

Garson, *Worker Self-Management in Industry*

Gerry Hunnius

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and political linkages of the corporate sector, matters which were declared to be outside the limits of this book.

Chandler accepts Berle and Means' analysis of the separation of ownership from control; gives Burnham's managerial revolution another history (while stripping it of its teleology), and appears to agree with a somewhat diluted version of Galbraith's analysis of the recent integration of the technocratic infrastructure for planning and stabilizing purposes. He insists, however, that the state still plays a minor role in the shaping of the economy, compared to the market forces over which the great corporations preside. Throughout the text Chandler resolutely denies any paternal relationship between the army and the organization of the corporation (an unacknowledged dispute with Lewis Mumford), or even between the Springfield Armoury — where current scholarship has located the origins of the assembly line — and the multi-unit enterprise. This total separation of military and managerial forms may well be overstated as Chandler's own frequent reference to line and staff concepts in the organization of the corporation would suggest.

Canadian historians, struggling with outdated theoretical tools and a paucity of evidence to explain the evolution of their peculiar dependent economy, would do well to give Chandler a close reading. The differential impact of foreign ownership may well have a great deal to do with the material characteristics of particular sectors. Changes in managerial structures may also explain the takeovers and tightening in the relationship between branch plant and parent characteristic of the 1920s, for example. In the light of the current state of debate on the role of Canadian banking in industrialization, economic historians might benefit from Chandler's discussion of the capital requirements and methods of raising capital within the manufacturing sector. Labour historians will welcome this

demystification of the material and managerial context within which and against which workers made their lives. But it will be a very long time indeed before a Canadian Chandler can consult the mass of authoritative industrial studies upon which a great book like *The Visible Hand* must rest.

H.V. Nelles
York University

G. David Garson, Ed. *Worker Self-Management in Industry: The West European Experience* (New York: Praeger, 1977)

WHILE full worker self-management or self-managed socialism is on the agenda of several European unions, this reader deals more specifically with a variety of worker participation innovations ranging from worker participation at the Board of Directors level in the Federal Republic of Germany to rank and file initiated worker control strategies within the Italian labour movement.

The book is divided into seven parts. The introduction by the editor postulates four major models of organizational democracy which form the basis for an evaluation of current proposals for worker's participation in management. As Garson points out, the reality does not fit neatly into any one model. In political terms, the key question examined here is whether the innovations and experiences of worker participation in management in West European countries can be seen as steps in the transition to socialist self-management or whether these reforms prevent more radical changes. As Garson points out, the final outcome will depend critically on whether the participative experience turns out to be coopting or whether it will encourage demands for increased worker power until an overt confrontation with capitalist authority is brought about.

Alfred Diamant's chapter on Co-determination in the Federal Republic of

Germany (FRG) examines the record of the German labour movement in achieving various forms of Co-determination, ranging from the shop floor (Works Councils) and the plant level (labour representation on the Board of Directors) to participation in national economic policy-making. The most recent (1976) legislation on Co-determination is examined in a historical and political context tracing historical revolutionary roots of both the Works Council Movement and the German labour movement in general and examining the gradual shift from revolutionary programs and practice to one of evolution and reform in both rhetoric and practice.

The labour movement in the FRG is highly centralized, relatively weak at the plant level, and openly reformist in its political ambitions. Social democracy is to be achieved within the parameters of a capitalist market by gaining a fully equal voice with managers and owners in industrial decisions ranging from the shop floor and enterprise to the economy at the national level. What the labour movement has achieved up until now (with the help of the Social Democratic Party) is a position of substantial legitimacy and influence in the context of an emerging pluralist corporate state.

Canadian readers will be familiar with the details of Co-determination through articles in the daily press and frequent contributions in the *Labour Gazette*. As Diamant points out, the experience in the FRG is more nearly system maintaining than system transforming. Full parity Co-determination has only been achieved in the coal and steel industry and even this has not resulted in a serious challenge to capitalist power. This is a solid piece of historical, political and empirical research. Given the interest displayed by Labour Canada in Co-determination, Canadian trade unionists should find this chapter informative and useful in determining their future policies.

Andrew Martin's excellent chapter on Industrial and Social Democracy in Swe-

den begins with the sweeping legislative changes enacted since 1971. Managerial prerogatives have been sharply curtailed by bringing virtually all aspects of managerial power within the scope of collective bargaining. Since the most far-reaching changes did not come into effect until January 1977 (by which time the Social Democratic government had been replaced by a conservative coalition), it is too early to evaluate the practical and political impact of these changes. The historical and political background is unique in several crucial ways. The major industrial union federation (LO) has been closely linked since its origin with the Social Democratic Party which has ruled Sweden (often in coalition with other parties) for over forty years until their defeat in 1976. The British experience of successive Labour governments ignoring resolutions of organized labour has no parallel in Sweden where the industrial and political arm of the labour movement have operated on the whole in harmony. Unions as well as employers are tightly organized in national organizations with considerable power in the hands of centralized authority.

The author describes the politics surrounding the important December compromise of 1906 where the LO conceded the employers' right to organize work in return for the unions' right to organize the unorganized. The gradual shift in power from that date until the present, where virtually all traditional managerial powers are bargainable, is a fascinating account of politics as the art of the possible, involving the rank and file of the union movement, the LO, the Social Democratic Party, the bourgeois political parties and their industrial arm, the Swedish Employers Confederation (SAF). All the actors in this drama are highly centralized.

Of particular interest to Canadian trade unionists will be the gradual increase in union power illustrated in the "interpretation prerogative." In 1973, the Work Safety Law extended the power of safety stewards and gave them the authority to

built any work process they regarded as imminently and seriously dangerous, *pending judgement from a state safety inspector*. In other words, the union's view of a disputed matter prevailed while the issue is being adjudicated. This principle of transferring the "interpretation prerogative" from employers to the union proceeded gradually until today where in case of a dispute over the interpretation of a collective agreement the unions' view prevails until the issue is adjudicated. There are, admittedly, a few exceptions and only the practice will enable us to evaluate the overall political impact of these legislative changes.

Are the Swedish innovations in industrial democracy system maintaining or system transforming? In the light of the most recent demands by the unions (the LO's proposal in 1976 of a "wage earners' fund"), Andrew Martin concludes that while the introduction of this innovation would be reformist, in the sense that it would be achieved through parliamentary politics (assuming an early return to power of the Social Democratic Party), its consequences would clearly be system transforming. In a nutshell, the proposal stipulates that a fixed percentage of profits of privately owned firms above a certain size would be transferred to a wage earners' fund to be administered by the unions. This part of the profits would constitute new equity capital remaining at the firms' disposal for investment but becoming the *collective* property of all wage earners. Dividend income would be used for worker education and other needs of organized labour. Depending on the details finally agreed upon, collective ownership could reach 50 per cent in 30 to 40 years. Coupled with a gradual decline in managerial prerogatives a strong case can be made for the system transforming potential of these combined innovations.

In Britain, the most recent proposals on workers' participation in management for the private sector are outlined by the Bullock Committee on Industrial Democracy.

Little of immediate significance has been operationalized in the private sector since the publication of the Bullock Report in January 1977, but significant innovations have been introduced in parts of the public sector. Harlan and Wolff, a state-owned shipbuilding firm for instance, is planning to introduce a complex four-tier participative structure with provisions for "direct worker participation in strategic decision-making." The core of the chapter on Britain by Derek Jones deals in great detail with the development of worker cooperatives where at least in principle (but rarely in practice) there exists the possibility of workers' control over all decision-making. Three types of worker cooperatives are discussed here: the long-established industrial producer cooperatives, going back in their origin to the middle of the last century; the common ownership firms (members of the Industrial Common Ownership Movement); and, since 1975, three new industrial worker cooperatives, established in each case by employees after the proposed closure of their plants. It is difficult to see these British innovations as threatening to established authority.

Outside of Quebec, and more particularly outside the ranks of the CNTU, Canadians know very little about worker participation and control in France. The essay by Stephen Bornstein and Keitha Fine provides us with a good descriptive and political introduction to recent developments in that country. Terms and definition tend to have a more exact meaning in France than elsewhere. *Participation*, which is co-optive in intent and practice is used largely by the right and refers to worker/citizen involvement in decision-making. *Gestion démocratique*, refers to the detailed industrial component of the political platforms of the French Communist Party and the Communist-dominated CGT, the country's largest trade union confederation. *Autogestion* refers to a complex set of policies and strategies supported by a variety of left-of-the-centre parties and groups, with the CFDT, the second largest

trade union confederation in France, as the most important element.

The core of this essay deals in some detail with the complex political development surrounding these concepts and strategies, and the relations between the main actors: the state, the United Left Alliance, the Communist Party, and the two major trade union confederations, the CGT and the CFDT. The essay represents a good example of political analysis with a reliance on formal party and union statements. One does not always get a clear picture of the extent to which these declarations are related to practice. Paradoxically, the extent of worker/union power in Italy resembles most closely that of the Swedish workers' movement. But here the similarity ends. Martin Slater reviews the history and contemporary developments of worker councils and their forerunners, the internal commissions, against the background of inter-union and political rivalry and the very extensive changes which have taken place in collective bargaining. The workers' councils made their appearance on the shop floor in 1968. Their spontaneous development in large factories in northern Italy introduced direct worker power on the shop floor level. Initially distinct from the union structure, the unions were eventually successful in adjusting to the presence of workers' councils. It is through the workers' councils that workers exercise their power vis-à-vis management at the factory level. While Swedish workers have made significant gains in reducing managerial prerogatives, in the final analysis through legislation, the workers' councils in Italy have made similar gains essentially based on the power of massive rank and file support. The Councils accept no limitations on which issues could be brought up in bargaining. They have challenged employers on issues ranging from job classification to the employers' investment policies. In 1970 for example, the workers' councils, in their negotiations with Fiat, agreed to spread a reduction in working hours over a longer period in

return for a commitment by management to build a new plant in southern Italy.

The system transforming potential of the workers' council movement is obvious in that the frequent contestations with employers are usually fought on open anti-capitalist demands. What is less certain, and this essay does not give adequate weight to this issue, is the impact of the Italian Communist Party (PCI) on union policies and strategies. The present policy of the PCI to reach the "historic compromise" with the Christian Democratic Party clearly creates a basic contradiction with the declared aim of creating the conditions for a transition to socialism.

David Garson in his concluding comments remarks that while workers' control has the potential "to grow into decentralized socialism, so too it has the potential to revert back to human relations management." While admittedly one can develop a more optimistic scenario, particularly in respect of Sweden and Italy, I am reminded of the historical parallel described so well by C.B. Macpherson in referring to the emergence of the democratic franchise in England after the liberal state was firmly established. There is on the whole little evidence that worker participation innovations have posed a serious threat to the maintenance of capitalist power.

This is a first rate collection of essays.

Gerry Hunnius
Atkinson College, York University

Karl Heinz Roth, *L'altro movimento operaio: Storia della repressione capitalistica in Germania dal 1880 a oggi* (Milan: Feltrinelli Editore, 1976).

[Original title: *Die "andere" Arbeiterbewegung und die Entwicklung der kapitalistischen Repression von 1880 bis zur Gegenwart* (München: Trikont Verlag, 1974).]

L'altro movimento operaio is a work that does not lend itself easily to categorizations; and this may be one of the reasons