"Employee Education in Economics"

By Will Herberg

AS many readers of the **Workers' Monthly** probably know from their own experience, there is an organized movement afoot among the more "modern" corporations, as represented in their "employment" or "personnel" departments, to teach "economics" to their employees. What is at the bottom of this movement, what are its aims, what sort of "economics" is taught and by what methods and with what results, and, finally, what lessons can we learn to be turned to advantage in our work of Communist propaganda—these are some of the problems which it is the purpose of the following paragraphs to touch upon.

1. What is "Employee Education in Economics?"

In the literature on the subject the phrase "employee education in economics" is used for the instruction of the workers in "economics" (what type of "economics" we will soon see) thru the agency of their employers. Usually the workers of a single enterprise are "educated" by their own employers; sometimes certain groups of workers are taken care of by corresponding groups of employers. But always it is the "education" of the problems upon which it is the purpose of the following paragraphs to touch.

2. The Extent of "Employee Education in Economics."

"Leaders in industry are beginning to realize the importance of teaching simple economics to their employees. It is as yet a comparatively new phase in industrial relations but it has passed the experimental stage."* Only the big corporations, that have specialized personnel departments trained to realize the significance of "employee economics" and capable of carrying it thru, usually undertake it but it is precisely these corporations that occupy the determining position in American industrial life and that employ the great masses of the most decisive sections of the working class.

3. The Purposes of "Employee Education in Economics"

What do the personnel managers and the capitalists in whose interest they work expect to accomplish thru "employee economics?" Their aims may generally be classed under two heads:

(a) The increase of the profits of the corporation thru laying an ideological ("moral") basis for wage-cuts, speeding-up, lengthening of hours, the avoidance and the breaking of strikes, and so on. When we come to consider the content of the "economics" taught by the bosses we will see that it is calculated precisely to render the worker a more "efficient" and docile wage slave. As the strike-breaking open-shop **Law and Labor** formulates it: "It (employee economics) does pay. Operating expenses are reduced and the employe is more inclined to be reasonable in his demands and less subject to pernicious outside influence. His interest in his work is stimulated and greater confidence is gained."† H. W. Kimball, employment manager of the Arnold Paint Works, assures us†† that "a sane and tactful campaign" of "employee economics" is certain to "return large dividends to the industries of the United States." This then is the first aim of teaching "economics" to the employees: to provide the ideologic cloak and justification for the ever more intense exploitation of the workers and for the expansion of surplus value and profits.

(b) The second purpose of employee economics is broader. "The restlessness of labor is making these days critical for industry . . . It is very plain that labor, misled by specious appeals, is in danger of ignoring certain fundamental facts and laws . . ."‡ In other words, the growing class consciousness and militancy of the workers are "making these days critical" for the continuance of the domination of the bourgeoisie. This tendency is reflected in the more definite class character of the every-day economic notions of the workers. The propaganda (the "specious appeals") of the trade union militants and of the Communists (the "pernicious outside influence") is beginning to tell. Under the combined influence of all these factors the workers are "in danger of ignoring certain fundamental facts and laws"—particularly such "facts and laws" as e. g., that without the capitalists the workers would starve and that, therefore, capitalism is not only the foundation of civilization but is the greatest blessing civilization offers for the workers. Well, if the workers are in danger of forgetting these very essential things why not teach it to them directly. "The remedy for this trouble (labor unrest) is education."§ Labor should "be educated to recognize the existence of certain economic laws and facts," "labor should know that there is another side to be heard," labor must be made to understand "the large part which efficiency and supervision play" (with these industrial engineers it is no longer "abstinence and saving" as it used to be with the old-style apologists), labor must appreciate that before a worker can get a job it is necessary for some kind-hearted boss to stake him, to capitalize him, to the extent of thirty-five hundred dollars on the average* and more along the same line. If labor is so "educated," then, while "it is useless to think that (it) would eliminate all labor unrest, it would cause many a worker to

*Law and Labor, August 1926.

†August, 1926.
††Industrial Management, Nov. 1919.
‡H. W. Kimball, Educating the Workers to Sound Economics, Industrial Management, Nov. 1919.
§D. A. Hampson, Selling Plant Costs to Employes, Industrial Management, Feb. 1926.
*Carl Dietz, Employe Education in Fundamental Economics.

think twice before he acted in foolish manner"†, before he listened to the "specious appeals" of "dissatisfied spirits" or "professional agitators."

The second aim of employee economics is then: to innoculate the worker against the spread and intensification of class consciousness and class militancy, to spread the ideology of class peace and class harmony —"the study of applied economics is designed to create a better understanding between managers (and employers) and workers"‡—in a word, to counteract the process of the revolutionization of the working class. To accomplish this, as the carefully trained agents of the capitalists—the industrial engineers—realize, the teaching of properly selected and formulated **economic** "truths" is absolutely necessary. Of course, economics does not go all the way; it must be suplemented by "civics," "citizenship," and the like, but **"economics is fundamental."†**

4. The Content of "Employee Economics."

What are these "fundamental truths of economics" that will accomplish so much for the bosses? Judged by the economic standard they are vulgarizations of even the vulgarized apologetics of the bourgeois economists. They are so apparently absurd that the veriest tyro in economics can see thru them. But that does not negative their effectiveness. For, from the psychological viewpoint, they are admirably conceived and formulated to accomplish the results expected of them. The industrial engineers and personnel managers have many lessons to teach us Communist propagandists—lessons that we must not be ashamed to learn.

First of all, we must note the **selective** nature of the content. The very phrase "employee economics" shows that it is not the whole body of economic "truth" that is to be taught to the workers but only selected portions especially "fitted for" or "needed by the employees." The definition of economics given by the American Management Association Committee is scientifically almost unbelievably absurd but its direct apologetic-tendencious character is obvious: "Economics is the rules of the game of business, involving those principles and practices which, in the long run, have been found to enable business and industry to thrive to the mutual advantage of the members of society."‡ The familiar talk of "impartial science" the bourgeoisie save for their schools and colleges; in the factory economics becomes frankly and openly "partial" and "selective."

The method of approach also influences the content. The personnel managers are very careful as to this point. "Any effective teaching must start from the workers' point of view. It must recognize his prejudices and take into account the arguments he has been accustomed to hear. It must admit all that can possibly be granted of his convictions and by this acquiescence a friendly approach may be gained. Very little ought to be said of the rights of capital, very little should be said in defense of its position, but the emphasis should be placed on the plain teaching of the sound principles of industry."§ What these "sound principles" are we shall now see.

The content of "employee economics" shows a remarkable uniformity from corporation to corporation—as is quite natural when we consider the uniformity of aims to be accomplished and the uniformity of training and outlook of the men who develop these system. The most essential "truths" that are found almost everywhere are:

1. "The shorter work-day has its limits and . . . wherever it results in less production it means higher costs to the customers." Longer hours and wage-cuts!

2. "The shortened work-day must be compensated for by a greater efficiency during the time of work." Speed-up!

3. "The effort to have workers become stockholders in industry is most praiseworthy. As soon as a man becomes a capitalist in a small way he tends to grow thoughtful and conservative. He wants to protect his own possessions which are precious to him tho small in size. Men must be made to realize that dollars in the savings bank put them in the capitalist class and that the safety of their savings is dependent upon the permanence of the industrial structure. The home they own or are paying for is of value only as law and order prevail and as the security for property is maintained." No comment necessary.

4. "There are a large number of trade unionists who are members of the unions only because . . . there is little opportunity to get any work without a union card . . . The idea of the closed shop is repugnant to the American spirit of freedom . . ." Union-smashing and open-shop drive!

5. "The wastes of industrial warfare . . . are costly. When there are strikes and lock-outs, stopping production and leaving machinery idle, the wastes mount into millions and this waste is paid for mostly by the average man in the high cost of everything he buys. The right to strike . . . is the most costly weapon he (the worker) can use. Certainly he can be brought to understand this and realize that his own welfare demands some other way of settling industrial disputes."* Abolition of the right to strike! Hamstringing the workers with arbitration, mediation, etc., etc.! Class collaboration schemes!

6. "He (the worker) is more than willing to listen to the lurid tales of vast fortunes which he is rolling up for his employer."* "The notion harbored by employees that their employers are making an inordinate amount of money 'off of them' "must be combated."† This primarily consists in a skilled propaganda of "plant costs" and "operating expenses" to show the workers what "heavy expenses" their poor employers have to meet to keep the business running and "serve the community." At any rate: Exploitation and surplus values do not exist. They are invented by professional agitators.

7. "How many men in industry (workers) realize that before it is even possible for them to project themselves into an industrial organization and get a job, it was necessary for some one to invest three thousand to five thousand dollars for each man so employed. This practically means that someone has to capitalize each worker to that extent."‡ Would you believe it? The capitalist is therefore the kind hearted gentleman who provides a job for the worker and subsidizes him with thousands of dollars. No wonder that Dietz reports one "foreign born" (and therefore naturally radical. See the triumph of "employee economics.") girl as remarking: "If we all try to understand some of these things, we will not be so dissatisfied half the time."

8. Employers and employes are partners. "Understanding and co-operation" should exist between them.§ Friction between them is due to misunderstandings or to the work of "radicals," "professional agitators," "pernicious outside influences." Class peace, class harmony.

These are the "essential truths of employee economics." What shall we say about them? To say that they are absurdly unsound and that they are obviously vulgarizations of vulgarizations is true but not to the point. The workers to whom these "truths" are dished out are not Marxists nor even bourgeois economists. If we examine these "truths" carefully we must admit (a) that they are **carefully selected**—being just things that the bourgeoisie want the workers to believe in the name of economics and (b) that they are **carefully formulated and convincingly put** in a way as to appeal to the worker and mean something to him. Again we must say: there are many lessons we can learn, must learn,

5. The Method of Teaching "Employee Economics."

What methods are employed in teaching the workers these interesting "truths?" And here we must point out that the matter of method must not be underestimated. Frequently, it is the most important single factor in the success of this work and a great deal of thought, experimentation, and analysis of experience has been devoted to it by the specialists. The few words we can say as to method here are collected from a rich material which well repays careful study.

The first point to be considered is the **center of the propaganda.** Where is the "teaching" to be carried on to be most effective? **"In the factories and wherever workers gather in groups"*** is the answer of the personnel managers. All of them are unanimous that "employee education" must root in the shops and then extend to the other places where workers are found in groups. To comrades who are still vague as to the reasons for and the significance of the shop nuclei and Party fractions and who look upon them as "novelties" it may be a surprise to find out that to the trained servants of the bourgeoisie the role of the shop as the organizational basis for reaching the workers has long been a commonplace.

Secondly, as to **method of approach.** We have already quoted Kimball's statement that "any effective teaching must start from the workers' point of view." The approach is made on the basis of the workers' stock of opinions, "prejudices, and . . . the arguments he has been accustomed to hear." The "social," the "human relation" side of each subject is to be brought out since this makes the most direct appeal to the worker."† Approach is facilitated thru starting with the "concrete, practical facts and interests" of the workers' everyday life.

The **visual representation method** (Anschauungsmethode) is very highly recommended. Pictorial and graphical means have been used to great effect by the General Electric Company where the familiar "partitioned dollar" is used to prove to the workers how munificently they are paid in comparison with the meager dividends of the stock-holders. The Bridgeport Brass Company has developed an interesting system of illustrating "truths" by means of colored blocks and charts. Moving pictures and lantern slides are also used.

The technique of **increasing the receptivity** of the workers thru "sugar coating" the somewhat uninviting "truths" with accompaniment of entertainment and amusement has also been pretty highly developed. Hampson* speaks of a "meeting wherein salient points may be included in a program of entertainment" and many companies have developed system of "informal meetings (in which) a light supper is followed by an educational motion picture bearing on the subject of discussion."

Let us now examine some of the methods of "employee instruction" and some of the media for this propaganda work.

1. People are to be sent to address labor unions and public forums. Kimball points out what is unfortunately too true, that most labor unions and public forums would be glad to welcome speakers from chambers of commerce and employers' associations —such is the prestige they have with the bourgeois-

†H. W. Kimball, Educating the Workers to Sound Economics, Industrial Management, Nov. 1919.
‡Reports on Employe Economics, Committee appointed by the American Management Association.
†Carl Dietz, Employe Education in Fundamental Economics.
‡Report of the American Management Association Comtee on Enployee Economics.

§H. W. Kimball, Educating the Workers to Sound Economics, Industrial Management, Nov. 1919.
*All above quotations from H. W. Kimball as above.

*Economics for Employees, Law and Labor, August 1926.
†D. A. Hampson, Selling Plant Costs to Employes, Industrial Management, February 1926.
‡Carl Dietz, Employe Education in Economics.
§Report of the American Management Association Committee.

*H. W. Kimball.
†Report of the American Management Association Committee.

minded officialdom. In this connection it is also surprising to what extent trade union and other "labor" publications are used by various bourgeois agencies (such as Professor Irving Fisher's sydicated articles) for the propaganda of "employee economics."

2. "Men's clubs in churches, town improvement associations, public meetings of fraternal organizations and orders" are to be visited by speakers.

3. "Not the least valuable part of such an educational campaign is the newspaper publicity which may accompany it. If this publicity work is well organized the local papers will carry the message of the speaker to many who did not hear him speak.

4. "Bulletin boards thruout the factory" are to be used. "Newspaper clippings and cartoons from papers and magazines can be posted and will be read by many and discussed as men walk home from work or gather at the noon hour."

5. "Noon meetings within the factory or at the gates can be held at least once a week and in a ten-minute talk one point can be pushed home so strongly that it will be clinched in the mind of many a listener." "A brief musical program, instrumental and, if possible, with group singing of popular songs, is a good introduction for the speaker."

6. "The addressing of foremen's meetings is especially important because if the truth is absorbed by them it will filter thru them to the men working under them."* These quotations and those below could be duplicated from most works treating with the subject.

7. Then come "shop talks by foremen, department heads' and plant executives." The "personal instruction thru foremen and others in authority"* right on the floor of the shop has been found especially effective.

8. "The columns of the plant papers . . . also provide a way of getting the facts before them (the workers). An especial value will be given to such publicity if the matter printed is quoted from some one whose name carries weight with the people; otherwise the readers may feel that the argument made is simply another effort of the employers to keep them contented."†

9. An effective campaign can be carried on "thru the daily press." Here Kimball notes that workers generally have little faith in the daily press, especially in its economic lucubrations. He finds that the part of the papers that the readers tend to trust most correspondence section. He therefore calmly advises is the "letters from the people" or, in other words, the correspondence section. He therefore calmly advises a campaign carried on thru these columns. "Short, crisp letters replying to editorial opinions or to other printed letters will be read and be effective." We have already mentioned above how trade union and "labor" papers are used for the spread of "employee economics."

10. "Circulars mailed to employees, special shop bulletins, and pay envelope stuffers" have been found to be effective.‡

11. "Night classes, if properly conducted," altho not a favorite method, have been found to be useful in some cases.

In fashioning a method to suit a particular case it is to be remembered that "this education may take as many forms as expedient—what fits one case may not do in another because of the workers' mental status, their nationality, the size of the plant, and so on. A preachment adapted to inside workers will not touch men of another concern who are in the field part of the time."*

The Struggle on the Ideological Front.

A STUDY of the whole question of "employee education in economics" proves nothing so clearly as the entire correctness of Lenin's oft-repeated remark that "the class struggle has its ideologic front also."‡ This struggle is a struggle between the bourgeoisie (and its agents) and the conscious proletarian vanguard for the minds of the masses of the workers. Our enemies in this ideologic struggle are either the bourgeoisie directly (as in the case we are discussing) or its agents in the labor movement (the reformists, the reactionary trade union burocrats). In so far as we have hitherto recognized the ideologic struggle of the proletariat at all, we have tended to place exclusive emphasis upon the second phase of it. And, indeed, it is of paramount importance. But we have neglected too much, perhaps sometimes even failed to see, that we must fight the bourgeoisie directly for the soul of the proletarian masses. In a country like Germany in which there is a long established and extensive "socialist" labor movement, the role of the labor lieutenants of the bourgeoisie in the ideologic struggle is much greater than in America where, because of the backwardness of the labor movement and the undeveloped ideology of the working class, the employers are enabled to "get away" ideologically with much more, directly and without the aid of their agents among the workers. Many of the "truths" above mentioned as the content of "employe economics" would simply be laughed at by the masses of the German workers to whom the idea of class struggle is a commonplace. The German bourgeoisie is therefore obliged to make use of much more complicated methods to achieve the same ideological goals, methods that operate thru the instrumentality of "socialist" ideas and "socialist" leaders. But in America, where even those who fight for trade union organization are "pernicious outside agitators" and where Socialists are "extreme radicals," the ideological struggle is far crasser and sharper —it is a struggle about the most elementary fundamentals.

In this struggle—to go back to the question of "employee education in economics—each side has certain advantages and disadvantages. There can be no question as to the advantages of the employers. Their control of the factory in the first place, of the whole ideology forming machinery of society, of all the social forces of capitalism, gives them an almost incalculable superiority. They can hire the best equipped and trained specialists, they have the full use of such instruments as the press, the school and the church, they can issue factory papers and factory bulletins without trouble and see that all workers get them, they can hold noon hour meetings undisturbed, bulletin boards within the factory are fully available to them, they have speakers and writers of prestige among the workers who will be listened to and believed, etc. In fact, one cannot fully realize their advantages in the struggle until one examines the advantages the proletariat has in Russia today.

*All quotations above from Kimball.
†H. W. Kimball, as above.

‡Hampson, as above.
*Hampson, as above.
‡Lenin, "Materialism and Empiriocriticism."

But all these technical advantages are more than outweighed in the long run by the fact that they are used to try to stem the advance of an historical tendency that has its roots and sources of energy in the very nature of capitalist society and cannot therefore be eliminated except thru the destruction of capitalism itself. Even the personnel managers are beginning to suspect that it is not the "professional agitator" but something inherent in the economic relations of modern society that brings about a fundamental antagonism between employer and worker and makes the worker look upon his boss as an enemy. This antagonism is there and is effective even where it is undeveloped and not conscious. It is this basic class antagonism that is the rock upon which all the carefully thought out and "scientifically constructed" schemes of the industrial engineers are sure to go to smash. Many of these trained gentlemen have found cause to complain with Kimball that all their efforts are looked upon by the workers as "simply another effort of the employers to keep them contented." And indeed it is uphill work to try to convince even the most backward workers that low wages and long hours are good for them, that the bosses are not out after the profits they can squeeze out of the workers but are kind hearted philanthropists whose sole aim is to serve the community and their employees. These "truths" may appear to sink into the minds of the workers and indeed the workers may come to think they believe them themselves. But the first bit of "labor trouble," as many an employment manager has again and again discovered, undoes the "good work" of many months.

The advantage of the proletarian vanguard in its ideologic struggle with the bourgeoisie for the souls of the working masses is therefore simply this: that its line is the line of the social forces at work in society. But this advantage is enough to give us success if we make the proper use of it. The class position of the proletariat in the modern industrial system gives rise spontaneously in a elemental, only partly conscious form, to the main features of a revolutionary class ideology. It is the business of the conscious vanguard of the proletariat to strengthen these elemental ideas, to clarify them, and to render them conscious and well-organized. This is the basic task of Communist propaganda and it is also our basic line in the ideologic struggle with the bourgeoisie. History promises us success if we play our proper role in its development.

The Rationalization of Method.

One of the impressions that remains with us after a study of our subject is the remarkably conscious deliberation with which the whole campaign of "employee education in economics" is planned out, the careful consideration with which aims are formulated, organizatory forms and methods worked out, tested, corrected, adapted, and applied. Empiric and rule-of-thumb ("practical") methods no longer carry any special validity. Everything is analyzed, tested, measured . . . Everything is put upon a **rational basis, is rationalized.** Of course, this does not apply to "employee economics" alone. For years there has now been a movement among the technical specialists of the bourgeoisie—a movement somewhat loosely designated as "Taylorism" or "scientific management" for the rationalization of the entire regimen of the factory, whether mechanical or personal. This movement has proved of immense advantage to the class in whose interest it has been applied: to the interest of the bourgeoisie in America, to the interest of the proletariat in Russia (Lenin was one of the protagonists of the introduction of "Taylorism" in Russia).

Lenin has pointed out more than once that "the only weapon of the proletariat is organization."* And effective organization means—**systematization and rationalization.** Why should we let our class enemies use scientific methods in perfecting their weapons and forms of struggle while we ourselves rely upon empiricism, ancient prejudices, and rules-of-thumb in our struggle? The proletariat is the bearer of the future of science; let us show that we can utilize it and master it in the present. In science, in system, in rationalization—in organization—there lies our strength!

Lessons for Communist Propaganda.

One of the most important tasks that face us in the study of "employee education in economics" is the examination of its forms, methods, and experiences for lessons that can be used in our Communist propaganda work. Unfortunately, space does not permit us to do this in detail here. A few notes on the subject may, however, be suggestive of the lines along which such an investigation should be conducted.

a. "Economics is fundamental." The first lesson that we can draw is the fundamental character of economics for propaganda work. As Dietz says: **"Economics is fundamental."** It appears to me that we have tended to underestimate economics in our mass propaganda work just as I believe that we have tended to overemphasize it in our inner party educational work. Economics must be fundamental for our mass propaganda work.

b. Content of our propaganda. The first lesson we may draw is in the matter of proper **selection** of material. Have we ever deliberately asked ourselves: **What propositions do we want to convey to the workers and why?** Rather too often the answer has been: Oh, Marxism! But for us to attempt to teach "Marxism" to the workers as basic economic propaganda would be as absurd as for the bourgeoisie to teach the workers the

*Lenin, "One Step Forward, Two Steps Backward."

ordinary text-book economics of the bourgeois economist. Surely we want to propagate Marxism—but surely we are not going to teach the whole of "Capital" or even parts of it in the original form. We must make a distinction between the training of Party cadres and mass propaganda. Why cannot we do as the bourgeois specialists: make a list of the fundamental propositions of Marxian economics we want to propagate and demand of each proposition that it justify its inclusion by contributing to the aims we have in view?

The second lesson we can learn as regards content is the matter of **formulation** of the fundamental propositions that lie at the basis of our economic propaganda work. The propositions must be carefully formulated without technicalities, in terms of the "concrete practical facts and interests" of the workers' everyday life. A good deal depends upon the felicity of formulation.

c. Methods of propaganda. If anything more were necessary, the study of "employee education in economics" would convince us of the absolutely **basic nature of the shop** in any activity of reaching the workers, especially in our propaganda work. From the shop we must extend to other places "where workers gather in groups" (trade unions, workers' clubs, fraternal and sports organizations, etc.). Our organizational system of shop nuclei and fractions is justified again thru the experiences of the bourgeoisie.

If it is true that the shop is the basis for our propaganda work then we must admit that we have not given sufficient thought to **forms and methods of propaganda work in the shop.** Here, too, we can learn a great deal from the experience of the bourgeoisie. We have made some beginning in the matter of **shop papers** but what have we done to utilize to the full the advantages that **shop bulletin boards** offer us? Of course, we cannot put up official notices or clippings the way the bosses can —but what is to prevent us from putting up stickers surreptitiously, clippings with some propaganda material, quotations, drawings, graphs, pictures, etc.? Before these stickers can be removed by the authorities they will be seen and read and discussed by many workers. Have we utilized sufficiently the distribution of special **propaganda leaflets**—we are not speaking here of agitational leaflets but of leaflets devoted to the propaganda of certain economic propositions based, of course, on certain events? Have we ever systematized and organized so powerful a form of propaganda as **noon day discussion**? It is impossible here to go into further detail in these matters but they should be made the object of careful study and investigation by the agitprop apparatus of the Party.

Above all: **careful investigation and analysis, systematization, rationalization, and organization—in these lie our strength.**

