

BOOK REVIEWS

Democracy and Control in the Workplace, edited by Ed Davis and Russell Lansbury.

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This is a wide ranging set of essays on worker participation or control. The first 20 per cent of the book is devoted to three general theoretical essays on worker control, the next 40 per cent consists of eight essays on various aspects of worker participation in Australia, the next 30 per cent focuses on six essays on worker control in various foreign countries (Britain, West Germany, Sweden, Yugoslavia, Japan, and the United States), and the final 10 per cent is two appendices containing the official statements of the trade unions and the business community in Australia on worker participation. Normally books of essays have both their high points and their low points when it comes to the quality of the individual articles. This book is an exception in that the quality of the individual articles is both good and rather even.

As someone who has never been to Australia and knows rather little about the details of its labour market, I read the Australian essays with an interest in learning about Australia but without the ability to judge how balanced the essays are, and what they leave out. Reading these eight essays as an American, one is struck with the absence of any discussion of the objections of middle level management to worker participation. There is an article by Russell Lansbury and Peter Gilmour on supervisors but they are described as being between workers and managers. As mentioned by George Strauss in his essay on the American experience with worker participation, the primary objections come not from top management but from middle level managers who feel threatened with a loss of power. Many became bosses precisely because they want to be bosses and give orders. They did not become bosses to engage in some participative democratic process. More participation also means fewer managers and fewer opportunities for promotions. An American wonders whether this middle level management reaction is a peculiar American reaction or whether there are some blinders on the Australian authors that makes them miss this aspect of the problem.

Reading the Australian authors, including those writing the initial essays, one is struck by how clearly the world is divided into managers and workers, with the further assumption that the interests of all managers and all workers are homogeneous. If one thinks of real industrial democracy, it is not just letting workers help make decisions that have previously been made by management. As corporations are now run, the small shareholder has as little to say about how the corporation is run as any worker. Corporate directors comment on how little power they have *vis-a-vis* top management unless a corporation is on the edge of disaster. Middle and lower level managers see a top-down decision making process that leaves them out. Non-union workers see themselves unrepresented, squeezed between large corporations and large unions. Members of unions often see a dictatorial process where they have little say in union decisions. The young see unions dominated by the old. To talk about democracy and control in the work place as if it were just an issue of raising worker power *vis-a-vis* management power is to talk about

democracy and control in much too narrow a context. The problem is both more subtle and more widespread.

Many of the Australian essays also want to make a sharp distinction between industrial democracy (power sharing) and participative processes that are designed to raise efficiency. "There is no equivalence between participation and democracy" (Edward Vaughan, p. 46). "Participation is an ambivalent word which can mean sharing in power (and also other things such as profits or information), but also may take the sense of 'being a part of' or 'feeling involved in'. In the latter sense, no actual redistribution of power is necessarily implied" (Harvie Ramsay, p. 53).

This seems to me an example of trying to draw rigid distinctions where rigid distinctions are not possible or desirable. To feel 'part of' or 'involved in' a community is part of what democracy is all about. For many, but not all, to feel involved they must have a say in decision making and the right to be consulted in decisions that affect them. Democracies can exist, however, without highly legalistic rules that spell out exactly who has what degree of power to make which decisions.

In fact if there is not a correspondence between the forms of participation that raise efficiency and the forms of participation that lead to power sharing, then the whole concept of participation is a non-starter. To be successful, the participative process must raise productivity and lead to higher standards of living. If it doesn't, most workers are going to forget participation and opt for those capitalistic dictatorships that do produce higher material standards of living.

The case for participation and power sharing is precisely that they lead to higher standards of living. With a better educated work force and new technologies that widely distribute information, the factors leading to higher productivity (motivation, cooperation, and teamwork) require power sharing.

When it comes to economics, dictatorships don't work either at the level of a country or at the level of a company. None of today's dictatorships have a standard of living that compares with those of the industrialised democracies, and companies that practice various forms of power sharing and participation out-perform those that are run as old fashioned capitalistic dictatorships.

Consider the process, state nationalisation, that was supposed in the not so distant past to lead to industrial democracy. Privatisation is now in the air since most state-owned industries have proven to be inefficient. No one wants to share power in economic failure. Democracy is not just an abstract ethical principle. It is a technique that works.

This is confirmed in the details of many of the essays. Firms and workers adopt participative power sharing arrangements not when times are good and they can afford to buy a luxury (democracy), but precisely when times are bad and some new technique has to be found to maintain the economic viability of the operation.

The John Alford essay describes how power relations were changed in an effort to stem the decline in ridership and save jobs in the Victorian Railways. The Ron Callus essay describes what happened at the Sydney Water Board after a decision was made to scale down construction activities. As the David H. Plowman and Bill Ford essay makes clear, the Japanese system of participation arose in the efforts to rebuild a war shattered economy and has little to do with ancient oriental traditions. As George Strauss points out in his

essay on the United States, Americans, both labour and management, became interested when it became clear that they had to be interested if they wished to survive in an increasingly competitive world economy. Even the Swedes, as Winton Higgins points out, became interested not because they were abstractly attracted to more democratic norms but because "Ernst Wigforss, a former finance minister and the party's foremost theoretician saw industrial democracy, and a wider notion of economic democratisation, as the way forward out of the industrial inefficiency and social inequity endemic in capitalism" (p. 251).

If by socialism one means state ownership of the means of production, experience teaches us that it does not work. But it is just as true that experience teaches us that in its traditional conception (where there is a capitalistic owner who dictates what everyone else must do) capitalism also does not work. Orders can be given but to be efficient orders, they must be enthusiastically obeyed and firms must tap the initiative and expertise of each individual who participates in the production process if they are to be successful.

Participatory management is not something that can be grafted onto capitalism. While there are hints of the radical nature of participative processes in many of the essays, what is missing from the book is an essay that confronts this issue head on. Participatory management is a replacement for capitalism in much the same sense that nineteenth century reformers saw socialism as a replacement for capitalism.

Shareholders may still exist but they are partners in an enterprise and not the sole owners of it. Some of the decision making ownership rights belong to those, managers or workers, who work for the firm. Correspondingly, workers have to take an interest in, and responsibility for, generating the investment funds that will be necessary to insure the future survival of the firm.

It becomes vague as to who is a worker and who is a manager. The distinction between a union leader and a plant manager blurs. As now happens in Japan, individuals will move back and forth between firm and union management positions. Union leaders understand that raising productivity is central to higher wages for both managers and workers and make it a central focus of their union's attention.

Participation requires forms of job security much like those now in existence in professional partnerships. If I can be fired for general economic reasons, I am not a real participant. Decisions not to fire, however, imply some system of flexible wages such as the bonus system. In all probability a successful participation firm will also require lower wage differentials than now exist between the best and worst paid employees of the average corporation.

If firms do all of these things, however, they will effectively have replaced profit maximisation with value-added maximisation and no longer be capitalistic firms.

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