the working and middle classes in the 1950s – especially in urban areas. The extremes of poverty and affluence, and all the unfairness it incurred, gave rise to justifiable conflict. Differences were resolved through the constructive confrontational struggle of democracy, but we have now reached an evolutionary stage of progress whereby the mechanism of this conflict has lost its utility.

This does not mean that all social problems have been resolved – far from it. There is now an accelerated polarisation of wealth in society – and this is shocking in the eyes of the new majority. But the old panacea of resorting to the traditional pattern of confrontational politics is quite unworkable. It would be necessary to pit two great conflicting classes against one another, and these no longer exist. The new middle majority sees no grounds for stirring the embers of such a conflict, and is disgusted at the idea. And that is the reason for the collapse of party memberships and voting figures.

The middle majority may have withdrawn from the conventions of political life, but nonetheless it is more thoughtful, responsible, and objective than the population of an earlier era, and it is deeply concerned with all the new problems confronting it. Its socio-economic awareness and knowledge derived from authoritative media fits it ideally for the practicalities in implementing the personalisation of ownership. But the latter can only be implemented through legislation in various areas. Apart from establishing the personalisation of ownership as a legal right of the individual, alongside such rights as freedom of speech, free assembly and organisation, religious toleration, etc., it would be necessary to amend Company law and the rights of employees in differing circumstances.

The personalisation of ownership is necessarily contingent on the responsibility of the individual. In such a society where all have a direct personal stake in the means of production and distribution, the employer would benefit from a workforce that is totally committed to his enterprise through serious investment. Furthermore, the employee would identify his personal interests with those of the company, and the idea that there existed a conflict between capital and labour would evaporate spontaneously.

In further securing the employee's interests, as in present day Germany and elsewhere, there would be a supporting *dirigiste* role for the state in linking its profitability with national interests, through adjusting exchange rates, imposing levies on selected products, or establishing other protective measures. A partnership between the state, business, and employees, as already exists in the most successful productive economies, is desirable in strengthening the interests of all towards a common goal.

The consequences of the personalisation of ownership would impact positively on other aspects of the nation state. It would encourage a broader business ownership base; increase business on the smaller scale; generate greater competition and a wider sphere of products, and all these factors would contribute to the cause of democratisation. The ills of irresponsible rentier capitalism, that have contributed to wrecking home-based productivity in Britain and America in the post-War period would be challenged by steps to break-up conglomerates into independent businesses that would be freed from the threat of acquisition for investors' interests alone.

The ills of rentier capitalism arise through the usury (as defined in its modern sense of charging *excessive* interest) of treating separate enterprises as cards in a poker pack instead of entities with productive purposes of their own. In that situation where the investor is King experience has demonstrated clearly (against any contrary theory) that productivity is undermined as investors sacrifice the true (or proper) purpose of business to their own exclusive interests. A comparison between the failing rentier economies of Britain and America with the roaring successes of the Productive economies of Continental Europe and the Far East Tigers in the post-War period is sufficient to prove these contentions.

The principle of the personalisation of ownership is a call that all forms of property capable of ownership by the individual should be so. This means that the proportion of public property in a nation state should be restricted or minimised to include only those buildings, monuments, parks, etc., that are truly held or managed on behalf of the public interest. Dictatorship or authoritarian states, or those ruled by the super-rich over huge proletariats, as in the Roman Empire, are usually dominated by magnificent public buildings to over-awe their otherwise repressed populations.

Democratic populations, on the other hand, as the Scandinavian and Benelux countries and Switzerland, or Britain since the 18<sup>th</sup> century, or France since the 19<sup>th</sup> from the age of Haussmann, may display magnificence in their domestic architecture in housing their well-heeled peoples. It consequently follows that housing should preferably be privately owned by its occupants rather than rented to tenants, not only because such purchasing should be within the purse limits of prospective buyers, but because property owners everywhere are more responsible in maintaining their homes in neatness and better repair.

In strengthening the personalisation of ownership as a primary principle of society, for several reasons, it should be freely transferable from one generation

to the next. This is for ensuring a feeling of greater family security in society, and more significantly, in guaranteeing the continuity of business enterprises, especially when development or expansion needs to be passed from generation to generation, or in avoiding a situation when death duties may simply destroy a sole ownership.

If the state loses an income through inheritance tax this should be compensated through increasing the taxation of the active living. The benefit of such a policy would be to ensure that enterprises are constantly productive and earn a sufficient income irrespective of the age or working ability of proprietors. In other words, the cyclical age of directors in the history of a business enterprise should not be allowed to alter its efficiency, and so subordinates should be called in to maintain the level of profits. Mortality will always afflict the human being, but in maintaining a flourishing economy, this need not be extended to the living enterprise.

Such a set of proposals for the personalisation of ownership, as the core principle for a just and equitable society, can only be implemented successfully on a nation by nation basis. This is because of the breadth of their implications; the differing systems of legal and governmental institutions; and the varied demographic conditions that divide all nation states.

Many have argued that history has reached a developmental stage whereby the formulation of theory for a better society is both long gone and undesirable. Such an attitude is symptomatic of conservatism at its worst. It is a call for repressing speculation irrespective of the magnitude of difficulties with which humankind may be confronted.

To stand by the old conflictual ideologies of the past, in the hope they may resolve the economic troubles of our time, is to adopt a stance of denial. New practical ideas must be put in place but these can only be initiated through the formulation of the big idea. The personalisation of ownership will help cut through the errors of the past in creating a natural self-distributive system for the benefit of all.

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