

Dennis Robertson on Industrialized Society : *The Control of Industry* reexamined*

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Abstract :

A Consideration of Dennis Robertson's ideas and his work, *The Control of Industry* (1923), this paper begins with a review of the historical background. It then examines Robertson's views on industrialized society, including his assessment of the alternative strategies — democracy of consumers, workers' control, and the joint control of industry — posed as solutions to social problems created by industrialization. I then go into Robertson's contributions in *The Control of Industry*. First, using the “Capitalism's Golden Rule” (association of control with risk), he points out that profits are obtained by assuming a risk, and he puts forth the alternative strategy of the control of industry based on this principle. Second, I make the case that he advocated joint control of industry partly because he believed it was instrumental in allowing workers to fulfill their human potential and also because it was an effective way to mitigate industrial fluctuations. Third, I argue that Robertson inherited the dynamic characteristic of Marshall's industrial economics and that his industry-level analysis corresponds to the macro-level theory of industrial fluctuation.

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I Introduction

In 1923, Dennis Robertson (1890–1963) wrote *The Control of Industry* (hereafter *COI*) as the fourth volume of the Cambridge Economics Series. In this book, as we shall see below, Robertson developed the original view for industrialized society corresponding to the arguments of the “control of industry” by the British Socialists of the day. However, previous studies had little evaluated this book, including even Presley (1978 ; 1981) and Fletcher (2000), which are the main research documents of Robertsonian economics.¹⁾ The main reason is that this book

had been considered as a text of industrial organization.²⁾

However, this book has a dual character. The first part of the volume presents the division of labour, the integration of industry and marketing, the machinery and the use of credit power “like a film run too fast through the cinema, with occasional slips and flashes and lacunae, so as to finish the show by closing time” (Orton 1924, 763). This is surely suitable for an elementary exposition of economic principles. But he states in the first chapter that his book is intended to throw light on the problem of control, that is “how... can we ensure that the men and women

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