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Volume 40, Number 4, 1985

URI: <https://id.erudit.org/iderudit/051376ar>

DOI: <https://doi.org/10.7202/051376ar>

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### Publisher(s)

Département des relations industrielles de l'Université Laval

### ISSN

0034-379X (print)

1703-8138 (digital)

[Explore this journal](#)

### Cite this article

Jain, H. C. & Giles, A. (1985). Workers' Participation in Western Europe: Implications for North America. *Relations industrielles / Industrial Relations*, 40(4), 747–774. <https://doi.org/10.7202/051376ar>

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# *Workers' Participation in Western Europe Implications for North America*

**Hem C. Jain  
and  
Anthony Giles**

*This paper examines recent developments in workers' participation in North America and Western Europe in order to explore the factors which promote or retard such developments.*

The international economic recession of the late 1970s and early 1980s has exacerbated tensions between employers, trade unions and governments. In seeking to explain (and prescribe remedies for) recent economic ills, many managers, government officials and academics have focused attention upon a variety of industrial relations 'problems' — declining productivity, industrial unrest, restrictive working practices, rising wage levels and so on. Concern over these factors has been especially pronounced in North America because of the supposedly superior performance of the Japanese and some Western European economies. These general concerns have generated different responses in different countries. In some countries, trade unions have come under fierce pressure in the form of demands for wage or benefit concessions, proposals to pay newly hired workers less than established wage rates, plant relocation and lay-off threats, and retrogressive changes in collective labour law<sup>1</sup>. In other countries, particularly those governed by social democratic or labour governments, 'social contracts' have been proposed as a means of winning the labour movement's acquiescence to industrial relations reform.

For a variety of reasons the social contract approach to the management of labour relations has not been pursued in North America<sup>2</sup>.

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<sup>1</sup> See «Recession Brings Changes to Collective Bargaining», *Worklife*, vol. 4, no. 1, 1984, pp. 5-6.

<sup>2</sup> See Anthony GILES, «Whither Corporatism? A Cross-National Study of the Impact of Economic Recession on Labour-State Relations», Paper presented at the annual general meeting of the Canadian Political Science Association, 10-12 June 1984, University of Guelph, Ontario.

However, Canadian and U.S. managers have taken notice of the apparently beneficial effects of European and Japanese employee participation schemes, and in recent years there has been a growing number of labour-management committees and experiments in work design to increase productivity and to improve quality of working life<sup>3</sup>.

The purpose of this paper is to examine recent developments in 'workers' participation' schemes in North America and Western Europe in order to explore the factors which promote or retard these developments. First, the concept of workers' participation is defined. Next, recent developments in worker participation in Western Europe and North America are examined. Cross-national variations among western industrialized countries are then analyzed in the context of a discussion of the conflicting 'logics of participation' of workers, trade unions, employers and the state. The paper concludes with a discussion of the implications of the analysis for North American industrial relations.

## WORKER'S PARTICIPATION

'Workers' participation' is one of the more slippery concepts in industrial relations, not least because it is often assigned different meanings by different people and groups. For the purpose of this paper it is useful to draw a distinction between 'workers' participation' and 'industrial democracy'. The latter is typically associated with broad social objectives. Its proponents seek to extend democratic decision-making from the political sphere into the economic sphere by eliminating or restricting the rights and powers of the dominant industrial hierarchy. Because the principal barrier to the advancement of industrial democracy is the structure of property ownership (from which derives the distribution of control over industrial decisions), the most common strategy is to exert 'political pressure on governments making them more responsive to employee and union views for redesigning the total economy toward more socially oriented goals'<sup>4</sup>.

In this paper the concept of workers' participation has a narrower focus: the participation of workers in the management of the individual enterprise. Viewed this way, workers' participation constitutes one possible

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3 Hem C. JAIN, «Worker Participation: Lessons from the European Experience», *Management Review*, vol. 69, no. 5, May 1980.

4 Solomon BARKIN, «Labour Participation: A Way to Industrial Democracy», *Relations Industrielles*, vol. 33, no. 3, July 1978, p. 402.

type of industrial democracy; although, as shall be seen later, many workers' participation schemes fall short of the goal of transforming worker-employer relationships.

Even within this restrictive definition, however, workers' participation schemes vary in three important ways. First, participation may take place at any of a number of levels within the enterprise (see Table 1). To simplify somewhat, three levels can be identified: the corporate level (involving long-range strategic policy decisions, such as product and market choice, major financial decisions and planning, and disposition of profits); the establishment or plant level (involving short- and medium-term administrative decisions, such as limited resource allocation decisions, plant-wide work arrangements, production layouts, employment decisions, and cost and quality controls); and the workplace level (involving day-to-day operating decisions, such as work scheduling, working practices, workplace layout, and speed of production).

Second, participation may vary according to the extent of employee influence over management decision-making. At the lower end of the continuum employers might discourage any employee influence in the management of an enterprise, relying instead on a traditional authoritarian management style and hierarchical organization structure. At the upper end participation may involve complete workers' control over the 'management' process, as in some Yugoslavian enterprises or in worker-owned co-operatives. In between lie a number of other alternatives: disclosure of information to workers (usually as a means of winning their consent to decisions made elsewhere or as a means of organizational control<sup>5</sup>); consultation with workers through advisory bodies (joint labour-management committees); collective bargaining; and co-determination (i.e. workers' veto rights over decisions).

Third, the mode of participation may be direct or indirect. Direct forms of participation involve employees personally in decisions relating to their immediate tasks or environments; indirect forms, where workers are involved in decision-making through their representatives or delegates, include collective bargaining, works councils, and worker representatives on boards of directors. Some of these participative schemes may involve more than one level of organizational hierarchy. Because the mode of participation is primarily a function of its level (direct participation being practicable

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<sup>5</sup> John W. DICKSON, «Participation as a Means of Organizational Control», *Journal of Management Studies*, vol. 18, no. 2, 1981.

only at the lower levels of large enterprises), Table 1 on the following page only represents variations of the first two types<sup>6</sup>.

## MAJOR DEVELOPMENTS IN WESTERN EUROPE AND NORTH AMERICA

Having discussed the concept of worker participation it is now necessary to examine recent trends. In the last decade or so, developments in four key areas have occurred: worker representation on company boards; changes in the scope of collective bargaining; new participative forms of work organization; and democratizing capital formation schemes<sup>7</sup>.

### Board Level Representation

In theory private enterprises are controlled by their owners, a function usually delegated to the board of directors. Thus, one obvious way to extend workers' participation would be to provide seats on the board of for workers or their representatives. This form of representation is much more common in Western Europe than in North America. A brief examination of recent developments will serve to draw attention to some of the issues at stake in the wider debate.

In a number of Western European nations the trend has been toward the provision of seats on the board through legislative action. In West Germany, for example, the 1976 Codetermination Act extended 'parity' representation on boards to all enterprises employing more than two thousand workers. In Sweden, workers were granted the right to minority board-level representation, on an experimental basis, in 1972. In 1976 these provisions were made permanent and the scheme was broadened to include smaller firms. In the Netherlands, legal changes in the early 1970s permitted work councils to nominate candidates for supervisory boards and gave the councils a veto over appointments. In Denmark, a 1974 act permitted the

<sup>6</sup> Other dimensions might be mentioned. For instance, Charlotte GOLD distinguishes between participatory bodies on the basis of the number of employee representatives and the manner in which they are chosen. See *Employer-Employee Committees and Worker Participation*, Ithaca, New York State School of Industrial and Labor Relations, 1976. We have also excluded from our table variations in the scope of issues subject to participation. Although this is an important factor, its exclusion simply registers the point that participation can occur on any issue. Finally, we might note that the schema presented here is meant to encompass informal forms of workers' participation. For instance, workplace collective bargaining may be non-institutionalized, consisting of a continuous series of informal trade-offs, concessions and conflicts between groups of workers and their supervisors.

<sup>7</sup> Because it does not constitute a new point of departure, the trend in the 1970s toward the strengthening of existing participatory structures (notably European works' councils) has been omitted from our discussion.

election of two worker representatives to boards if a majority of employees agreed. In 1980 representation was increased to one-third of the seats. Board-level representation was also instituted in Norway in 1972 and in Austria in 1974. In Britain and France, government-sponsored commissions of inquiry recommended that workers be represented on company boards, but the proposals were not implemented<sup>8</sup>.

This wave of initiatives has subsided in more recent years as the recession has focused attention on issues such as job security and the impact of industrial restructuring, but the developments are still worth considering since board-level representation constitutes a long-term ambition of many enthusiasts of workers' participation.

One aspect of these developments which should be noted is the near-universal use of legislation in most Western European countries as a vehicle to institute worker directors. This is partly due to the need to amend regulations concerning corporate structures, but it also reflects the extent of employer opposition. For instance, although West Germany is often held up as a model of 'mature' labour-management relations, the 1976 codetermination legislation was surrounded by heated political controversy<sup>9</sup>. Indeed, as a result of employer opposition, the legislation stopped short of providing real parity: only three of the ten workers' representatives are union officials; six are white- and blue-collar workers, nominated and elected by their respective constituencies; and the last is a managerial employee who, the unions have pointed out, is likely to vote with the shareholders' representatives in the event of a deadlock. In any case, the shareholders' representatives have ultimate control over the appointment of the chair, and hence over the deciding vote in deadlocks.

Despite having succeeded in preserving ultimate control, West German employers challenged the constitutionality of the law, primarily on the grounds that it infringed upon the rights of ownership. Interestingly, the Constitutional Court eventually decided that because the law did not grant

8 Alfred L. THIMN, *The False Promise of Codetermination*, Lexington, Lexington Books, 1980; Hem C. JAIN, *Worker Participation: Success and Problems*, New York, Praeger, 1980; INDUSTRIAL DEMOCRACY IN EUROPE RESEARCH GROUP, *European Industrial Relations*, Oxford, Clarendon Press, 1981.

9 The literature on West German codetermination is extensive. In addition to sources cited above, see: Charles J. CONNAGHAN, *Partnership or Marriage of Convenience?*, Ottawa, Labour Canada, n.d.; Friedrich FURSTENBERG, «Workers' Participation in Management in the Federal Republic of Germany», *International Institute for Labour Studies Bulletin*, no. 6, 1969; Richard HERDING and Christoph KOHLER, «Codetermination and Control», *The Control of Work*, eds. John PURCELL and Robin SMITH, London, Macmillan, 1979; and Thomas KIRKWOOD and Horst MEWES, «The Limits of Trade Union Power in the Capitalist Order: The Case of West German Labour's Quest for Codetermination», *British Journal of Industrial Relations*, vol. 14, no. 3, November 1976.

true parity, it could not harm the rights of shareholders. In any event, the employers' challenge led the trade unions to disengage from tripartite consultative relations — the 'concerted action' process — for several years<sup>10</sup>. Underlying this political debate were different logics of participation: management, although it is sometimes willing to accede to minority representation as a means of 'opening the workers' eyes' to the 'realities of the market', will resist any real encroachment on their decision-making prerogatives; in contrast, trade unions view board-level representation as a means of increasing their influence over enterprise decisions, and will therefore be critical of schemes which fall short of providing real power. In short, the controversy over codetermination in West Germany illustrates that, on occasion, workers' participation can be as much a source of conflict as a potential 'cure'.

The West German experience also highlights the possibility that worker representation on boards of directors may simply shift the locus of conflict. Boards in West Germany have sometime been divided on questions of profit re-investment, dividends and wage policies<sup>11</sup>. For example, when the shareholder representatives on the supervisory board of a large automobile manufacturer decided to declare a sizeable dividend, the labour representatives succeeded in winning the payment of employee bonuses at the same time. However, management fears that worker representation on boards will introduce a considerable degree of conflict have proved to be unfounded for a variety of reasons:<sup>12</sup> there is in most countries a legal requirement that directors take into account the 'overall interests' of the company; worker directors are often cut off from regular communication with their constituents; and the selection and training process of worker directors functions as a means of socialization whereby most come to accept the overall goals of the firm and the premise of managerial rationality.

This latter factor may be illustrated by the Swedish case. As in many other countries, Swedish employers were initially critical of the idea of worker directors, partly because they feared that workers would be unable to understand and cope with the issues which face boards of directors. However, training programmes designed to provide directors with the necessary background have put these fears to rest<sup>13</sup>. From the trade union

<sup>10</sup> THIMN, Alfred L., *The False Promise of Codetermination*, op. cit., pp. 117-123; *European Industrial Relations Review*, no. 68, September 1979.

<sup>11</sup> John WINDMULLER, «Industrial Democracy and Industrial Relations», *The Annals*, no. 431, May 1977, points out that European participatory bodies often constitute a sort of bargaining forum, reflecting the narrow scope of issues subject to traditional collective bargaining.

<sup>12</sup> Eric BATSTONE, «Industrial Democracy and Worker Representation at Board Level: A Review of the European Experience», *Industrial Democracy: European Experience*, London, HMSO, 1976.

<sup>13</sup> *European Industrial Relations Review*, no. 59, December 1978.

point of view it may not be seen as advantageous for worker directors to be absorbed so readily into the processes of enterprise decision-making. But this shortcoming is partly overcome in Sweden because the legislation on worker directors comprises only one part of a broader strategy pursued by the labour movement. As several analysts have emphasized,<sup>14</sup> a system of worker directors will work best when integrated with other forms of participation. We will return to this point in the conclusion.

The British experience in the 1970s may be used to illustrate the variety of opinions on worker directors within the trade union movement<sup>15</sup>. In 1977 the Bullock Committee recommended the institution of joint board-level decision-making in large firms, a proposal which substantially reflected the official policy of the trade union movement. This proposal, however, was first watered down and then abandoned after encountering stiff opposition, not only from employers, but from significant groups within the trade unions. This somewhat unlikely alliance was made possible because of the different logics of participation animating the debate: for employers, the proposals constituted an unacceptable infringement on managerial control; for some left-wing trade unionists, the scheme carried the danger of co-optation; and some right-wing trade unionists objected to the possible erosion of free collective bargaining.

Those who are familiar with North American industrial relations will see the resemblance between the concerns of the right-wing of the British trade union movement and the posture of most North American unions. The recent Chrysler and Canada Post experiments notwithstanding, there is little likelihood of significant increases in employee representation on board of directors in Canada or the United States in the near future. Even if trade unions were more enthusiastic, their political weakness leaves them unable to secure appropriate legislation. Moreover, employers in North America are even more deeply opposed to worker directors than their European counterparts.

In a number of Western European countries, then, there has been a definite trend toward board level schemes of worker participation, im-

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<sup>14</sup> BATSTONE, Eric, «Industrial Democracy and Worker Representation at Board Level», *op cit.*, ch. 8; See also Eric TRIST, «Recent Developments in the International Work Environment», *Labour Gazette*, vol. 78, nos. 2-3, February-March 1978.

<sup>15</sup> The following discussion draws upon: *Report of the Committee of Inquiry on Industrial Democracy*, Cmnd. 6706, London, HMSO, 1977; Jon CLARK *et al.*, *Trade Unions, National Politics, and Economic Management: A Comparative Study of the TUC and the DGB*, London, Anglo-German Foundation for the Study of Industrial Society, 1980; Ken COATES and Tony TOPHAM, *The Shop Steward's Guide to the Bullock Report*, Nottingham, Spokesman Books, 1977; E. BATSTONE, A. FERNER and M. TERRY, *Unions on the Board*, Oxford, Basil Blackwell, 1983.



plemented through legislation but falling short of true parity. Most of the initial fears of employers have proved unfounded. As Batstone has pointed out:

existing European laws on worker representation at board level are complex compromises between very different ideals and philosophies. They generally recognize a democratic right for workers to be involved in major company strategies, but at the same time limit this right. They recognize that workers should be able to influence the board, but that ability is constrained. They recognize that workers should receive information and understand company strategies, but, again, the dissemination of information is restricted. Underlying these contradictions are those relating to the extent to which shareholder and worker interests are common or at variance with each other. The result is a system of worker representation at apparently key levels within the company which can scarcely be called democratic in any meaningful way.<sup>16</sup>

But in one important respect the Western European experience to date can be seen more positively. Although workers 'have rarely demonstrated a high degree of satisfaction with the board representatives', their chief complaint concerns the limited influence of worker directors. This calls into question not the concept itself, but rather the hesitancy to progress further<sup>17</sup>.

### **Collective Bargaining and Employee Participation**

Collective bargaining may be related to workers' participation in two ways. First, it might be the instrument for introducing participative schemes or institutions. This is best exemplified by the practice followed until quite recently in the Scandinavian countries, where works councils and production committees were introduced and regulated by central agreements between employer and union confederations. Second, the actual process of negotiation may constitute one type of participation<sup>18</sup>.

Have recent changes in collective bargaining increased workers' participation? On the whole there have been relatively few instances where collective bargaining has been used as a means to introduce participative structures. However, in a number of Western European countries central agreements have been negotiated which increase the rights of existing works councils to receive more company information. And, as will be seen in the next section, a number of quasi-participative quality of working life schemes have been introduced in North America through collective bargaining.

<sup>16</sup> BATSTONE, Eric, «Industrial Democracy and Worker Representation at Board Level», *op. cit.*, pp. 14-15; see also, Ray LOVERIDGE, «What is Participation? A Review of the Literature and Some Methodological Problems», *British Journal of Industrial Relations*, vol. 17, no. 3, December 1979, pp. 308-310.

<sup>17</sup> *Ibid.*, p. 31.

<sup>18</sup> Adolf F. STURMTHAL, «Unions and Industrial Democracy», *The Annals*, no. 431, May 1977.

Although collective bargaining has not been the predominant vehicle for the introduction of workers' participation, recent changes in the scope and structure of bargaining seem more promising. In a number of countries the scope of issues subject to negotiations has been increased. In Italy, for example, a number of trade unions have succeeded in including corporate investment policies and the provision of community amenities on the bargaining agenda. In Sweden, the 1976 Codetermination Act introduced a number of measures designed to extend employee influence through collective bargaining; *all* company policies and decisions are now subject to negotiation, and trade unions possess the right to strike over such issues; employers are required to provide all relevant information to employee representatives; and all changes which affect the workplace must be delayed until after employers have negotiated the changes with unions<sup>19</sup>. In North America such a trend is not evident. Although some isolated steps have been taken — some Canadian workers, for example, have acquired the right to be informed of and negotiate over major technological changes — the dominant thrust of employer collective bargaining strategy has been different. In the late 1970s and early 1980s, in the context of economic recession, management has used threats of plant relocation, closure, and/or subcontracting as a means to win contract concessions. Among the more frequent demands are wage and benefit freezes (or roll-backs), two-tiered wage structures (whereby newly-hired workers are initially paid at lower rates than existing employees), and the relaxation of work rules and job definitions which are said to interfere with productivity growth. Moreover, in a number of previously highly unionized industries, the use of non-union labour is growing rapidly. For example, in Western Canada, non-union construction firms have taken an increasing proportion of contracts<sup>20</sup>. Therefore, it appears that collective bargaining as a form of participation is being eroded in Canada and the United States.

Changes in the structure of collective bargaining have also been evident recently. In a number of European countries, there has been movement away from the old emphasis on the national or regional-industry level towards bargaining at the level of the enterprise or workplace. For instance, one of the central objectives of the 1982 Auroux laws in France is to extend collective bargaining into firms;<sup>21</sup> and in the Scandinavian countries efforts

19 For a preliminary study of the results of Swedish codetermination see Ain HAAS, «The Aftermath of Sweden's Codetermination Law: Workers' Experiences in Gothenburg 1977-1980», *Economic and Industrial Democracy*, vol. 4, no. 1, February 1983.

20 See «Non-Union Labour in B.C.» and «Alberta Construction in Disarray», *Worklife*, vol. 4, no. 1, 1984, pp. 1-2.

21 Janine GOETSCHY, «A New Future for Industrial Democracy in France?», *Economic and Industrial Democracy*, vol. 4, no. 1, February 1983; and see also the special issue of «Dossier et documents», *Le Monde*, June 1983.

have been made to strengthen local-level bargaining. Although reforms of this sort do not necessarily expand the scope of influence, they are meant to enhance participation by reducing the distance between the forum of negotiation and the workplace.

Interestingly, the trend seems to be running in the opposite direction in Britain. Although there is some conflicting evidence on the question,<sup>22</sup> it would seem that since the late 1960s British employers (and governments) have been attempting to decrease worker and trade union influence in the workplace, especially in the manufacturing sector, by lifting bargaining from the shop floor to the enterprise level. The underlying premise of this strategy — that the amount of control exercised by workers through shop floor bargaining has deleterious effects — emphasizes the attenuated conception of ‘participation’ which animates the managerial logic of participation.

It is a central tenet of North American industrial relations orthodoxy that collective bargaining offers the most promising route to industrial democracy. As Sturmthal once put it: ‘The belief that collective bargaining is the main road towards industrial democracy, and that the collective agreement in its widest sense is its principal expression, is almost unchallenged by contemporary thought in the United States’<sup>23</sup>. The trends surveyed above would seem to cast some doubt on the validity of this consensus. Collective bargaining certainly gives workers the right to negotiate over corporate decisions, but it does not grant them a right to participate *per se*. In other words, bargaining only makes it possible to lay siege at the boardroom door; it does not provide a right of entry. And the current attack on American trade unionism is a vivid reminder that a fluctuation in the balance of industrial and political power can be used to force a retreat. By its very nature, then, collective bargaining as a model of participation is a more tenuous form of worker involvement than legally-entrenched rights to codetermination<sup>24</sup>.

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<sup>22</sup> See William BROWN (ed.), *The Changing Contours of British Industrial Relations: A Survey of Manufacturing Industry*, Oxford, Basil Blackwell, 1981; but W.W. DANIEL and Neil MILLWARD, *Workplace Industrial Relations in Britain*, London, Heinemann, 1983, presents a different view.

<sup>23</sup> Adolf F. STURMTHAL, «Workers’ Participation in Management: A Review of United States Experience», *International Institute for Labour Studies Bulletin*, no. 6, June 1969, p. 160. See also: Milton DERBER, «Collective Bargaining: The American Approach to Industrial Democracy», *The Annals*, no. 431, May 1977.

<sup>24</sup> Howard F. GOSPEL, «Trade Unions and the Legal Obligation to Bargain: An American, Swedish and British Comparison», *British Journal of Industrial Relations*, vol. 21, no. 3, November 1983.

Moreover, the viability of collective bargaining as a mode of participation depends on the scope of issues subject to negotiation. This was recognized in Sweden, where recent reforms have opened up all corporate decisions to negotiation. But, where legal and other definitions of managerial 'prerogatives' limit the scope of negotiable issues, as in the United States, participation through collective bargaining is severely restricted.

Finally, it might be noted that the development of international bargaining has been slow. So far there are scarcely any examples of world-wide collective bargaining, but there has been a considerable increase in international trade union co-ordination. Many of the larger multinational corporations, are, in fact, paralleled by world councils. Although many trade union leaders hoped that these councils would bring about the negotiation of company-wide contracts, that has not happened. Most of the world councils are creatures of the International Metal Workers Federation (IMWF) which represents eleven million workers in the auto, steel, electrical, goods, shipbuilding and engineering industries, and is the largest and oldest transnational trade union. The European Metal Workers Federation and the United Auto Workers in the United States and Canada are affiliated to the IMWF which has been very effective in its training and publications programme. It has also developed a computerized data bank from which local union leaders can obtain up-to-date information on contract concessions reached at other company units, as well as an update on the company's overall economic and financial condition.

### **New Participative Forms of Work Organization**

In the last decade there has been a great deal of discussion and experimentation both in Europe and in North America with work reforms and employee participation in the design and execution of tasks. Work reforms include such schemes as job enrichment, autonomous work groups, flex-time and work-sharing. In general, reforms of this type involve an extension of workers' formal participation in day-to-day decisions at the workplace, but do not necessarily involve any greater control over decisions taken at higher levels. Since many of the latter decisions structure the basic nature and purpose of workplace activity, participative forms of work organization are best seen as 'bounded participation'.

In a number of countries, governments have become involved in work reform. The West German government, for example, has initiated and

funded a Research on the Humanization of Working Life Programme<sup>25</sup>. The French government moved to encourage work reform in the mid-1970s by creating a tripartite National Agency for the Improvement of Working Conditions, and by expanding the role of works councils. Various Scandinavian governments have actively supported joint union-employer experiments with work reform. North American governments have taken similar steps: the federal government in the United States created a National Centre for Productivity and Quality of Working Life;<sup>26</sup> and the federal and Ontario governments in Canada have sponsored a considerable amount of Quality of Working Life (QWL) research and experiments<sup>27</sup>.

On the whole, government involvement has tended to be facilitative rather than directive, and it would appear that most government programmes are aimed principally at improving work relations as a means of increasing productivity and reducing workplace conflict. This 'managerialist' orientation is not surprising in view of the fact that, in most cases, new participative forms of work organization have been initiated by employers in response to the economic costs of turnover, absenteeism, wildcat strikes, and other manifestations of worker alienation<sup>28</sup>. Indeed, a comparison of the case histories and characteristics of labour-management co-operative ventures and QWL programmes points to the fact that many have been stimulated by the existence of some managerial 'problem'. Several major companies, such as General Motors in the United States and Shell in Canada, designed co-operative projects in the face of serious competitive pressures or industrial relations problems. Both unions and management in these companies felt that the traditional collective bargaining process was incapable of solving these problems. Another common feature, overlapping with the first in many cases, is the presence of some key individual at the strategic level in the organization who believes strongly that new approaches are necessary and is in a position to take action<sup>29</sup>. Irving Bluestone, vice-

25 Leo KISSLER and Ulrike SATTEL, «Humanization of Work and Social Interests: Description and Critical Assessment of the State-Sponsored Program of Humanization in the Federal Republic of Germany», *Economic and Industrial Democracy*, vol. 3, no. 3, August 1982.

26 DERBER, «Collective Bargaining: The American Approach to Industrial Democracy», *op. cit.*, pp. 86-87.

27 See *QWL Focus*, various issues (Ontario Quality of Working Life Centre), *Quality of Working Life: the Canadian Scene*, Labour Canada, and see also Gene SWIMMER, «Labour Canada: A Department 'Of' or 'For' Labour?», *How Ottawa Spends Your Tax Dollars: Federal Priorities 1981*, ed. G. Bruce DOERN, Toronto, James Lorimer, 1981.

28 Richard E. WALTON, «Innovative Restructuring of Work», *The Worker and the Job*, ed. Jerome M. ROSOW, Englewood Cliffs, Prentice-Hall, 1974; see also Donald SWARTZ, «New Forms of Worker Participation: A Critique of Quality of Working Life», *Studies in Political Economy*, no. 5, Spring 1981.

29 Hem C. JAIN, «The Quality of Working Life: A North American Perspective», *Philippines Labour Review*, vol. 7, no. 2, 1983.

president of the UAW and a staunch supporter of the QWL programme, is one such individual. In Canada, Clifford Pilkey of the Ontario Federation of Labour has been an enthusiastic supporter.

However, the managerial orientation of most work reform projects has tempered the enthusiasm of some trade unionists; indeed, the UAW leadership is divided on the issue of QWL, and a number of UAW locals have terminated their participation in experiments<sup>30</sup>. More broadly, trade unions in North America have often expressed hesitancy towards work reform initiatives. Given that QWL appears to address issues directly related to workers' 'task environment', it is necessary to probe into the reasons for this union response.

Part of the answer lies in the fact that most of the programmes are management-initiated, thus raising suspicions about their intent. Perhaps ironically, the U.S. National Labour Relations Act's prohibition of company unions has been interpreted as precluding the use of such schemes as quality circles on the grounds that they constitute employer-controlled organizations, thus lending some credence to trade union suspicions<sup>31</sup>. Trade unions are also understandably reluctant to become involved in programmes which have been used openly to resist unionization. However, the most important causes of trade union apprehension derive from the potential effects of work reform programmes. To begin with, it is by no means certain that workers gain a greater degree of control over their work environment. A study commissioned by the AFL-CIO, for instance, found that most QWL participants in the experiments which were examined 'did not experience the feeling that they had gained any more influence'<sup>32</sup>. Unions also see some potential negative effects. The Canadian Airline Employees Association has rejected QWL for a number of reasons, including the tendency for such programmes to undermine negotiated grievance procedures, the emphasis of QWL on promoting management goals, and the impact of more flexible work patterns on job classification systems and seniority rights. The concerns of a number of unions are reflected in CALEA's argument that:

The major decisions that affect our working lives are simply not up for discussion in QWL. Does greater input into decision-making mean that workers will have a veto

<sup>30</sup> Mike PARKER, «Appoint QWL Facilitators From the Top, UAW Officials Urge», *Labor Notes*, 26 July 1984.

<sup>31</sup> Mike PARKER and Ellis BAOL, «Will Labor Laws Be Weakened To Permit Expansion of QWL Programs?», *Labor Notes*, 27 September 1984.

<sup>32</sup> Mike PARKER, «'Quality of Work Life' Programs Don't Increase Worker Influence, Says AFL-CIO Study», *Labor Notes*, 26 January 1984, p. 13. This study was conducted by Thomas Kochan and others.

over the implementation of any program that will increase workload or cause layoffs? The answer is no. The basic unequal power relationships are not changed by QWL.<sup>33</sup>

Blunter still is the comment by Richard Mercier, a CLC vice-president, that QWL is the icing on a poisoned cake'<sup>34</sup>.

Internationally, new participative forms of work organization have also been met by a mixed response by trade unions. In France and Italy, many trade union leaders have concluded that the managerial objectives of such schemes undercut the class struggle, and have argued that workers should instead be striving to control all of the factors which influence their working lives. In Britain, collective bargaining is favoured by trade unions as the means to deal with changes in work organization; such changes often have been negotiated through productivity agreements, at least until recently when the recession began to erode trade union bargaining power. By contrast, Scandinavian unions have regarded work reforms more favourably, and the reasons for this response underline the need for participation proposals to take into account the worker and trade union logics of participation. First, Scandinavian trade unions have been able to participate actively in shaping the nature, and not just the details, of work reform. Second, there is a close linkage between work reforms and other participatory schemes such as worker directors, codetermination rights and works councils. Third, such schemes have not been used to undermine ties between workers and trade unions, nor collective bargaining structures. In short, there is a clear relationship between trade union attitudes and their ability to influence the content and direction of participatory work reforms — a relationship to which we will return later in the paper.

### **Democratizing Capital Formation Schemes**

In Western Europe the debate over corporate governance has been more overtly political than in North America. There has been a considerable volume of legislation in Western Europe on employee participation in management, covering employee representation on company boards, establishment of mandatory works councils, and the provision of comprehensive corporate information to employees. One of the most controversial participative schemes is known as the 'democratizing capital formation scheme'<sup>35</sup>. This scheme requires that a percentage of wages or company pre-

<sup>33</sup> CANADIAN AIR LINE EMPLOYEES ASSOCIATION, *Policy on Quality of Working Life*, policy statement adopted by CALEA Board of Directors, Mississauga, CALEA, mimeo, February 1983, p. 3.

<sup>34</sup> *Ibid.*, 4.

<sup>35</sup> Derek ROBINSON, *Incomes Policy and Capital Sharing in Europe*, London, Croom Helm, 1973, chs. 3-5.

tax profits go into a fund to purchase equity capital in a company, to be controlled by the union. For example, in October 1983 the Swedish government proposed a controversial plan known as the Collective Wage-Earner Fund, an innovative concept designed to increase worker investment in industry<sup>36</sup>.

Each fund will be permitted to own up to 8 per cent of the shares in any one company. The management boards of the funds, each comprising nine permanent members, will be appointed by the government, with a majority representing labour. The funds will be required to yield a real return on invested capital of 3 per cent, income being paid into the national supplementary pensions system.

In order to finance the scheme, companies will be required to pay a special tax on real profits over and above a certain level — it is proposed that it amount to 20 per cent of the tax computation base and be made tax deductible. The payroll levy will consist of a supplementary pensions contribution of 0.2 per cent of wages and salaries.<sup>37</sup>

The government claims that the funds will increase the supply of venture capital to companies, favour productive investments, reduce wage drift and inflation, and enhance industrial democracy. Opponents of the funds, including the Employers' Confederation and other industry and business groupings, say that the collective funds constitute a threat to Sweden's market economy and will lead ultimately to socialization. The three non-socialist parties have said that they are committed to abolishing the fund system if they are returned to power in the 1985 election.

Unions in North America have shown a strong interest in the investment policies of pension funds. Unions have argued that such funds should be used to foster collective bargaining and social objectives, not merely to maximize income.

Company profit-sharing schemes, designed mainly to increase productivity and employee loyalty to the firm, have been in existence in both Western Europe and North America for about a hundred years. However, after the Second World War, what has been debated is not the technical concept of profit-sharing as such, but a change in the character of profit-sharing schemes. The overt paternalism of earlier schemes has been increasingly challenged by a conception which emphasizes the need for social

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<sup>36</sup> For the background see: Sandra L. ALBRECHT and Steven DEUTSCH, «The Challenge of Industrial Democracy: The Case of Sweden», *Economic and Industrial Democracy*, vol. 4, no. 3, August 1983; and Rudolph MEIDNER, *Employee Investment Funds: An Approach to Collective Capital Formation*, London, Allen & Unwin, 1978.

<sup>37</sup> SWEDISH INTERNATIONAL PRESS BUREAU, *Newsletter for Sweden*, no. 41e/vol. 57, 21 October 1983.



justice and the feeling that employees should have a greater role in managerial decisions. In recent years there has been a growth of worker and union participation in company financial plans, such as profit-sharing, employee share of production (ESOP), gain sharing, and outright employee ownership combined with self-management. However, there continues to be a lingering paternalistic element in many of these plans, particularly when they are aimed at non-union workers. For example, Camco, a manufacturer of consumer electrical goods, chose to introduce a system of gain-sharing linked to quality circles at its one non-union plant in Ontario in order to avoid the necessity of negotiating the scheme with a union<sup>38</sup>. Policies such as these can be expected to raise the suspicions of unions. Moreover, even the modern varieties of profit-sharing typically found in North America are designed primarily as incentive systems; the contrast with democratizing capital formation schemes should be obvious.

### EXPLAINING 'SUCCESS': AN HYPOTHESIS

In the previous section it has been seen that, although a general trend towards increased workers' participation can be identified, there is a considerable degree of cross-national variation. Worker representation on boards of directors is characteristic of a certain number of Western European nations, including West Germany, Austria, the Netherlands and the Scandinavian nations. Legislative measures designed to expand participation through collective bargaining have been adopted in some countries, but most dramatically in Sweden and France. In most countries there has been experimentation with new forms of participative work organization but, as Trist notes, the reform of work has gone furthest in Scandinavia<sup>39</sup>. And seriously considered proposals for democratizing capital formation schemes are restricted to a small number of Scandinavian and European countries.

The common concerns underlying the general debate over workers' participation stem from similarities in the nature of the problems facing all of the advanced industrial liberal democracies, as well as from the international traffic in ideas. As a number of analysts have pointed out, proposals to implement various types of participation seem always to surface during periods of economic and social turbulence<sup>40</sup>.

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38 Sheila DUNCAN, «Bonuses Raise Camco Productivity», *Globe and Mail*, 9, October 1984.

39 TRIST, «Recent Developments in the International Work Environment», *op. cit.*

40 Harvie RAMSAY, «An International Participation Cycle: Variations on a Recurring Theme», *The State, Class and the Recession*, eds. Stewart CLEGG, Geoff DOW, and Paul BOREHAM, London, Croom Helm, 1983.

But what underlies the variation in the types of participation to have taken root in particular countries? It is possible to identify a number of systemic characteristics of the countries where participation of one type or another is most 'advanced'. For instance, various writers have drawn attention to the ideologies and strategies of labour and management, the structure of collective bargaining, the degree of legal intervention in industrial relations, the distribution of political power, cultural and social traditions, and so on<sup>41</sup>. However, close scrutiny of experience to date draws attention to another variable of considerable importance: the source of initiation of programmes of workers' participation.

Participation proposals emanate from one of three sources: workers and their unions, employers and their organizations, or state agencies. Western nations can be divided into three groups according to the principal source of the proposals which dominate discussion and action. In such countries as Sweden, Norway and West Germany, trade unions have been the main source of pressure for reform. In countries like France, existing programmes, including the most recent, have been largely initiated by the state. And in countries such as Canada and the United States, management has taken the initiative in sponsoring programmes such as QWL, with the state playing only a facilitative role. To be sure, all proposals address the same general conditions and problems, but the particular logic of participation which animates and shapes the nature of reforms will play a key role in determining the likely outcome.

It appears that in countries where the source of initiation has been either the state or employers, workers' participation has not progressed very far, except where it has been imposed over the heads of unions. For example, in the United States, work reforms of the type discussed above (QWL, etc.) have tended to succeed most often in non-unionized firms;<sup>42</sup> indeed, a number of such reforms are employed as devices to discourage unionization. Profit-sharing schemes imposed by government in France represent another example of this failure. Conversely in Scandinavian countries,

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<sup>41</sup> See, for instance: Nancy FOY and Herman GADON, «Worker Participation: Contrasts in Three Countries», *Harvard Business Review*, May-June 1976; Russell D. LANSBURY, «Industrial Democracy Under Liberal Capitalism: A Comparison of Trends in Australia, France and the USA», *Journal of Industrial Relations*, vol. 20, no. 4, December 1978; CLARK, *et al.*, *Trade Unions, National Politics and Economic Management*, *op. cit.*; INDUSTRIAL DEMOCRACY IN EUROPE INTERNATIONAL RESEARCH GROUP, *Industrial Democracy in Europe*, Oxford, Clarendon Press, 1981; Hugh CLEGG, *Trade Unionism Under Collective Bargaining*, Oxford, Basil Blackwell, 1976; Arndt SORGE, «The Evolution of Industrial Democracy in the Countries of the European Community», *British Journal of Industrial Relations*, vol. 14, no. 3, December 1976.

<sup>42</sup> WALTON, «Innovative Restructuring of Work», *op. cit.*

where the labour movement has activity pursued the extension of workers' participation, larger gains have been made despite the initial opposition of employers and/or governments.

This line of argument provokes a series of further questions. Why have some union movements been in favour of various participation schemes while others have been opposed? Why have employers and state agencies sometimes pursued participation policies in the face of union disinterest or resistance? The answers lie in the conflicting logics of participation.

### THE CONFLICTING LOGICS OF PARTICIPATION

As was noted above, participation proposals are perceived and responded to differently by the different actors in the industrial relations system. Indeed, although perception and response vary between nations, it is necessary to analyze the basic frames of reference through which workers, their trade unions, employers, and the state evaluate and act upon the issues. In short, each of the main actors possesses a distinct 'logic of participation'.

Workers' involvement in decision-making constitutes the main focus of participation. Yet a question which continues to be raised is whether workers really want to participate in what has traditionally been regarded as 'managerial' decision-making. Perhaps the best known example was the negative reaction of a group of American workers to their brief exposure to an 'autonomous work group' in a Swedish factory in the early 1970s<sup>43</sup>. More generally, surveys continually indicate that most workers do not have a pronounced 'philosophical' bias in favour of participation, nor a desire to take part personally in upper-level decision-making. Is workers' participation therefore a 'cure' which the patients regard less favourably than the 'disease' itself?

Several studies have demonstrated that, as regards participation, workers' concerns are usually 'instrumental' in nature rather than 'philosophical'. As an OECD report on workers' participation put it: 'Numerous participation schemes have failed in the past, precisely because the workers did not perceive any personal pay-off resulting from them'<sup>44</sup>. Whilst this may be seen as a disheartening finding to ideologues of par-

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<sup>43</sup> Nancy FOY and Herman GADON, «Worker Participation: Contrasts in Three Countries», *Harvard Business Review*, May-June 1976, p. 71.

<sup>44</sup> OECD, *Workers' Participation, Final Summary*, quoted in *Labour Gazette*, vol. 76, no. 8, August 1976, p. 413.

ticipation, it serves as a useful reminder that those who are being urged to participate will view the proposal in terms of its practical effect on their goals and interests. In fact, other studies and surveys suggest that, in general, workers do wish to participate in those decisions which are likely to have an effect on their immediate interests, or on their own work and conditions of employment. In short, the logic through which workers confront the issue of participation is rooted in their day-to-day experience in the workplace. As obvious as this might sound, it is of crucial importance to an understanding of the outcome of participation schemes, which may otherwise be met with apathy, discontent or resistance. Moreover, although relatively few workers express an interest in playing a personal part in higher-level decision-making, this does not imply a lack of support for participative bodies at these levels. The OECD report cited above concludes that:

Workers are not so much interested in the processes of indirect participation (trade unions, collective bargaining representation) as in the outcomes of these processes (such as) the general protection of their jobs and incomes... From the perspective of the individual worker, the different forms of participation serve his different needs and interests. Effective management will only be possible if these different needs and interests are explicitly recognized in organizational policies and practices.<sup>45</sup>

It is necessary to add to this observation the notion of collective interests. Although a participation scheme might be attractive to individual workers, the same scheme may be seen as a detriment to collective interests. Thus, to the extent that 'participation' is linked to direct, meaningful, net improvements in the collective experience of work, workers can be expected to respond favourably.

Although it is difficult to generalize about the attitudes of trade unions towards participation, it is possible to discern a general frame of reference. Unions tend to view the various types of participation in terms of their effect upon the structure of social relations in the workplace and enterprise; thus, to the extent that the influence of the union, or of its members, is increased, participation is likely to be favoured. In order to understand the frequent hesitancy of unions to become involved in participation schemes, it is necessary to consider two specific aspects of the role and nature of trade unions. As representatives of workers' distinct interests, unions judge participation proposals in terms of the effect on their members; thus, schemes which stop short of transferring any real power, which involve concessions detrimental to the collective interests of workers, or which appear likely to divide their members, are rightly regarded as less than satisfactory. On the other hand, as organizations, unions judge participation proposals in terms

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45 *Ibid.*

of the effects on their own status, authority and independence; thus, schemes which appear to undermine workers' attachment to their unions, which by-pass union channels of negotiation and representation, which reduce the ability of unions to take an independent stance, or which limit union involvement in decision-making, are apt to be rejected.

It is unsurprising that unions are concerned with the impact of various sorts of participation on collective interests and organization. After all, unions are much more than vehicles for representing large numbers of individuals; the *raison d'être* of unions is collective organization as a means of redressing the power imbalance between individual employees and their employers. Thus, if participation is perceived as advancing this purpose — as representing a means by which employees and their unions can win a greater degree of control over their work environment and the actions of employers — then unions can be expected to offer their support. Indeed, union-initiated participation proposals flow precisely from these considerations.

Employers also pursue multiple goals, but in the capitalist enterprise profitability remains the predominant objective and guide to action. For this reason, labour productivity is of key importance to the firm. More particularly, employers are concerned with the factors which may affect overall productivity: the level of effort expended by workers; the extent of employee co-operation and commitment; the effect of formal and informal work rules and practices on economic efficiency; the level of individual and collective resistance to managerial authority; and the level of wages relative to output. In general terms, the ability of employers to direct the activity of workers in such a way as to promote enterprise goals depends on management's degree of control over behavior and decision-making within the enterprise<sup>46</sup>.

Given the centrality of productivity and control within the employer's frame of reference, it is hardly surprising that employers have vigorously opposed any participation scheme which transfers substantial power and authority to workers and/or unions. Nor is it surprising, on the other hand, that a good number of employers have experimented with limited forms of participation, since such schemes hold out the promise of greater produc-

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<sup>46</sup> Management views of participation have been dealt with by: Michael POOLE, «Industrial Democracy and Managers: An Explanatory and Critical Perspective», *Journal of Industrial Relations*, vol. 22, no. 1, March 1980; Michael H. BEST and William E. CONNOLLY, *The Politicized Economy*, Lexington, D.C. Heath, 1976, ch. 5; and Paul GOLDMAN and Donald R. VAN HOUTEN, «Uncertainty, Conflict, and Labor Relations in the Modern Firm I: Productivity and Capitalism's 'Human Face'», *Economic and Industrial Democracy*, vol. 1, no. 1, February 1980.

tivity without a loss of overall control. Indeed, from the point of view of employers, exercising control through consensual structures of participation can produce net benefits<sup>47</sup>.

For employers, then, workers' participation is logical only insofar as it benefits the enterprise. Although in some cases a net benefit may be obtained at the cost of slightly increased worker influence, schemes which involve the transfer of substantial power threaten to undermine employers' interests. Employers frequently explain their reluctance to share authority with their employees on the grounds that workers lack the appropriate technical knowledge, that employees have a 'limited perspective', or that decision-making will become too cumbersome; more to the point, the transfer of real power constitutes a challenge to the very basis of the capitalist enterprise, and it is therefore entirely rational for employers, from their point of view, to resist such a development.

The basic frame of reference through which the state and its officials confront the issue of workers' participation is shaped by the nature of the private enterprise economy, by the balance of political power in society, and by the play of electoral politics. One of the central constraints on state policy is the structure of property ownership. Because economic performance is geared (at least in part) to private investment, and because investment is in turn influenced by expected profits, Western governments are constrained to adopt policies which do not damage the fundamental interests of employers. To use the explanation favoured by financial journalists, governments must be constantly watchful of the level of 'business confidence'. For this reason, worker participation schemes which are likely to transform the basic nature of industrial decision-making will be imposed by governments only in highly exceptional circumstances. Instead, governments will normally advocate or impose schemes of participation which promise to improve economic productivity, to lessen overt labour-management tensions, or to reduce industrial conflict. At the very least, these goals function as constraints on the type of governmental programmes which may be launched to increase worker satisfaction or promote industrial democracy.

Within this general governmental logic of participation, there is considerable room for variation over time and between countries. The balance

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<sup>47</sup> Albeda's findings illustrate the effect of the managerial logic of participation. He found that employers dislike legislative schemes, differentiation between union and non-union employees, official trade union involvement, participation at levels above the workplace, and (tellingly) any scheme likely to redistribute power. See W. ALBEDA, «Workers' Participation», OECD background paper for the International Management Seminar, March 1975, mimeo.

of political power in society may influence governments to promote various types of worker participation, either as a trade-off for trade union acquiescence to other policies (such as the attempt by the British government in the 1970s to win union support for wage guidelines by promising to act on industrial democracy<sup>48</sup>), or to lessen social conflict (such as the extension of participation rights in France after 1968<sup>49</sup>). Additionally, of course, the political orientation of the governing party will influence the state's policy direction. The close alliance between the Swedish Social Democratic Party and the trade unions has been a major factor in shaping developments in that country<sup>50</sup>.

In short, like workers, unions, and employers, the state's logic of participation flows from its nature and role in society. And, as is also the case with the other actors in the industrial relations system, there is a degree of looseness in the logic which shapes government action. Despite this play, however, there remains a core of fundamental premises which limits the extent and direction of public policy.

In view of these conflicting logics of participation, it can now be seen why labour initiation is central to the successful spread of workers' participation. Workers and trade unions will respond more favourably to forms of participation which are shaped by premises central to their frames of reference. Thus, where unions have taken the initiative and placed their own proposals on the agenda of political debate, they have usually succeeded in moulding the tone and direction of reform. Although no union movement can be said to be entirely satisfied with the pace of progress or the extent of existing participatory structures, those whose views have structured experiments to date have demonstrated the most co-operation and enthusiasm. On the other hand, where unions have lacked sufficient political power and have seen managerial and/or state definitions of participation dominate the agenda, their response has been more hesitant and progress has been more limited. Managers, policy-makers and academics who are inclined to lament the 'narrow-mindedness' or 'conservatism' of workers and trade unions when participation proposals are greeted with a less than enthusiastic response, would do well to reexamine the premises of their proposals.

This line of argument should not be taken to imply that other factors are unimportant. Ideological, strategic and organizational factors necessari-

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48 John ELLIOTT, *Conflict or Cooperation? The Growth of Industrial Democracy*, London, Kogan Page, 1978.

49 LANSBURY, «Industrial Democracy Under Liberal Capitalism», *op. cit.*

50 See Walter KORPI, «The Historical Compromise and its Dissolution», *Sweden: Choices for Economic and Social Policy in the 1980s*, eds. Bengt Ryden and Villy Bergstrom, London, Allen & Unwin, 1982.

TABLE 1  
Extent of Employee Influence in the Management of an Enterprise

	<i>Provision of Information</i>	<i>Advisory Input Into Decisions</i>	<i>Negotiating Rights</i>	<i>Co-Determination</i>
<i>Corporate</i>	Observer status at board level (eg. France) <sup>a</sup>	Minority board level representation (eg. Austria, Luxembourg, Scandinavia) <sup>a</sup>	Negotiating rights over corporate-wide policies (eg. Sweden) <sup>a</sup>	Parity representation at board level (eg. West German coal, iron and steel sectors) <sup>a</sup>
<i>Establishment/Plant</i>	Work Councils' right to receive information (eg. France, Belgium) <sup>b</sup>	Managements' obligation to consult works councils on certain issues (France) <sup>b</sup> such as collective dismissals.	Collective Bargaining in several countries (eg. North America)	Co-determination rights of works councils over plant-level issues (eg. rights of French and Belgian works councils over social welfare issues) <sup>b</sup>
<i>Workplace</i>	Company newsletters, suggestion boxes, bulletin boards	Quality circles — Labour Management Committees (i.e. bodies to discuss ways to improve efficiency and productivity) <sup>c</sup>	Workplace bargaining by union representatives (eg. negotiations in British engineering over pace of work, manning levels, etc.) <sup>d</sup>	Workplace health and safety committee right to stop production where danger exists (eg. Sweden)

(a) More complete explanations and/or references are given later in the paper.

(b) For a description of the rights of French works councils see J.D. Reynaud, *Les Syndicats en France* Paris, Éditions du Seuil, 239-42. See also Hem C. Jain, *Worker Participation: Success and Problems*, New York, Praeger, 1980, 50-63.

(c) Quality circles are discussed by William G. Ouchi, *Theory Z*, New York, Avon, 1981, appendix 2.

(d) See P.K. Edwards and Hugh Scullion, *The Social Organization of Industrial Conflict*, Oxford, Basil Blackwell, 1982, Chs. 7 and 8.



ly come into play in labour's assessment of participation proposals. Nonetheless, the fact remains that trade unions and their members do not simply react differently to identical proposals; instead, they confront different proposals, and the logic which underlies these proposals will affect their response.

## CONCLUSIONS

### Implications for North American Industrial Relations

It is by now almost an article of faith that industrial relations practices and institutions are not very easily transplanted from one nation to another; however gingerly the transplant is treated, it is virtually impossible to ensure the replication of appropriate environmental conditions. However, this difficulty does not preclude the possibility of drawing some general lessons from international comparisons.

We have argued that workers' participation means different things to each of the various actors in the industrial relations system. Or, to put it another way, that the different logics of participation of the main actors will sometimes lead each to evaluate particular proposals differently. This state of affairs is a natural consequence of the basic elements in modern industrial relations — were all parties to share the same goals and world-views, the very discipline of industrial relations would not exist.

The central implication of this argument is that workers' participation is not an issue which is susceptible to neutral or technocratic agreement, but is instead an issue of possible contention and conflict. An unwillingness to recognize the inherent tensions involved in industrial relationships will only produce surprise and hand-wringing when various schemes are rejected or resisted by one or more of the affected parties. Those who are serious about advancing participation — whether they be academics, managers, trade unionists or policy-makers — must come to grips with the curious paradox that an idea which is often meant to reduce conflict may itself be a source of conflict. Our argument also implies that caution should be exercised over the expected fruits of participation. An overly enthusiastic claim that participation will do away with labour-management tensions is clearly erroneous.

Relatedly, workers' participation should be viewed as a strategy open to any group: for workers, it can represent a way to reduce alienation, restore some dignity to worklife, and increase their say over the decisions which govern their environment; for trade unions, it can represent a strategy for increasing their influence over decisions which have heretofore

been taken out of earshot, as well as for the collective interests of their members; for employers, it can represent a strategy for solving problems of productivity, control and legitimacy; and for governments, it can represent a strategy for meeting the goals of economic strategy and/or reducing (or at least rechanneling) social tensions. However, precisely because it represents a variety of strategies emanating from distinct logics of participation, workers' participation may constitute a source of conflict.

Nevertheless, there are possible overlaps in the strategic goals of the parties, since the different logics of participation are not completely at odds. Where each party clearly recognizes that their interests can be advanced through a compromise, progress is possible. Progress will not be achieved by endless calls for the other side to realign its goals or open its eyes to 'realism'; instead, it is necessary to recognize that conflicts of interest are inherent in modern industrial relations.

Still, for workers' participation to take root in North America, deep changes in attitudes are necessary. Management should re-examine its conviction that its traditional prerogatives are to be preserved at all costs; concomitantly, the residual rights doctrine (whereby management is held to reserve all rights not explicitly modified through negotiations) would need to be put aside. Perhaps more importantly, if meaningful participation is to be advanced, North American trade unions must go beyond managerial (or state) definitions of participation and develop instead some strategic initiatives from within their own frame of reference.

One further lesson from foreign experience should be mentioned. Although there are good reasons for concentrating attention on participation in areas where workers can share directly in the managerial functions relevant to their jobs and their work situation, none of the possible types of participation should be viewed in isolation. As a number of analysts have pointed out, a multi-level approach would seem to stand the best chance of success. For instance, Trist suggests that the spread of labour-management co-operation at the workplace level (the work-linked form) in the Scandinavian countries has been in consonance with the development of representative and 'interest group' forms of industrial democracy<sup>51</sup>. In other European countries and in North America, where the different forms of participation are often separated, most unions remain suspicious of cooperating in experiments with work reorganization at the workplace.

Lastly, it is necessary to consider whether workers' participation is best advanced through legal requirements or through voluntary programmes.

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51 TRIST, «Recent Developments in the International Work Environment», *op. cit.*

The voluntary route holds some attractions: the unique circumstances of individual enterprises can be taken into account; a gradual learning process can be fostered; a reasonable degree of commitment on the part of senior management and trade union officials can be expected; and flexibility can be maintained<sup>52</sup>. But there are some proponents of the legal route as well, including Adams who has recently argued that labour-management decision-making at the level of the enterprise in Canada should be furthered by legislation<sup>53</sup>. Adams' argument rests upon a 'political' conception of the employment relationship, which holds that because democracy is intrinsically valuable, 'it needs no subsidiary justification for its establishment'. If we pursue the political analogy a little further, then it is clear that the dominant group in the existing structure of social relations within private enterprise will seek to preserve its position. As one North American corporate executive, in arguing against participative work reforms, unabashedly put it: 'History does not offer many examples of oligarchies that have abdicated with grace and goodwill'<sup>54</sup>.

Each route therefore has advantages and disadvantages. However, it is perhaps premature to choose between them, for the choice of a route presupposes that those involved have made up their minds to travel. The nature of the destination may be open to debate, but the potential benefits of expanded participation should not be ignored by those who are serious about reshaping industrial relationships.

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52 JAIN, «Worker Participation: Lessons from the European Experience», *op. cit.*

53 R.J. ADAMS, «Two Policy Approaches to Labour-Management Decision-Making at the Level of the Enterprise: A Comparison of the Wagner Model and Statutory Works Councils», Hamilton, McMaster University, Faculty of Business Research and Working Paper Series no. 227, 1984.

54 Quoted in BEST and CONNOLLY, *The Politicized Economy*, *op. cit.*, p. 153.

## *La participation ouvrière en Europe de l'ouest et son influence en Amérique du nord*

Cet article étudie les progrès récents de la participation ouvrière en Amérique du nord et en Europe de l'ouest en vue d'analyser les facteurs qui sont de nature à les promouvoir ou à les retarder. Il porte essentiellement sur la participation ouvrière à la direction des entreprises quand on les considère individuellement. La participation se manifeste de trois manières. D'abord, elle peut se présenter à un ou à plusieurs niveaux (société anonyme, établissement, organisation du travail). En second lieu, elle peut varier selon l'étendue de l'influence du travailleur (soit de la non-participation à la consultation ou du droit de négociation au plein pouvoir de décision). Enfin, elle peut être directe (c'est-à-dire qu'elle concerne les travailleurs personnellement) ou indirecte (c'est-à-dire par voie de représentation).

Dans de nombreux pays d'Europe occidentale (Hollande, Suède, Danemark, Norvège et Autriche) on a accordé aux travailleurs une représentation minoritaire à la direction par voie législative au cours de la décennie 1970. La controverse politique entourant l'expérience de l'Allemagne de l'ouest sur la représentation «paritaire» illustre le fait que la question de la participation peut être une source de conflits à l'occasion et que la participation à la direction peut quelquefois modifier l'opinion en matière de conflit du travail. Jusqu'ici, l'expérience européenne démontre aussi que les craintes des employeurs sur la capacité des travailleurs de participer à la direction ne sont pas fondées. Contrairement à l'expérience européenne, aux États-Unis, on a réalisé peu de progrès en matière de représentation au niveau de la direction tant à cause de l'opposition des employeurs que de l'attitude ambivalente et de la faiblesse politique des syndicats.

La négociation collective n'a guère été utilisée comme moteur principal pour l'implantation de la participation ouvrière, mais des changements récents dans la portée et la structure de la négociation l'ont accentuée. La Suède est le meilleur exemple de l'expansion de la portée des questions susceptibles de négociation. En Amérique du nord, une telle tendance est manifeste. La décentralisation de la négociation dans quelques pays (notamment en France sous les lois Auroux) a accru les possibilités d'une participation directe. Par contre, cette forme de participation a diminué en Grande-Bretagne. On a aussi expérimenté la mise en oeuvre de la négociation internationale. Dans l'ensemble, on peut conclure que la négociation collective en tant que moyen de participation est limitée sous plusieurs aspects surtout où (comme aux États-Unis) la portée des matières négociables est restreinte par les notions traditionnelles des prérogatives de la direction.

Partout, les gouvernements ont cherché à faciliter l'implantation de formes nouvelles de participation à l'organisation du travail. En général, l'initiative est venue du patronat. En retour, les syndicats se sont souvent montrés méfiants: un Amérique du nord et en Grande-Bretagne, cette méfiance découle de l'insistance traditionnelle des travailleurs à vouloir «la négociation collective libre»; en Italie et en France, elle tire son origine de l'idéologie radicale des travailleurs; la Scandinavie, où

les syndicats ont été intéressés à la mise en place de réformes du travail et où ces réformes sont unies à d'autres expériences de participation, fait exception.

La dernière tendance notable se rapporte au projet de «démocratisation des programmes de formation du capital» et cela surtout en Suède. Des programmes sont tracés de façon à accroître la participation des travailleurs à la propriété et au contrôle des ressources d'investissement. En Amérique du nord, on insiste encore sur l'utilisation de la participation aux bénéfices comme moyen d'intéressement.

Il est évident que le développement de la participation ouvrière a été irrégulier dans le domaine international. Nous considérons que l'expansion de la participation se rattache aux auteurs des projets de participation. Dans les pays où le gouvernement et les employeurs ont été à l'origine des projets, la participation ouvrière n'a guère progressé (excepté là où on l'a imposée sans consultation des dirigeants syndicaux). Au contraire, là où le mouvement ouvrier l'a appuyée (comme en Scandinavie), on a obtenu des gains plus considérables.

Cet état de choses provient du «dynamisme conflictuel» de la participation». En effet, la participation n'est pas un concept neutre, mais plutôt une notion *contestée*. Les travailleurs sont enclins à considérer la participation favorablement lorsqu'elle est associée à des améliorations directes, significatives et claires de l'expérience collective du travail. Les syndicats sont enclins à évaluer la participation en fonction du degré de contrôle qu'ils peuvent obtenir sur le milieu de travail et la conduite des entreprises. Les employeurs ont tendance à promouvoir des programmes de participation qui permettent d'espérer une plus grande efficacité sans altérer substantiellement la balance du pouvoir dans l'entreprise. Enfin, le gouvernement hésite normalement à favoriser des réformes qui risquent de nuire au climat du milieu des affaires et tend par conséquent à en avoir une conception favorable aux employeurs. La balance du pouvoir politique dans la société tout comme d'autres facteurs de nature idéologique et politique pourront aussi exercer une influence.

Le «dynamisme de participation» principal qui sous-tend un programme particulier façonnera donc la réaction du mouvement syndical et, en retour, les chances de succès du programme. Naturellement, des facteurs idéologiques, stratégiques et fonctionnels entrent en jeu dans l'évaluation des projets de participation; mais le fait demeure que les syndicats et leurs membres ne réagissent pas tout simplement d'une façon différente à des programmes identiques; ils comparent plutôt divers projets dont le dynamisme peuvent influencer leur réaction.

Il faut conclure que la participation ouvrière n'est pas une question susceptible d'accords indifférents ou technocratiques, mais elle est au contraire un enjeu de conflit potentiel. La participation, donc, est une stratégie ouverte à chaque partie dans les relations professionnelles, mais, parce que celles-ci comportent des tensions naturelles, on ne devrait pas être surpris que des discordances se produisent. Le développement futur de la participation ouvrière en Amérique du nord dépendra de la détermination des employeurs à délaisser la doctrine des prérogatives patronales et de la volonté des syndicats de mettre au point des stratégies de participation à partir de leur propre cadre de référence. En outre, la participation se développera plus facilement si elle s'effectue à plusieurs niveaux d'une façon intégrée. Que la participation soit ou non davantage favorisée par la législation ou par le volontariat demeure un sujet à débattre.