**A Tale of Two Nationalisations:**

**Experiences of Post 1945 Public Ownership in the UK and France Compared**

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## Abstract

As public ownership comes back into fashion following the failings and growing contradictions of neoliberal processes of marketization and privatisation, it is important to learn the lessons for public policy from earlier processes of nationalisation. In this article, I compare the post 1945 experiences of nationalisation in the UK and France. Both countries underwent sweeping processes of nationalisation in the aftermath of the Second World War amidst a broader international shift towards a more state driven model of economic development under capitalism. However, the two experiences of nationalisation diverged considerably, reflecting underlying differences in past forms of economic development, the different balance of class forces and the integration of each country into the broader global economy. The article argues suggests that these experiences remind us of the importance of a variegated perspective on the evolution of capitalism, distinctive political-economic trajectories and situating major policy shifts in time and space.

**Introduction**

In this paper, I contrast the post 1945 nationalisation programmes in the UK and France. The two countries made the greatest shift towards nationalisation of any in the developed world economies after 1945, and in both countries there was a wholesale nationalisation of key sectors and companies commensurate with taking over the 'commanding heights' of a capitalist economy for strategic purposes. Although the nationalisation programmes pursued in Britain and France intersected with a much broader international shift in both public opinion and in elite governing circles regarding the running of a modern capitalist economy, they were also driven by their own nationally situated economic and political concerns and from very different starting points and historical contexts. To date, whilst there has been much written about nationalization in both countries, there has been a dearth (especially in recent years) of attempts to compare the two experiences and the lessons to draw for the future, as public ownership comes back on to the policy agenda.

This paper contrasts the different experiences of nationalization in the two countries, comparing them in terms of both economic modernization and economic democracy. The objective in undertaking this comparison is to learn lessons from these past forms of public ownership to gain insights that might aid public policy in the future. This is particularly pertinent in the context of the growing public appetite for the return of public ownership in the UK and further afield. In terms of modernization, the shortcomings of British nationalisation are contrasted with the more successful experience in France where it was part of a much more thoroughgoing programme of state-led industrialisation and sustained programme of economic development. British nationalization was also not the dramatic economic or social revolution portrayed by either its proponents or its detractors and for the reasons explored in this article did very little to shift the historical trajectory of British capitalism. Neither form of nationalization did much to enhance economic democracy or bring the 'commanding heights' of the economy under workers control. For different reasons, highly centralized and elite state models of ownership emerged.

The rest of the paper is organized into four sections. In the first we identify the broader post 1945 political atmosphere that facilitated a global nationalization drive. The second and third sections then outline and evaluate the nationalization programmes in the UK and France, placing them within their specific historical trajectories and conducting a comparative assessment of their achievements with respect to economic modernization and democratic participation. The paper concludes with an overall assessment of the effects of nationalization in the two countries and the future implications for constructing more effective and democratic forms of public ownership.

**The post-1945 mood: the failings of laissez faire capitalism and the demands for nationalization and state planning**

British and French nationalisations need to be viewed in the context of the broader global economic landscape at the end of the Second World War. Free market 'laissez-faire' capitalism had been massively discredited as a socio-economic system, given its role in fostering the social and political conditions that had culminated in the Great Depression and two World Wars. Global capitalism system was firmly 'in the dock' for its associations with militarism, Fascism, social upheaval and mass unemployment. Moreover, the task of rebuilding the global economy – which had effectively collapsed – was seen to be one that required decisive government intervention and planning. As the great proponent of creative destruction, Joseph Schumpeter himself, noted: 'The all but general opinion seems to be that capitalist methods will be unequal to the task of reconstruction' and it was 'not open to doubt that the decay of capitalist society is very far advanced' (Schumpeter 1943: 20, cited in Armstrong et al 1991, 6).

Additionally, through the contribution of the Soviet Union to the eventual defeat of Nazism, the alternative economic model of communism and centralised state planning was viewed positively not just by the left but by many mainstream commentators where a belief in laissez faire had given way to a commitment to greater economic planning. As Armstrong et al put it :

> Much more serious for the long term prospects of the capitalist system than the physical destruction was the challenge to its effective functioning as a social system. In the defeated countries the war had discredited the capitalist class: its association with the horrific consequences of fascism and war had undermined its authority in the political sphere and industrially … Everywhere, with gathering momentum, people

> were demanding radical social change…. and capitalism was confronting a hostile social system, that of the USSR, whose prestige had been enormously increased by the war. (Ibid: 6)

Strange as this mood may seem today - after almost three decades of neoliberal globalization - a belief in nationalization and state planning as key economic policy tools had become part of a dominant international economic paradigm and as a new modernization wave (Armstrong et al 1991). Socialist and communist movements were on the rise across Western Europe while trade unions were growing radically and developing more radical agendas. Even centrist and centre right parties were showing signs of embracing more socialized forms of economy. For example, the German Christian Democrats in their Ahlen Programme in 1947 announced that the '"age of the unrestricted rule of capitalism" had been consigned to history, recognizing the imperative to "socialize the primary industries, iron and coal"' (Schneider 1991: 234). Two years previously, there had been calls for a "true Christian Socialism" (ibid).

While the more revolutionary mood across Europe 1945 changed with the onset of the Cold War, with more moderate politicians and labour leaders diluting the more radical demands to move beyond capitalism, a sea-change had nevertheless occurred in the relations between state, capital and ownership not just across Europe but across the global economy. As many African and Asian countries gained independence from their colonial masters, there was often a broad rejection of capitalism as part of the imperial legacy with many looking to the Soviet Union for inspiration. More pragmatically, even countries that remained under the US orbit during the Cold War, such as South Korea, Singapore and Taiwan were to successfully use nationalization and state policy as part of their policy mix to achieve rapid levels of economic development in the 1950s and 1960s; the state effectively acting as an entrepreneuir in the absence of an indigenous capitalist class (Chang and Rowthorn 1995, Chang 2006, Amsden 1989, Wade 1990).

The experience of the UK and France therefore needs to be seen as both part of a broader global trend in economic governance but also taking on particular features reflecting specific historical pathways and contingent conditions in the two countries.

## The British experience with nationalization: neither socialization nor capitalist modernisation

The British nationalization programme carried out by Labour Governments between 1945-51 undoubtedly represented a seismic change in the country's economic landscape and governance. Alongside a commitment to tackle the poverty, deprivation and unemployment that has plagued the country in the inter-war years, embracing the Keynesian critique of the orthodox macro-economic policies of previous Labour, Conservative and National governments of the 1920s and 1930s, the new Labour Government under Prime Minister Clement Atlee, elected with a majority of 145 seats, was committed to massive and unprecedented levels of government intervention in the economy. In its election manifesto, the Labour Party had promised its supporters an extensive programme of nationalisation to take key sectors of the economy away from the oligopolistic private interests that it viewed as responsible for the economic depression of the inter-war years.

> The great inter-war slumps were not acts of God or of blind forces. They were the sure and certain result of the concentration of too much economic power in the hands of too few men. These men had only learned how to act in the interest of their own bureaucratically-run private monopolies which may be likened to totalitarian oligarchies within our democratic State. They had and they felt *no responsibility to the nation.* (emphasis added) (Labour Party 1945: 1)

Although the Labour Party was keen to persuade its more leftwing supporters of a new socialist dawn, it is notable that the language of the manifesto reflected more a critique of Britain's private capitalist class for failing 'the nation' in not delivering economic change and social progress and for having its own 'totalitarian' grip on the levers of economic power. In this respect, as we shall see, the radicalism of the nationalization programme should not be overstated although the desire for many for economic modernization and a more socially progressive economy, influenced by those such as Joan Robinson, and her arguments against private oligopolies, was genuine (Robinson 1969).

Nevertheless, the policy was a significant departure from the existing trajectory of British political economy. As the foremost commentator on nationalization has noted: "In the 19th and first half of the 20th century, all Britain's major industries (including coal and railways, but excluding P&T) were mainly in the private sector. Neither central nor local government in Britain had significant shareholdings in companies.” (Millward 2011, p. 379). Key to the policy shift among government elites had been the perceived success of the planned economy during war time which convinced many of the need for a more state-centred approach to economic management (Fyrth 1993, Tomlinson 2008).

The nationalisation programme was substantive in its scope and breadth, including the Bank of England, the civil aviation industry, the entire coal and rail industries, as well as public utilities such as electricity, water and gas. The final and most controversial nationalisation was the iron and steel industry, eventually completed just after Labour left office in 1951 and subsequently reversed by the incoming Conservative Government. Referred to at the time by the government as ‘socialisation’ (Saville 1993: 38), nationalisation brought around two million workers into new public organisations so that by 1951 the public sector (including local authorities) numbered around four million; around eighteen per cent of the total workforce (ibid: 37-38).

It is important to emphasise that nationalization – as part of a strategy of economic modenisation and renewal - had some support outside the Labour Party and trade unions, although still opposed by most of the Conservative Party. Many private industrialists supported nationalization of key strategic sectors to improve performance and reduce costs to the wider economy (Armstrong et al 1991, Saville 1993). In this sense, nationalisation was more about improving the competitiveness and productivity of the British national variety of capitalism rather than anything more radical. Indeed, Labour Party pamphlets and articles in the 1930s had focused upon the British industry’s declining share of world markets, the cosy cartels that dominated many industries, the lack of investment and outmoded techniques and management practices and the loss of competitive advantage against the US, Japan and Germany (Fyrth 1993).

While there were progressive intentions behind nationalization, these tended to be geared towards improving the pay and working conditions of employees and the distributional effects of nationalization in providing cheaper services to working class families (Tomlinson 2008). These gains themselves were very real ones but stopped a long way short of giving workers or citizens a democratic stake in decision-making. Statutory consumer councils wer established for the nationalized industries but they had no real power to hold nationalized industries to account with only 12 per cent of consumer aware of their existence in later surveys (Tomlinson 2008). There were calls by some on the left for more radical visions and for more democratic control and ownership by workers – informed by tracts such as GDH Cole's Guild Socialism (Cole 1920) - but these never penetrated the upper echelons of the Labour Party or 1945 Government (Cunningham 1993). The conservatism of nationalization was most evident in the make-up of the new corporation boards where not only was there no commitment to any kind of elected membership or co-determination principles - which became common in most other Western European and Nordic countries after 1945 – but boards were largely staffed by private business executives and other members of the establishment, such as armed forces personnel. This approach was typified by the appointment of Lord Hyndley as the first chairman of the National Coal Board. Hyndley had been managing director of one of the largest private mining companies, Powell Duffryn (Saville 1993: 46). Regional officials of the NCB were also appointed from the ranks of private industry or in many cases from the military (Fishman 1993). Justification for what became known as the Morrisonian[i] model of top-down, elitist and undemocratic nationalization came in the form of the rationale of having technical and experienced management at arms' length from political interference and control. The problem with this was that it relied upon a private capitalist class that had failed in its own terms of delivering a competitive set of strategic economic sectors, while also being inconsistent by appointing many officials from the armed services with no prior knowledge or expertise. As former miners recollected in a book published in the 1970s nationalisation not only failed to deliver the expert management and therefore modernization promised but there was no change to underlying employment relations :

> I can remember standing at the pit with the banners, celebrating with my father and his friends. They thought, this was it. What a surprise they were going to get. They thought nationalisation would bring everything they'd fought for. But within a very short space of time they found out that they'd swapped one boss for another. The first boss we got was a major from the Indian Army, six months later followed by Captain Nicholson …. Later we had a banker!

> We really believed it would make a difference. We really thought it was the beginning of socialism, you know, almost time to hoist the red flag. I thought that we'd be working for ourselves, that we'd be in control. But in fact the supervision and bureaucratic administration became a hundred times worse. You'd get 10 foremen where you only had one; you'd have to use 10 pieces of paper where before you'd only have one. You'd always have to go through many more channels to get anything done. That approach killed nationalisation. A lot of us felt really frustrated. Mind, I still think nationalisation is the only way, but next time it will have to be different.

[former coalminers discussing the 1940s nationalisation in Beynon H. and Wainwright, H 1978, p. 180]:

Management was still heavily top-down and the development of large bureaucratic structures produced an alienating work environment for the average worker, whilst the lack of worker and broader citizen involvement in economic decision-making had created a significant democratic deficit in industries that were now owned and managed supposedly on behalf of the people. It is worth noting that there was very little opposition to the approached pursued by the Government among the labour movement at the time, beyond a few isolated Trotsykists and rank and file activists (Fishman 1993). For example, the National Union of Mineworkers, despite the significant influence of the Communist Party, including among its members the General Secretary Arthur Horner, was keener to take a pragmatic approach that allowed the new nationalized sector to take root and establish itself rather than concern itself with more radical demands for workers' control and democracy (Fishman 1993, pp. 71-94). Robert Dahl in his post-war analysis notes similarly the triumph of Fabian views over syndicalist ones both within the TUC and wider labour movement, and even the willingness of Guild Socialists such as GDH Cole to retreat from mare radical demands with the quote that "We cannot afford to risk failure and confusion by trying to be too 'democratic' at very start" (quoted in Dahl 1947, p. 888).

During the 1950s, a critique of the top-down approach did develop both among the Labour Party membership and trade unions (see Coates 1995, pp. 34-45) and in the development of a generation of 'new left' commentators, such as Raymond Williams:

> ..the nationalization of certain industries and services has been […] deeply compromised.).. they have not only failed to alter the 'profit before use' emphasis in the general economy but have also […] reproduced [..] the human patterns, in management and working relationships, of industries based on quite different social principles. […] In being dragged back to the processes of the old system, yet at the same time offered as witnesses to the new, they have so deeply damaged any alternative principle in the economy as to have emptied British socialism of any effective meaning.

[Williams 1961, p. 304]

The Labour Government sets its face against any semblance of economic democracy for the nationalized industries. In a letter written in 1949 following trade union requests to put more members on nationalised company boards, Labour Minister (and future party leader) Hugh Gaitskell opined to his counterpart Herbert Morrison: 'to the effect that TU representatives should be placed on the Boards with the right of members to recall such TU representatives as and when considered necessary is a more extreme example of syndicalist tendencies than anything yet put forward.' (Saville 1993: 59). Where labour representatives were appointed to boards, this usually came from the trade union establishment and right wing leadership; for example, Sir Joseph Hallsworth (NCB) and Lord Citrine (British Electricity Authority) (Fishman 1993). There was no systematised attempt to allow workers a voice in the formal governance processes of nationalisation.

It is important to escape the 'declinist narrative' (see Tomlinson 1997, 2008, 2017 chapter two) of post war UK nationalization and wider national economic performance that has been seized upon by the neoliberals to such great effect in the period since. Nationalisation did have some important positive consequences, particularly for improved employmemnt conditions, better gender equality and generous redundancy compensation payments in the face of industry rationalization and restructuring that made the nationalized companies 'model employers' in important ways (Tomlinson 2008). At the same time, although nationalization failed to deliver on its promises of capitalist modernization, a range of studies have subsequently demonstrated that the nationalized industries performed relatively well in terms of their efficiency and productivity when compared with international or domestic private corporations (Millward 2011, Parker 2006, Sawyer and O'Donnell 1999).

However, the broader intention to introduce new and more efficient management methods across the economy, using the nationalized industries to help deliver the technological and productivity improvements required, did not materialize. In practice there was an unwillingness to fundamentally challenge the private business lobby or reorganise the machinery of the main economic ministries (particularly in challenging the dominance of the Treasury and financial interests) that would have been required (Cunningham 1993). The staffing of the coal industry with former private owners and military types noted above, was a case in point. There was also little use made of the vast bank of expertise and knowledge about the economic and production conditions in the industry that had been built up by the trade union's own research department over time. The minister in charge, former socialist firebrand, Manny Shinwell, seem to believe that the very act of taking the industry into public ownership was enough in itself to secure social transformation. There was little thought going into any kind of serious reorganisation of the industry required for a more serious modernisation process with his appearances in the House of Commons characterised by an air of self-confident, almost complacent, triumphalism' (Fishman 1993: 63).

The premier example of this rather tokenistic approach to economic modernization approach apparent in the nationalization programme was the Bank of England. When it was taken into state ownership in 1946, observers would have been forgiven for thinking that this signaled a serious commitment to using the bank to underpin a serious long term programme of capital investment and restructuring in the UK's antiquated industrial base, shifting the economy away from its orientation towards the City, finance and imperial trade. Nothing could be further from the truth however. As Shaxen has put it: "[…]nationalisation was a mirage. The bank continued to be run by essentially the same court of Old Etonian merchant bankers" (2011, 216) while astonishingly the nationalization act made no mention of what specific role the bank should play (ibid).

Unlike the situation in France (see below), nationalized industries were particularly constrained in their ability to raise capital for urgently needed investment, particularly given the poor state of infrastructure and the need for a complete overhaul of pre-war sectors such as the railways and the mines (Saville 1993). It also meant that where there were examples of excellence – such as the National Coal Board's research department's development of a vast range of new mining equipment – Conservative governments especially prevented the commercialization of innovations that might compete with the private sector. Although governments did invest, this was usually driven by short-term commercial interests rather than for longer term modernization plans (Fine and Harris 1985). This situation contrasted with the extremely generous compensation given to the private owners following nationalization which in the case of the Bank of England shareholders amounted to £58 million, based on a figure of a 12 per cent divided return over the previous two decades (ibid). In the coal industry, renumeration effectively rewarded scandalously bad management practice in the case of some private owners with a massive injection of cash liquidity. The overall effect was to increase the already well-established rentier tendencies in British capitalism.

The return of the Conservatives to government in 1951 and their subsequent political domination until Harold Wilson's electoral victory in 1964 brought a halt to any further attempt to 'socialise' more sectors of the economy although the Conservatives did not depart from the broader consensus of Keynesian economic management and commitment to full employment and welfare policies. The result was that the underlying structures of the British economy, its lack of modernisation and the continuing grip of financial interests went unchallenged (Fine and Harris 1985). While both the 1964 and 1974 Labour Governments did have serious commitments to economic planning and more radical forms of nationalisation (see for example O'Hara 2011), neither had the electoral majorities to supress both internal moderate opposition nor to carry forward a decisive programme of economic change. Government priorities were more often than not taken up with macroeconomic considerations in dealing with the country's broader economic decline and faltering international competitiveness.

Rather than being at the forefront of modernisation and economic renewal, the nationalised industries became a sink for hiding the problems of the private sector. Successive governments, both Labour and Conservative, severely constricted the ability of nationalised firms to borrow on their own account, denying them the freedom to act like the private sector while simultaneously arguing that they should be both self-sufficient and independent of political control. However, the latter did not extend to the rather critical aspect of a normal commercial operation of setting their own prices for consumers and from 1945 through until the 1970s successive governments capped prices well below market value (Millward 2011, Fine and Harris 1985). The justification was to provide cheap raw materials to the private sector but the effect was to camouflage the failings of private companies, poor managemernt and a lack of private investment. So, from the outset, the nationalised entities were operating with both arms firmly tied behind their back and not given the power to set their own agendas outside of servicing the private sector. The result was that by the early 1970s the nationalised industries were overall running at a significant loss (Saville 1993a, Armstrong et al 1991, Glyn and Sutcliffe 1972, Hughes 1960); estimated as around £1.5 billion by 1978 (Millward 2011: 23).

To be clear, it wasn't that the British state owned industries were less competitive than their private counterparts, either domestically or internationally. Instead, the key difference was that where the private sector was given the "scope for entrepreneurship and hence expansion" (Milward  2011, p. 25), the state sector was heavily constrained in its operation and used to effectively cross-subsidise the failings of the private sector of British capitalism. By the late 1970s a negative media and a resurgent right, underpinned by neoliberal free market philosophies scapegoated the nationalize industries and a 'bloated' public sector for the failings of the broader economy in an increasingly competitiveand turbulent global economy. This image has remained intact among the political and corporate elites to this day on both the right and centre left. To summarise, the evolution of the nationalisation programme failed to change the political economy of the UK or alter the balance of power between finance and industrial capital with the former becoming increasingly ascendant through the deregulation and privatisation programmes of the Thatcher governments in the 1980s.

**French nationalisation as state modernization project for the trentes glorieuses**

In France, the political and economic forces at work were very different to the UK after 1945. The most obvious contrast was in the treatment of private capitalists. Because of its associations with Fascism, the French business class was held in low regard at the end of the war, a typical example being the Renault car firm, which was nationalized without compensation and its owner Louis Renault jailed without trial for presumed collaboration with the Vichy Regime and Nazis.[ii] Another key difference was the much stronger historical tradition of 'dirigism' (e.g. Schmidt 1996, Zysman 1977) or state intervention and central direction of the economy. Although, the UK had experienced a rise in municipal ownership in the late nineteenth century associated with urbanization, industrialization and the requirements to provide and manage utility sectors (Foreman Peck and Millward 1994), national state level intervention in industry was anathema to established political and economic interests before 1945. In contrast, in France "the real roots of nationalization lie in the new order established during the French Revolution and more specificially the Napoleonic Age" (Chadeau 2000, 191) with considerable national state intervention from this period onwards, manifested in strong regulations governing property, expanding the public realm and either directly operating or licensing private operators in strategic areas such as transport, energy, shipping, armaments and postal services. The setting up of a state-owned railroad, Chemins de Fer de l'Etat, for example, at the end of the nineteenth century prefigured complete nationalization in 1937 (ibid).

In broad terms, and despite the common policies of nationalization, scholars continue to recognise very different varieties of capitalism underpinning the post-war economic policy trajectory of France as essentially a form of 'state capitalism' rather than the UK's continuation of a market capitalism, albeit with more attempted state intervention (Schmidt 2003). A French dirigiste tendency to establish public or private monopolies under strong state control with the development of an elite class of civil services as a public sector managers were other key departures from the UK's laissez-faire experience and were key features of French industrialization (ibid, Green 1978, Kindleberger). An initial period of left government inspired nationalisation occurred in the 1930s under the short-lived left government of Leon Blum precipitated the much grander shift after the war. Alongside rail nationalization, various aircraft and armaments manufacturers were brought under public control and partial nationalisations of Air France and the leading shipping concern, Compagne Generale Transatlantique (ibid) were also carried out.

Unlike in the UK, nationalization as a political programme united the main political parties – the Free French government of General De Gaulle initiated the post war nationalization programme from 1944 onwards as part of national liberation from Nazism. Alongside the major utilities of electricity, gas, Air France and the mining sector (though not iron and steel), Banque de France was nationalized in 1945, along with the four major commercial banks and fifty per cent of the insurance industry, representing a much more active government intervention in the financial sector than in the UK. Another departure from the UK experience was the establishment of national councils to oversee key sectors and the setting up of a central planning system to set targets for national output (Armstrong et al 1991).[1]

Like the UK, there was a similar surge to the left in France after the war with left parties winning around 60 per cent of the vote in the 1946 general election and the communists and socialists involved in a three-party coalition government with the Communists the largest party. This was to be important initially in the development of the nationalized sector, particularly from the point of view of economic democracy and worker ownership. While more moderate centrist and social democratic elements were successful in excluding the Communists from state influence by the end of the decade, the Communist-backed trade union federation, the CGT, was able to exert influence in the critical formation phase of national economic planning and in the governance of the nationalized sectors between 1945-7 (Sturmthal 1952, Bliss 1954). While the left commitment to tackle 'etatism', the control of the state by elite bureaucrats on behalf of monopoly corporate interests, was ultimately unsuccessful, left influence was nevertheless important in creating co-determination and corporatist structures that gave workers some voice in economic decision-making.

There was also a much greater commitment to giving different interest groups representation on company boards compared to the UK. To illustrate the point, the newly established

[1] Although similar infrastructure was put in place in the UK, through particular government ministries it was never as effective, particularly after the Labour defeat in 1951.

Electricite de Gaz de France and Gaz de France had board membership comprising 4 government appointees, four from technical and expert groups (with two of these nominally representing the consumer interest) and four from trade unions (Bliss 1954). Worker representatives occupied one third of the seats on the boards of the banks, six out of fifteen on the Renault board and three of eleven on the new aeronautical company (Strumthal 1952). Over time, the influence of workers and consumer interests tended to diminish as full time state official and managers were able to dominate agendas over part-time elected members so that decision-making became more centralized and under government control (Bliss 1954). However, with the parallel development of principles of co-determination across the French economy – the first law requiring employee representatives was introduced in 1936 and elected works councils were established for all enterprises of over 50 employees in 1945 – there was nevertheless a certain basic level of economic democracy underpinning nationalization in the wider economy from the outset.

While the democratic character of French nationalization proved limited in the longer term, there was a completely different relationship between the nationalized industries and the rest of the economy, compared to the UK, and a more serious and to all intents and purposes successful modernization drive, evident in the much stronger growth and productivity performance of the French economy between 1945 and 1990 (Broadberry and O'Mahony 2007). The commitment of the French state elite to an industrialization programme, given the country's relative backwardness relative to other advanced economies, led to a much more serious and sustained commitment to using the nationalized sectors to forge a modernization agenda. Central to this was a strategy that combined state dirigisme, tackling social deprivation and fostering economic efficiency but framed within an open and more internationalist outlook than the protectionist political economy of the pre-war period. A new elite, personified by the architect of the European Union, Jean Monnet, who was in charge of economic planning from 1949 (and of the embryonic European integration vehicle, the European Coal and Steel Community from 1952 to 1955), and which combined both centrist state officials, business elites and moderate labour leadership, steered through a sustained programme of 'social compromise and more general public intervention congruent with the new "Keynesian and Fordist" mode of development (Boyer 1987: 34). This was decisive to French economic success in the 1950s and 1960s (Armstrong et al 1991).

Although the nationalized sectors were subject to price controls from time to time, they had much more operational freedom and ability to invest, modernize and innovate than their British counterparts. State control of banks, and therefore the availability of long term patient capital, and the sustained political consensus around long term planning and target setting – despite the political upheavals of the Fourth and Fifth Republics – were critical in a much more successful outcome for the nationalized industries in terms of growth and productivity improvements (Armstrong et al 1991). A direct contrast with the UK comes from the auto industry where Renault's ability to develop popular and innovative models like the CV2, Dauphine, Renault 4, 5 and 8 compares favourably with the sad post war demise of its British private sector counterparts (Chang 2007). In the UK, experiments with planning and industrial intervention – including the reactive nationalisations of the Upper Clyde Shipbuilders and British Leyland – in the 1960s and 1970s were too little, too timid and too late, amidst a deteriorating global economic environment (O'Hara 2011).

Like much of Western Europe, France was suffering severe economic problems by the late 1970s but it is worth reflecting that the political narrative on nationalization and state ownership remained much more positive in this context than in the UK. Further nationalization and state intervention were seen as part of the solution to restructure the French economy under the Left government of Mitterand in 1981 which, on assuming office, immediately nationalized 36 banks and 11 industrial conglomerates (Hall 1987) in high-tech growing sectors as well as in declining ones. While this proved short-lived, did not live up to its manifesto commitments to greater economic democracy (Ross 1987), and was later replaced by a dramatic privatization process under a centre-right administration (Chadeau 2000), the principle of state intervention and co-ordination of the economy remained an important cornerstone of French political economy, in spite of subsequent market and financial deregulation (Clift 2012).

**Conclusions**

Both the UK and France experienced massive economic policy shifts in the post 1945 period with nationalization a central plank for both countries, although there was a generalized shift away from the revolutionary fervour of the post-war moment, with a common theme over the period from 1945 through to the mid 1970s being a movement from the more radical aspirations for democracy and worker involvement towards increasingly centralised and bureaucratised state structures. In both cases, nationalization had more to with economic modernization than socialist transformation, although in the UK some of the rhetoric of the ruling Labour Party hinted at broader societal change. In the two countries, the modernization imperative took slightly different forms. Whereas in the UK, it was about re-establishing a lost lead in industrial competitiveness with nationalization being about imposing a state driven competitiveness project in the wake of the failures of private capital, French modernization was about bringing a lagging and predominantly rural country up to the standards of its contemporaries.

A critical element of the argument advanced here therefore is that the historical foundations for nationalisation policies differed between the two countries, shaping the outcomes of nationalization experiences. In the UK nationalization failed to challenge the grip of private and corporate elites and shake the longer term grip of the City of London, rentier and financial interests. Ironically, the inability of state owned enterprises to act as enterprises in their own right, shorn of the ability to raise their own capital and commit to longer term autonomous investment strategies without government interference, was to be a major stumbling block. The lack of financial capacity – reflected in the tokenistic Bank of England nationalization – to develop longer term planning and infrastructure overhaul, in contrast to France, was telling of a failed modernization project. When privatization came on to the agenda in the 1980s, outside the trade unions and Labour Party, there were few active defenders of public ownership, which had not secured a place in the broader consciousness to match that of French public corporations. In France, by contrast, nationalization was part of a much more successful process of economic and societal modernization and was therefore held in high regard well into the 1980s. To understand the more serious and sustained embrace of the state, one has also to appreciate the very different historical trajectory of capitalist industrialization in the nineteenth century where state regulation and control of the economy were already integral features compared to the more laisse faire private economy of the UK (Millward 2011).

In neither case however did nationalization deliver a deeper socialization of the economy or more democratic forms of governance. This was most evident in the UK where from the very outset nationalisation was a top-down state project driven largely by existing established interests without citizen and worker involvement. While French nationalized entities did at least embrace elements of co-determination, the British model – for all the fanfare and subsequent claims made by the right – did very little to deliver the 'commanding heights' to the workers. The longer term effects, both for employment relations but also for greater public engagement, have therefore if anything been negative rather than minimal, Even in France, where more democratic structures were initially developed, over time there was no serious challenge to the basic statist and managerialist status quo.

Given the times we are currently living through, marked by growing global inequalities, an increasingly discredited elite neoliberal free market model, and the rise of far right populism, there is one final important reflection on the otherwise diverse experiences of post 1945 nationalisation in the UK and France. This relates to the increase social distancing of state owned institutions from the broader populace in both countries. Both through over-centralised models, but also over time the increased detachment of the political and administrative elites, in neither country were the nationalised industries embedded within or embraced enthusiastically by broader civil society. With some signs that public ownership might be coming back on to the public policy agenda (e.g. Labour Party 2017) – to deal with the problems of almost four decades of rampant market deregulation – it is important that more democratic and where possible decentralised models of nationalisation are to the fore in the future (Cumbers 2012). Public ownership should be genuinely owned and controlled by the public rather than managed on its behalf.

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[i] After the minister responsible for nationalisation, Herbert Morrison. His preferred model drew upon his own preference from the London Passenger Transport Board which he was involved in establishing in the 1930s with an emphasis upon a ‘public corporation run by business and expert interests. Distance from local authority or government interests was even seen as a virtue’ (Saville 1993: 44).

[ii] Renault died in prison before facing charges. Subsequently, there was found to be no strong evidence against him of collaboration.