

THE POLITICS OF WORK HUMANIZATION AND POWER SHARING  
IN ADVANCED CAPITALIST SOCIETIES

Gerry HUNNIUS\*

PREFACE:

This is a working paper which is a part of a wider study dealing with the process of social change in late capitalist (liberal-democratic) societies. This wider study is situated within the context of the persistent tension between capitalist needs of accumulation and democratic pressures and expectations about how social and political life should be organized. This (wider) study will concentrate on the process of work, its linkages to other processes and institutions (notably education, family and political institutions), and its function in the maintenance or transformation of capitalist society.

I. INTRODUCTION:

Current literature on worker participation in management (both at the shop floor and the board level) and work humanization centres largely on the distribution of decision-making and its effects on worker satisfaction and productivity, without reference to the context in which these innovations are introduced. A political analysis of such innovations must, in my view, meet at a minimum, the following requirements:

1. provide a theoretical basis taking into account the nature of the industrial relations system and by extension the wider socio-political dimensions of a given society;
2. include an elaboration of relevant key concepts, e.g. power;
3. be concerned with the way in which these innovations operate in the real world (rather than with mythical or prescriptive versions); and
4. offer an explanation for any emerging pattern of historical and contemporary evidence, combining theory and observation.<sup>1)</sup>

---

\*<sup>1)</sup> Social Science Department, Allkinston College, and Faculty of Environmental Studies, York University, Toronto, Canada.

<sup>1)</sup> See p. 502.

Concretely, I will look at work humanization and worker participation in management to determine their system-maintaining and transforming characteristics and potential. I will draw my evidence, selectively for the purpose of this paper, from historical and contemporary evidence in Britain, the United States, Canada, Sweden, and the Federal Republic of Germany.

I will attempt to test the following hypotheses:

1. That such innovations originate as pragmatic responses of capital to specific labour problems in individual enterprises (i.e. high absenteeism, turnover, sabotage, strikes), and to stresses within the wider industrial relations framework (i.e. growing power and/or militancy of organized labour); and
2. That such innovations represent a continuum in the humanization and democratization of capitalist (liberal-democratic) societies.

The system maintaining objectives of the first hypothesis will be examined in relation to the system transforming function of the second hypothesis to determine their relations, to identify specific variables with transforming potential released through the operation of pragmatic responses, and to describe the conditions of their effective operation.

The important function of defining system transforming and system maintaining transformation is being omitted in this working paper. While it would not be difficult to postulate a theoretical definition (e.g. one based on the increase or decrease in the autonomy of organized labour resulting from a given innovation) the difficulties of such definitions become evident the moment we attempt to analyse the reality of the struggle between labour and capital.

This paper should be seen as a modest start in the direction of answering a few of the questions raised above.

## II. THE CASE FOR SYSTEM MAINTENANCE AND SYSTEM TRANSFORMATION

Before I analyze specific and concrete data of work humanization and participative management innovations in relation to their system maintaining or transforming characteristics and potential, I will state briefly, in general terms, the most important arguments for each case.

### a) *The Case for System Maintenance:*

The argument that work humanization and participative management are system maintaining would seem to rest on the following facts and assumptions:

<sup>1)</sup> Adapted from Harvie Ramsay, *Phantom Participation: Patterns of Power and Conflict*, Strathclyde University, May 1978, mimeo. See also, Daniel Benedict, "Worker Participation in Decision-Making in Industry: Forms, Experiences and Attitudes", *Reference Paper No. 78-01, Labour Studies Programme*, McMaster University, Hamilton, Nov. 1977, p. 4.

1. As individuals, workers are fully socialized into the individualistic, consumer-oriented values of liberal-democratic/capitalist society and thus accepting of its elitist values and structures as long as they, as individuals, continue to receive tangible material benefits (or the promise of such).
2. Organizationally, trade unions function as an integral and integrated part of capitalist society. Increased legitimacy, prestige and limited power has been granted to unions only after their original revolutionary position had been abandoned.<sup>2)</sup>
3. Capitalism has shown itself capable of absorbing and neutralizing waves of work humanization and participative management innovations for nearly a hundred years without any serious threat to capitalist rule.
4. There is little, if any, hard evidence to suggest that current initiatives in work humanization and participative management pose an immediate serious threat to capitalist rule.

### b) *The Case for System Transformation:*

The case for system transformation of these innovations rests mainly on their expected potential and/or certain historical trends and processes which are then postulated into the future.

1. There is very little disagreement with the statement that capitalist society has not been able to satisfy a variety of important human needs. Recent attitude surveys provide empirical evidence for those who have doubted what seems obvious to many of us.<sup>3)</sup> Robert Lane, for instance, argues that "some contemporary estimates of sources of satisfaction state that five-sixths of the sources of these satisfactions escape the market mechanism". He continues by citing additional evidence showing that "the satisfactions that contribute most to an overall sense of well being rank family and leisure above standard of living; and friendship and freedom from stress contribute more than income".<sup>4)</sup> There are also several recently developed theoretical scenarios which indicate and explain gradual institutional changes in the direction of

<sup>2)</sup> A relevant parallel would seem to be the historical fact that in our Western societies, democracy (e. g. the democratic franchise, the unionization of workers, etc.) was not introduced until after the liberal state and society were firmly established. cf. C. B. Macpherson, *The Real World of Democracy*, The Massey Lectures — Fourth Series, Canadian Broadcasting Corporation, 1965, p. 5.

<sup>3)</sup> cf. M. Burstein et al, *Canadian Work Values: Findings of a Work Ethic Survey and a Job Satisfaction Survey*, Information Canada, Ottawa, 1975. It should be noted that the few attitude studies conducted to test the views of union leaders and rank and file union activists indicate that the traditional bargaining issues (wages, fringe benefits, job security, etc) receive higher importance ratings than quality of work issues. cf. Thomas A. Kochan, David B. Lipsky, Lee Dyer, "Collective Bargaining and the Quality of Work: The Views of Local Union Activists", in *Industrial Relations Research Association Series, Proceedings of the 27th Annual Winter Meeting*, San Francisco, December 28—29, 1974, pp. 150—162.

<sup>4)</sup> Robert E. Lane, "Waiting for Lefty: The Capitalist Genesis of Socialist Man", in *Theory and Society*, vol. 6, No. 1, July 1978, p. 4.

meeting these human needs. Robert Lane elaborates as follows: "There are certain (fragile) human needs that prompt people to resist domination by unfriendly institutions, and which, therefore, serve as agents of change. For the socialist cause, the character of these need is obviously crucial".

"What is more or less "new" in contemporary psychology is the development of theories of at least two benign needs. *One of them, of course, is Maslow's theory of the "instinctoid" need for self-fulfillment, for personality growth and self-actualization.* This is particularly congenial to the socialists' cause for it posits a "need hierarchy" such that when men have satisfied their more basic economic needs, then (but only then) will they naturally move toward gratifying higher needs, the highest being an insatiable need for self-actualization or personality development and fulfillment. It is favorable because it suggests a psychogenic force for changing economic institutions in ways congenial to many of the socialists' proposals, and it favors an easy transition because the higher needs would be exerting their pressure before and during the transition; they are not dependent on the new environment.<sup>5)</sup>

*The second "new" instinct is called a drive for competence or "effectance" and represents the inherent need for a sense of mastery of one's own environment, control over what happens to oneself.* It is congenial to and has been elaborated upon by various cognitive theories of "attribution" of causal force (to self or to something external to the self), and, again in contrast to Freud's two instincts, it is generally regarded as a benign instinct, favoring personality development, congruent with democratic theory and supportive of socialist views of man. *It is thought to lie behind men's preferences for intrinsic rewards, the doing of the act itself, as contrasted to extrinsic rewards controlled in some measure by others" . . .*

"Finally, the maturational theories of genetically programmed cognitive development, associated with Piaget and Bruner, have been applied to societal development where research shows that as societies develop and as education becomes more widespread, the level of cognitive complexity among the members of a society increases. With cognitive complexity comes the possibility of greater moral development, a decline in the rule-boundedness of authoritarianism, a capacity to imagine situations contrary to fact, hence to entertain alternatives to any status quo.

"The research on these two instincts and on the extension of the instinct based on cognitive maturation theories to societal change is impressive. With the exception of the Maslow need hierarchy, which seems actually to be a two-level, rather than a multi-level hierarchy, *the underlying conceptions (if not the instinctual character which is hard to prove) are reasonably well confirmed by research.* Leaning gingerly upon them, then, one might expect to see pressures to fit institutions to these personality needs and cognitive capacities, along with economic pres-

<sup>5)</sup> For a critique of Maslow's hierarchy of needs in this context, see Stephen Marglin, "Catching Flies With Honey: An Inquiry into Management Initiatives to Humanize Work", papers submitted to the *First International Conference on Economics of Workers' Management*, Dubrovnik, October, 1978.

ures to fit personality characteristics to meet institutional demands. And this seems to be what is happening in late capitalism. A simple illustration . . . is the change in theories of industrial management, from Taylor's "scientific management" adjusting the worker to the work and relying on a single monetary incentive, to the human relations movement based on simple theories of worker morale, to the job-enrichment theories of tailoring work to meet needs for challenge and fulfillment".<sup>6)</sup>

2. The contradictions within capitalism clearly go beyond the economic. Advanced capitalism has created values and expectations which it seems incapable of fulfilling. Whether the resulting compromises made by the system can be absorbed and integrated without disruption or displacement of capitalist power is debatable.

An example of such a contradiction can be found in the introduction of mass schooling in capitalist countries. Lazonick, for instance, reports that the ruling class in England "was against mass literacy insofar as it thought that it would just facilitate the communication of subversive ideas among the working class, and it was in favour of mass literacy insofar as it thought that it would permit the effective communication of ruling-class ideology to the working class".<sup>7)</sup>

Despite the system maintaining motivation of educational reforms it is generally agreed that the higher level of educational attainment and the changes in the structure and content of education are directly related to the increasing demands of blue and white collar workers for job satisfaction, freedom from arbitrary managerial control and other intrinsic aspects of work.<sup>8)</sup>

Assuming that capitalists will feel compelled to accelerate the introduction of job enrichment and "industrial democracy" type of innovations on a massive scale, we can expect the demand by industry for more highly skilled workers to increase. Not only will these workers have to be more highly skilled, they will have to exhibit characteristics and behaviour patterns quite different from those required in the past. Instead of obedience to authority they will have to be creative and capable of autonomous action; individual competitiveness will have to be replaced by co-operative behaviour; narrow specialization by a general understanding of a much wider area of the process of production.

As Gorz has pointed out, "the problem for big management is to harmonize two contradictory necessities: the necessity of developing human capabilities, imposed by modern processes of production, and the political necessity of ensuring that this kind of development of capabilities does not bring in its wake any augmentation of the independence of the individual, provoking him to challenge the present division of la-

<sup>6)</sup> Robert E. Lane, *op. cit.*, pp. 2-4.

<sup>7)</sup> William Lazonick, "The Subjection of Labour to Capital: The Rise of the Capitalist System" in *The Review of Radical Political Economics*, Vol. 10 No. 1, Spring, 1978, p. 5. For a similar Canadian scenario, see Stephen Schechter, "Capitalism, Class, and Educational Reform in Canada" in Leo Panitch (Ed.), *The Canadian State: Political Economy and Political Power*, University of Toronto Press, 1977.

<sup>8)</sup> cf. European Association of National Productivity Centres, *Industrial Democracy in Europe: The Current Situation*, Working Document, Brussels, March, 1976, p. 6.

bour and distribution of power".<sup>9)</sup> Gorz believes that this represents, "a tissue of explosive contradictions, for to attempt to teach ignorance at the same time as knowledge, dependence at the same time as intellectual autonomy within narrow limits, is to expose oneself — if one cannot enforce a rigorous segregation — to the risk of seeing these limits and this ignorance challenged".<sup>10)</sup>

If the foregoing assumptions are valid, one would expect the state (in capitalist society) to take the initiative in attempting to solve the emerging crisis. Both in Canada and in the United States, such initiatives by the state are in fact taking place. The response is more clearly organized and defined in the United States, where the U.S. Government has funded a major research project dealing with the "Educational Requirements for Industrial Democracy".<sup>11)</sup>

3. The system transforming characteristic of such innovations has been brilliantly summarized by Branko Horvat who uses a historical event to illustrate his thesis. I will quote him at length:

"Suppose we find ourselves in a feudal society and contemplate how to speed up capitalist transformation. What do we do? The most sensible thing to do is to discover the fundamental capitalist institution — the one that essentially governs the system — and try to transplant it into the feudal environment. The institution we are looking for is clearly a universal market, i.e., a free market for both products and factors. The transplantation of course, has its problems, and the environment may reject the transplant. But, suppose we succeed. The institution will gradually corrode the feudal structure from the inside and the structure will begin to crumble. If everything can be bought and sold, then feudal estates and aristocratic titles will be soon offered for sale and the lords will soon prefer to receive monetary rents from free tenants rather than labour services from their serfs.

The fundamental institution of socialism is self-management. The main task of the present study was, in fact, to examine and validate this proposition. If universal self-management (in both market and non-market sectors) is introduced to either capitalist or statist societies, it will gradually resolve the old production relations and eventually the disintegrating system will have to be replaced by something more compatible with the institution. By participating in management (and in local government), by fighting for a continuous extension of participation until it reaches full self-management, workers learn in their daily lives how to control their destiny, how to overcome fragmentation and decomposition of labour, how to achieve meaningful social equality, how to destroy antiquated hierarchies. They do that without the tutorship of omniscient leaders. They prepare themselves for self-deter-

<sup>9)</sup> Andre Gorz, "Capitalist Relations of Production and the Socially Necessary Labour Force", in *International Socialist Journal*, (August, 1965) p. 422.

<sup>10)</sup> Andre Gorz, *Strategy for Labour: A Radical Proposal*, Beacon Press, 1967, p. 108.

<sup>11)</sup> This research has been funded through a grant from the National Institute of Education, Department of Health, Education, and Welfare, United States Government, (NIE Grant No. NE-G-00-3-0205, September 1, 1978 — August 31, 1976). The research was carried out by the Portola Institute (Menlo Park, California) to be relocated later to the Center for Economic Studies at Palo Alto, California.

mination. And they use Law and Order for exactly that purpose. Self-management clearly cannot be established overnight. But neither was the capitalist market. And similarly as the development of the market, however gradual or irregular, could not be anticapitalist, the growth of participation from its primitive forms of joint consultation towards full-fledged self-management cannot be antisocialist in spite of the attempts to misuse it for the preservation of the status quo".<sup>12)</sup>

It is the inability of the work process under capitalism to satisfy the qualitative needs for self-determination which will corrode the capitalist system from within and thus pave the way to the transition to socialist self-management.<sup>13)</sup>

### III. HISTORICAL AND CONTEMPORARY EVIDENCE

#### a) System Maintenance: Britain, United States and Canada

Harvie Ramsay presents us with an incomplete but impressive analysis of work humanization innovations in Britain. His analysis shows that these innovations cannot be seriously treated as having evolved out of the humanization of capitalism as is frequently suggested. What in fact emerges, he argues, is a series of *cycles*. Worker participation and/or humanization schemes were initiated by employers whenever the authority of management was faced with a challenge. Whenever organized labour was strong and militant and presented a threat to the power of employers, such innovations were introduced in order to secure labour's compliance and to weaken the position of unions.<sup>14)</sup>

I am presently engaged in testing the applicability of the cycle theory to Canada and the United States. While generalizations are premature at this point and must furthermore take into account the traditions, experiences and struggles in each particular country, certain trends, applicable at least to the United States, Canada and Britain, seem to emerge: The widespread control exercised by the skilled trades up to the 19th and early 20th century is well documented. It is usually referred to as "restrictive control" and "shop control". It included control over the number of apprentices allowed to enter a trade, over hiring and firing, pricing of products and hours of work. This traditional control exercised by skilled trades was gradually eroded in the early part of the 20th century (in the U.S. and Canada) through the introduction of scientific management (including piecework) coupled with coercive power of employers and the state. The resultant defensive action by organized labour took the form of strikes, further unionization of the unorganized and a

<sup>12)</sup> Branko Horvat, "Paths of Transition: Searching for a General Strategy of Transition", presented at the International Conference on *Possibilities for the Liberation of Work and Political Power*, Dubrovnik, 1977.

<sup>13)</sup> Branko Horvat, "Paths of Transition to Workers' Management in Developed Capitalist Countries", in *Economic Analysis and Workers' Management*, Vol. XI, Nos. 3-4 (1977), pp. 214-237.

<sup>14)</sup> For a more detailed historical account, see Harvie Ramsay "Cycles of Control: Worker Participation in Sociological and Historical Perspective", in *Sociology*, Vol. 77, No. 3, September 1977.

heightened militancy and radicalism of those directly affected by these measures (de-skilling and loss of power).<sup>15</sup> Worker participation schemes at least in Canada, the United States and Britain, have their origin in this period.

Welfarism or Industrial Betterment was one of the various techniques used by employers in the U.S. at the turn of the century to deal with 'labour problems', to weaken the power of organized labour in general and thus to gain the freedom to introduce technological innovations and to utilize available resources to the utmost. Welfarism, with the emphasis on work humanization, profit sharing and afterwork activities can be viewed as the forerunner of the human relations approach. Three factors in particular seem to have motivated employers to experiment with this approach:

1. It was used by employers to destroy or weaken unions where they existed, or to lessen the likelihood of their emergence through the introduction of various innovations in work humanization and/or profit sharing.
2. It offered a clear and desirable alternative to unionism and collective bargaining.
3. It was profitable to the employer. It tended to reduce the turnover of employees, wildcat strikes and sabotage.<sup>16</sup>

With the rise of the Human Relations Approach proper (from the time of the experiments at the Hawthorne Works of the Western Electric Company) other factors gained in prominence. Insulating employers from unionization, however, has remained an important reason for introducing such innovations, particularly so in small and medium-sized enterprises and institutions. The main reasons, however, would seem to have related to the inability of Taylorism or scientific management to provide satisfactory solutions to "labour problems" (i.e. labour unrest and declining productivity).

#### b) System Maintenance: The Federal Republic of Germany

The literature on the West German co-determination model is extensive. Since we are primarily concerned with the system maintaining or transforming characteristics of co-determination, I will restrict myself to a few relevant observations. It should state beforehand that my analysis of codetermination has led me to believe that this particular set of innovations is largely system maintaining in its function. I have elsewhere provided a more detailed analysis and will restrict myself now to a

<sup>15</sup> For Canada, see Craig Heron and Bryan Palmer, "Through the Prism of the Strike: Industrial Conflict in Southern Ontario, 1901-1914" in *Canadian Historical Review*, Vol. LVIII, No. 4, December 1977. For the U. S. see Bruno Ramirez, *When Workers Fight: The Politics of Industrial Relations in the Progressive Era, 1898-1919*, Greenwood Press, 1978, (particularly chapter 5).

<sup>16</sup> Bruno Ramirez, *op. cit.*, chapter 8.

few observations illustrating the reasons for my general conclusions.

There are three distinct institutional levels within German corporations where employees and/or unions participate in decision-making.

*The Works Council* (Betriebsrat) is the independent representative of all employees in a given establishment. The employer is not represented in the work council. One veteran observer of the co-determination model has concluded that "the Works Council is a marginal institution at the crosspoint of three large interest groups: management, trade unions and the employees of the enterprise. Only in a few cases will it be possible for one of these groups to constantly use the works council for its own purposes".<sup>17</sup> Given the original intention for the Works Councils to be the voice of all the employees, it is somewhat disturbing to hear that "only in a few cases will it be possible for one of these groups to constantly use the Works Council for its own purposes".

At the other end of the spectrum are the *Supervisory Boards*, equivalent to Canadian and U.S. Boards of Directors.

1. Parity representation on Supervisory Boards has existed in the coal mining and steel industries for some time. It has recently been extended to all German companies with more than 2000 employees, but there are two restrictive provisions:
  - a) At least one employee representative must be nominated by the so-called "Leitende Angestellte" (employees with managerial functions).
  - b) In conflict situations (i.e. in case of a tied vote the chairman casts the deciding vote and the chairman is always nominated by the shareholders.<sup>18</sup>)

The facts speak for themselves. To call this type of capitalist control "co-determination" is absurd.

2. The labour members of the Supervisory Board are restricted by law from accepting any obligations to the union or work force that has elected them.<sup>19</sup>
3. While the legal function of Supervisory Boards includes the control of the managing board (the "real" decision-maker), in practice, especially when business is booming, the "actual activities of Supervisory Boards do not amount to much more than co-ordination, advice, and formal ratification of decision already made by the managing board".<sup>20</sup>

Since the *Managing Board* is in reality the real decision-making body, it is relevant to look briefly at the function of the labour director, who in practice is nominated by the unions. The labour director is responsible both for effective management and effective representation of

<sup>17</sup> F. Fürstenberg, "Workers Participation — The European Experience", in *The Labour Gazette*, August 1976, p. 426.

<sup>18</sup> *Ibid.*, p. 427.

<sup>19</sup> R. Herding, *Job Control and Union Structure*, Rotterdam University Press, 1972, p. 322.

<sup>20</sup> F. Fürstenberg, *op. cit.*, p. 427.

the workers' point of view. The problems associated with this particular innovation have been numerous:

1. On the whole, it has worked "smoothly" largely because almost all labour directors "behaved". Their practice and ideology has proven to be no danger to business interests.<sup>21)</sup>
2. While the labour director is supposed to provide a link between works councils and management, he is in practice pledged to silence (as are the labour appointed members of the board of supervision) if the competitive position of the enterprise could be adversely affected by the dissemination of such information.
3. Fürstenberg concludes his comments on the labour director by stating that: "Experience has shown that the labour director can handle his difficult situation only by attempting to become fully integrated in management and socially recognized by his colleagues on the board."<sup>22)</sup>

This is admittedly a one-sided presentation of key elements within co-determination. Increased powers have recently been granted to Works Councils, and the unions are demanding the extension of parity representation in all companies of over 2000 workers. The political ramifications, however, remain decidedly conservative and system-maintaining. I will just isolate two factors which seem to me to be of relevance:

1. As early as 1965, Chancellor Erhard proclaimed the new ideology of the "formierte Gesellschaft". Free competition was no longer an adequate regulator of the economy and should be replaced by cooperative 'formierte Gesellschaft'. Erhard described the future society as follows: The 'formierte Gesellschaft' (organized society, or more appropriately, liberal corporatism) is based on the cooperation of all groups and interests and is constituted not out of authoritarian pressure but out of its own power and will. This means that this society no longer consists of classes and groups which want to push through their own exclusive goals but that it is... according to its own nature cooperative... The society will strengthen state authority to the extent that necessary reforms and the establishment of priorities for solving social tasks will be acknowledged...<sup>23)</sup>
2. Coupled with the development towards liberal corporatism, we have the explicit commitment of the Executive Board of the West German Trade Union Federation (D.G.B.) that: "A general conception of this type presupposes a system of free enterprise based on the principle of free market economy."<sup>24)</sup>

<sup>21)</sup> R. Herding, *op. cit.*, p. 321.

<sup>22)</sup> F. Fürstenberg, *op. cit.*, p. 426.

<sup>23)</sup> Quoted in Rob Burns, "West German Intellectuals and Ideology", in *New German Critique*, No. 8, Spring, 1976, p. 13.

<sup>24)</sup> D. B. G. Executive Board, "Co-determination in the Federal Republic of Germany", in Hunnius et al., (Eds.) *Workers' Control: A Reader in Labour and Social Change*, Random House, 1973, p. 196.

I would like to make two assertions on the basis of the German experience with co-determination. The first relates to the gradual introduction of limited power sharing innovations. It is relevant to note that in no instance has the delegation of increased power to employees and/or unions resulted in widespread system-transforming activities or demands on the part of employees or unions. A historical parallel will illustrate what I have in mind. I am referring to the historical fact that in our Western societies, the introduction of the democratic franchise, the legal recognition of trade unions etc. came only after the liberal state was firmly established. Only after the balance of power had shifted decidedly in favour of the capitalist class, only after the values and priorities of individualism and consumerism had saturated the masses and only after the largely misleading notion of the possibility of a peaceful (i. e. parliamentary) road to socialism had been accepted by the vast majority of people — only then were elements of democratic decision-making allowed to percolate down to the level of the common people. Exactly the same scenario seems to be unfolding today in the arena of industrial relations. What would allow us to view the experience of co-determination as potentially system transforming would be the existence or emergence of an autonomous and class conscious power base. This does not seem to exist in the West German labour movement.

#### c) System Transformation: Sweden?

Significant legislative changes in labour-management relations came into force in Sweden on January 1, 1977.<sup>25)</sup> Traditional managerial prerogatives (hiring, firing and directing the work force) were abolished. All areas, including the nature and type of production, were now negotiable between unions and employers. Personnel policy has also ceased to be a management prerogative, and is now to be directed by a committee made up of managers and employees. In case of disagreement, issues have to be brought up for negotiations between labour and management.<sup>26)</sup>

The employers' obligation to negotiate now requires that management initiate negotiations with trade unions prior to making any changes in the management or supervision of work. Perhaps the potentially most significant change dealing with the balance of power between labour and management is a clause which gives unions, for the first time, precedence of interpretation in disputes about the application of collective agreements. What that means is that the "employee party's view shall apply until that dispute has been finally tried". There is, admittedly, an escape clause for employers which states that employers need not observe these provisions, "if there are urgent reasons against so doing, or if the interpretation put forward by the employee party is incorrect and that party realized or ought to have realized this".<sup>27)</sup> It remains to

<sup>25)</sup> cf. *Act on the Joint Regulation of Working Life*, Ministry of Labour, Government of Sweden, January 1977.

<sup>26)</sup> Edmund Dahlström, "Efficiency, Satisfaction and Democracy in Work" Ideas of Industrial Democracy in Post-War Sweden", presented at the International Conference on: *Possibilities for the Liberation of Work and Political Power*. Dubrovnik, 1977. p. 28.

<sup>27)</sup> *Act on the Joint Regulation of Working Life*, paragraph 32 and 33.

be seen how this new legislation will be used in practice, but the potential for a considerable shift in power between labour and capital certainly exists.

I want to comment briefly on one aspect of these innovations: the autonomous or semi-autonomous work group. This innovation is a central element in many recent innovations and can be found, for instance, at the new Kalmer plant of Volvo.

The introduction of these innovations has, in many instances, replaced certain aspects of the minute fragmentation of jobs with a variety of innovations which have in practice blurred the detailed division of labour and reduced the lowest levels of the hierarchy of managerial control. At the same time, new and more sophisticated mechanisms of social control have emerged, including the following:

The existence of autonomous work groups within the undertaking will make it more difficult to present a united front in pressing union demands. One observer notes that, "A strike in a autonomous work group is less disruptive than a united, plant-wide strike".<sup>28)</sup> The autonomous work teams at the new Volvo assembly works at Kalmer, for instance, have their own individual workshops (i. e. assembly points). Each work team has its own changing and rest rooms.<sup>29)</sup> There are separate doors for entry and exit for the members of each work team.<sup>30)</sup> Not only is a strike in an autonomous work group less disruptive for management (it hardly poses a threat at all), these new innovations will make it much more difficult for workers to exercise their collective strength at the plant level. If in fact workers of one autonomous group never have occasion to meet with workers from other groups, a very important pre-condition for collective action will have been destroyed. The new condition of the worker will now more closely resemble his isolation and powerlessness outside of work (as consumer).

Techniques, such as those described at Volvo, are clearly part of a changing system of social control. The control function of management has not evaporated. By a variety of techniques such as profit sharing, the physical separation of workers from each other, the shifting of responsibility from lower management to work teams without a corresponding increase in their decision-making power which is limited to matters internal to the function of each team, and by the introduction of competition between teams, — by these and other techniques, management attempts to create a new and more sophisticated process of integration and control.

One additional feature which has aroused some interest in terms of its system-maintaining or transforming potential is the idea of co-owner-

<sup>28)</sup> R. Tchobanian, "Trade Unions and the Humanizations of Work", in *International Labour Review*, March 1975, p. 205.

<sup>29)</sup> Reported by a group of German trade unionists from the I. G. Metall, in Innis Macbeath, *The European Approach to Worker-Management Relationships*, British-North American Committee, 1973, pp. 83—84.

<sup>30)</sup> *Lotta Continua*, July 28, 1973. (Interview with three Volvo workers), translated for the author by Bruno Ramirez.

ship for labour.<sup>31)</sup> The German Acts concerning Capital Accumulation in Workers' Hands (1961 and 1965), the *comunidades industriales* in Peru and the Wage Earner Investment Funds in Sweden<sup>32)</sup> are all indications of a fairly new addition to the more orthodox innovations discussed earlier.

There are two potentially system transforming aspects which should be raised in this connection. The first relates to the long-term implications of counteracting or even reversing the current trend towards concentration of ownership in the hands of an ever diminishing number of corporate capitalists.<sup>33)</sup> The second relates to the potential of such innovations in triggering immediate collective and system transforming actions by the working class. Zimbalist reports one such example when he comments on the contradictions of employee stock ownership in Peru. This plan, "entails applying 10% of yearly profits to the purchase of stock for the workers up to 49% worker ownership...". It has generated "substantial unrest amongst anxious workers who have protested that employers are covering up profits. Workers have gone on strike demanding open books and an acceleration of the stock transference process".<sup>34)</sup> We may well expect a similar scenario to unfold in Sweden once the Wage Earner Investment Fund is put into operation.

The initiatives for the legislative changes in Sweden came from the unions. According to one Swedish observer, these initiatives by the union leadership can be seen as a response to criticism from the rank and file of the labour movement.<sup>35)</sup> While the initiative came from the unions, the final legislation was the result of the historically close co-operation between the union movement (particularly the L. O.) and the Social Democratic Party.

This is the same party which in the late 1930's entered into the historical compromise with capital. This compromise left decision-making in the area of production essentially to capital. By 1976, the Social Democratic Government took an important step in the direction of equalizing the power relationship between labour and capital in the sphere of production. Walter Korpi sees this historical compromise of the late 1930's not as class collaboration in the ideological sense, but instead collaboration which was necessitated by the balance of power in Swedish society at that time.<sup>36)</sup> Such an interpretation throws some doubt on the

<sup>31)</sup> We are not discussing here profit sharing by individual workers, the social effect of which is clearly system-maintaining.

<sup>32)</sup> cf. Rudolf Meidner, *Wage-earner Investment Funds*. Summary of a discussion paper for LO's study campaign, Autumn 1975, Swedish Trade Union Confederation, Stockholm, 1976.

<sup>33)</sup> The Swedish Trade Union Confederation (L.O.) gives the following reasons for its support of Wage-earner Investment Funds: To change the vastly undemocratic concentration of power in Swedish industry, to "strengthen the LO's policy of solidarity in wage agreements", and to "increase employees' degree of control over the economy". *News of the Swedish Trade Union Confederation*, No. 3, June 1977, p. 16.

<sup>34)</sup> Andrew Zimbalist, "The Limits of Work Humanization", in *The Review of Radical Political Economics*, Vol. 7, No. 2 (Summer 1975), p. 57.

<sup>35)</sup> cf. Walter Korpi, "The Future of Welfare Capitalism", presented at the International Conference of Possibilities for the Liberation of Work and Political Power, Dubrovnik, 1977, p. 27.

<sup>36)</sup> *Ibid*, pp. 18—19.

class collaboration model frequently applied by Marxists in their analysis of unions and social democratic parties and governments.

Why do I consider the Swedish experience to be potentially system transforming? While I am far from certain in my tentative conclusions, the following factors would seem to be of relevance:

1. One can observe, over the past forty years, a slight but consistent shift in the balance of power between capital and labour, the latter being represented industrially by the trade union movement and politically by the Social Democratic Party.
2. The ultimate goal of a democratic socialist society remains on the platform of the Social Democratic Party as well as the union movement. To what degree the working class is possessed by a system-transforming (revolutionary) consciousness is open to debate and depends very much on one's definition of these terms.

#### IV. CONCLUDING REMARKS

Assuming, as I do, that capitalists are compelled today to introduce various work humanization and participative management innovations, a number of potentially system transforming scenarios may become a reality and must therefore be considered seriously:

1. Autonomous or semi-autonomous work groups, as for instance in some advanced participative job enrichment schemes, in Quality of Work Life as well as in other similar innovations, do return to groups of workers certain limited powers of decision-making (power which had been taken from the skilled trades at the beginning of the current century).
2. The future transformation of the school system (cf. footnote 11) opens up a Pandora's Box of contradictions for the ruling capitalist class.
3. The seeming inability of the capitalist system (particularly evident in Canada) to deliver the "goods" (i. e. increased material benefits) has shifted the emphasis to the 'quality of life', both at work and away from work, that is, on precisely the areas of life which capitalism has been unable to satisfy.

The contradictions and emerging struggles accompanying the introduction of work humanization and participative management innovations are part of a wider struggle inherent in all liberal-democratic/capitalist societies: the struggle between liberalism and democracy, between accumulation and legitimation.<sup>37)</sup> In a recent article, Alan Wolfe comments that "liberal democracy's crisis is real. Its roots lie in the fact that in Western societies the economic system is liberal and capitalist while the political system is formally democratic and therefore potentially socialist. This is why some like the Trilateral Commission (a group of private citizens concerned with closer cooperation between North-

<sup>37)</sup> cf. Alan Wolfe, *The Limits of Legitimacy: Political Contradictions of Contemporary Capitalism*, The Free Press, 1977, p. 7.

America, Western Europe and Japan), argue that the political system must be revamped to bring it into line with the economy... It is also the reason why others work to transform the economy according to the principles of democracy. The impasse of liberal democracy will not be resolved until one side or the other has its way".<sup>38)</sup>

#### POLITIKA HUMANIZACIJE RADA I DEOBA VLASTI U RAZVIJENIM KAPITALISTIČKIM DRUŠTVIMA

Gerry HUNNIUS

R e z i m e

*Kako inovacije u vezi sa humanizacijom rada i učešćem radnika u upravljanju utiču na promene u širim sociopolitičkim dimenzijama konkretnih društava na Zapadu? U kojoj meri one utiču na podelu moći u društvu? Da li ove inovacije vode transformaciji ili očuvanju (i učvršćenju) postojećeg sistema? Na osnovu analize istorijskih trendova i savremenog stanja, autor zaključuje da uvedene mere humanizacije rada i radničke participacije u Velikoj Britaniji, SAD i Kanadi vode očuvanju i jačanju postojećeg sistema. U tim zemljama kapitalizam je, sve do danas, bio u stanju da neutrališe ili integriše participativne inovacije bez gubljenja kontrole nad procesom proizvodnje.*

*Autor ocenjuje da bi saodlučivanje u SR Nemačkoj potencijalno moglo da ima transformacionu snagu — pod uslovom da se u ovoj zemlji javi autonomna i klasno svesna radnička klasa. Međutim, po njegovom mišljenju, danas u Nemačkoj uopšte ne postoji razvijen radnički pokret.*

*Zakonodavne promene uvedene 1. januara 1977. godine u Švedskoj pružaju, po autorovoj oceni, značajne mogućnosti za promenu odnosa snaga između rada i kapitala. To pomeranje moći u korist rada omogućeno je stvaranjem investicionih fondova zaposlenih koji, dugoročno posmatrano, treba u potpunosti da preokrenu tekući trend koncentracije svojine u rukama sve manjeg broja kapitalista.*

*Prema mišljenju autora, protivrečnosti i sukobi koji prate uvođenje humanizacije rada i participativnih inovacija deo su šire borbe inherentne svim liberalno-demokratskim kapitalističkim društvima: »Borbe između liberalizma i demokratije, između akumulacije i legitimnosti.« Liberalna demokratija je u krizi. Koreni ove krize leže u činjenici da je u zapadnim društvima ekonomski sistem liberalan i kapitalistički, dok je politički sistem formalno-demokratski i, stoga, potencijalno socijalistički. Zbog toga se neki, kao, na primer, Trojna komisija... zalažu za promenu političkog sistema i njegovo dovođenje u sklad sa privredom... Zbog toga takođe drugi rade na tome da transformišu privredu u skladu sa principima demokratije. Problemi liberalne demokratije neće biti rešeni sve dok jedna ili druga strana ne odnese pobedu.« (A. Wolfe).*

<sup>38)</sup> Alan Wolfe, "The Malaise of Liberal Democracies", *The Globe and Mail*, March 29, 1978, p. 7.