

ANALIZA I PROGNOZA TRAZNJE ZA HRANOM U IRANU

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Rezime

Do 1977. godine poljoprivrednom sektoru iranske ekonomije nije poklanjano onoliko pažnje koliko industrijskom sektoru. Autori smatraju da je isticanje potrebe za samodovoljnošću u proizvodnji hrane — opravdano i sa ekonomskog i sa pragmatičnog stanovišta.

U članku je predložen jednostavan model tražnje. Na osnovu njega projicirane su stope rasta tražnje za hranom i odgovarajuće stope rasta ponude hrane u odabranim periodima. Pokazano je (orijentaciono) da, ukoliko samodovoljnost u proizvodnji hrane treba da se postigne za pet godina, stopa rasta ponude mora se povećati daleko iznad 3,2 procenta, koliko je iznosila (prosečno godišnje) u periodu 1973—1975. To, međutim, predstavlja neverovatnu prognozu, ako se ima u vidu postojeća neelastičnost poljoprivredne proizvodnje i postojeća politička neizvesnost. S druge strane, konvergencija ponude i tražnje može se ostvariti ako se vremenski period produži. Prema pretpostavkama modela, stopa rasta tražnje smanjiće se u jedanaestogodišnjem periodu. Vrlo je verovatno da će stopa rasta tražnje biti manja od stope projicirane modelom usled političkih i ekonomskih dislokacija u postrevolucionarnom dobu.

Takođe, verovatno je da će ekonomska dislokacija, poput obustave proizvodnje industrijskih postrojenja i posledične visoke stope nezaposlenosti nepovoljno uticati na agregatnu tražnju. U takvim okolnostima, ako se stopa rasta ponude hrane iz predrevolucionarnog doba inicijalno udvostruči, konvergencija ponude i tražnje predstavljaće verovatan događaj u dužem vremenskom periodu.

Treba posebno napomenuti da su prethodni zaključci uslovljeni uspostavljanjem političke stabilnosti i pretpostavki koje pogoduju jačanju svojinskih prava. Dalje, s obzirom da su podaci iz predrevolucionarnog doba poslužili kao baza za projekcije, rezultati ovog istraživanja nisu konačni. Kada novi i raščlanjeniji podaci budu dostupni, rezultati će biti preispitani.

THE DEMOCRATIZATION OF WORK IN AUSTRALIA*

G. W. FORD**

INTRODUCTION

This paper addresses itself to a set of issues which are as ancient as the organized division of labour, and which no doubt will continue to absorb the time and energies of those who are concerned about the way in which the productive activities of society are carried out, and the way in which the rewards for such activity are distributed. We do not pretend, therefore, to be saying much that is entirely new, nor do we aspire to say the last word. We do hope, as a result of the opportunity we have had to meet with large numbers of Australians who share our interest and concern, to discuss, read and reflect, to be able to put the issues in a contemporary Australian context, to sharpen our focus upon them, and to present some useful thoughts about the way ahead.

A dozen or so years ago when industrial democracy first became a public policy issue in Australia, it was perceived as something rather modern and exotic, that the Scandinavians and some other Europeans had, and we did not, just as we were once deficient in motorways and supermarkets. We have found that over the past decade this perception has changed so that we are now more aware of the historical continuities in relation to participation and work. It seems to us in fact that there is a basic long term trend in the direction of greater democracy, as a result of measures enacted by governments, the initiatives of trade unions, and the actions of the more progressive employers, and that this trend is likely to continue, given the other social forces now present in this society. However, there always have been and are always likely to be, forces that will resist the further democratization of work. To be sustained therefore, this long term trend will need informed advocacy and leadership.

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AUSTRALIAN ORIENTATION

Our title is intended to signify both continuity with the past, and the fact that our orientation is specifically Australian. We are searching for lessons for Australia's future from Australian experiences, and have accordingly spent little of our time examining current developments in other countries of the world.

Australia is a small capitalist Federation, most of whose inhabitants are isolated from their cultural roots in Europe, or elsewhere. It has an economic system heavily constrained by the international system of which it is a rather small part. At present, along with most of the other modern industrial states, of the western world, Australia is mired in a recession characterised by the persistence of high unemployment and high inflation. There are good grounds for believing that there will be no return in the foreseeable future to 'full employment' in the traditional sense, and that the type of employment that we will have will continue to undergo widespread transformation.

There is today a growing, though still underdeveloped awareness and appreciation that ours is a multicultural society and that it is geographically and strategically part of Asia and the 'Pacific Rim'. There is also we believe a growing realisation that the good fortune of abundant natural resources will not alone sustain us in the international market place; that we will have to become known for our creativity as well as our quarries. There are signs of a willingness to break from traditional patterns of education — work — retirement, and of a commitment to more equality of opportunity, beyond that which has been enjoyed by white Anglo-Saxon males over most of the past two centuries.

Australia in other words, is a unique configuration of people, resources, location and history. In seeking to derive from the past lessons for the future organization of work in this country, this perception has come to be uppermost in our minds.

THE DEMOCRATIZATION OF WORK

To us, the democratization of work means an open-ended process, under bilateral (or multi-lateral) control, by which decision-making power and correlated accountability is redistributed and secured. Much of the rest of this paper is an elaboration of this definition, through a re-tracing of the way in which it was arrived at.

For workers, the workplace itself will always be the main focus for the democratization of work. However, no workplace is an island, and to an increasing extent, what happens in the workplace is constrained or determined by developments that occur well beyond it. We therefore distinguish between the *democratization of the workplace* and the *democratization of work*. The latter includes the development of participatory and consultative arrangements at the industry, sectoral, and national levels, and increasingly has to take account also of the demands for consumer and client participation.

While there are occasions when it is necessary to differentiate quite clearly between the managers and the managed, there is a fundamental sense in which all employees are workers. In certain basic respects therefore, the democratization of work addresses the needs and interests of all who work. Democracy is indivisible, and there can be no group which is deserving more of it than any other if a single democratic state is to be preserved.

With these general remarks in mind we set out here in summary form what we believe to be the main aspects of the democratization of work:

- (i) the irreducible core of the democratization of work is the redistribution of decision-making power. Further, what critically differentiates the democratization of work from other similar processes with which it is sometimes confused is that extensions of decision-making power have the character of *rights* rather than *privileges* — they are secured, and are to a degree at least, irreversible.
- (ii) together with the acquisition of power to make or shape decisions must go an appropriate level of responsibility and accountability: power without accountability, and accountability without power are both antithetical to democracy.
- (iii) trade unions are integral to the organization of work in Australia, and are the only organized channel by means of which the collective views and interest of the workers can be expressed. The unions therefore should be the single channel for the involvement of employees in participative processes, and this channel *should be used*.
- (iv) more specifically we believe that in the democratization of workplaces the development, introduction and management of participatory processes should be under bilateral control, such that the direction and pace of change is jointly determined.
- (v) in our experience, workers are not interested in participation as an abstraction, as an end in itself. Conversely, there are in every workplace issues which are of general concern to the workers, which they would like to be able to do something about. The democratization of work seems to get its richest results when real issues of this sort are successfully addressed in democratic ways, and yields its poorest returns when participative *structures* are introduced (sometimes still even imposed) without agreement or understanding of the issues that are to be dealt with.
- (vi) in our judgement, the democratization of work is most appropriately viewed as part of the industrial relations system, and not, as some would prefer, a separate sphere of activity. The democratization of work is not a neutral matter of organizational 'style', that can be dealt with apart from the fundamental issues that underpin the relationships and conflicts between the managers and the managed. Specifically, we anticipate that the democratization of work will increasingly become the subject of collective bargaining.

- (vii) the democratization of work requires that those who are involved have, and exhibit, democratic values and beliefs — fairness, open-mindedness, realism (respect for the facts), freedom from status-consciousness, friendliness. These values and beliefs are not as widely shared as one might assume to be the case in a nominally democratic society. It is, of course, important that those who initiate and lead democratization processes demonstrate their personal commitments to these values and beliefs.
- (viii) Australia is now comparatively rich in experiments of different types of participative processes and structures, and the basic distinction between direct and representative approaches is well understood. In our view there is no 'one best way', and there is some positive virtue in continuing to explore many different approaches. In the long run a combination of direct, participatory processes and institutionalized representative forms, each supporting and reinforcing the effects of the other, seem to represent an ideal strategy.
- (ix) democracy does not eradicate conflict; the democratization of work will not remove industrial conflicts. It should, however, help to reduce the amount of *irrational* conflict, and enable the antagonists to find more effective ways of dealing with all conflicts.

THE MODEL OF ORGANISATION

The model that we have found to correspond most closely to the issues raised in the democratization of work is that of the 'hour glass' which gives emphasis to a qualitative disjunction between the *government* and the *management* of enterprises (Fig. 1). In its simple outline this model applies to both public and private sector organizations, but points also to some important distinctions between them. It does not do so well in differentiating within these sectors amongst such institutional arrangements as conglomerates, joint ventures, hol-

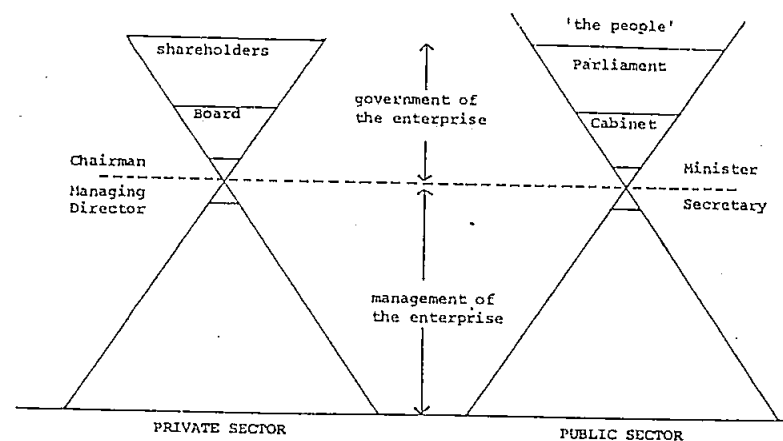


Fig. 1. *The Model of Organization*

ding companies, and so forth, nor amongst the variety of statutory authority arrangements and departmental structures in the public sector, and we recognise that this level of detail is vital to a comprehension of the practical possibilities in each case.

Simply put, the government level of the enterprise (it will have been appreciated, that this term 'enterprise' is being used as a generic term to cover all types of work organizations) determines what the organization is going to do, and the management system that does it. The Board of a company appoints senior managers, sets corporate objectives, takes major financial decisions, and sets policy on mergers and takeovers; the chief executive and his managers make it happen. This, at least, is the theory.

The theory also includes the proposition that the Board constitutes the legitimately elected representatives of the shareholders, whose interests it is supposed to promote. In the public sector (and this is true in principle for local as well as other levels of government) the objectives are set politically, by the Parliament, Cabinet and Minister (or by the elected members of the local government level), and the permanent head, Shire Clerk or equivalent, is responsible for carrying out the activities necessary to achieve these objectives. There are in practice some impressive discrepancies between the theory behind these distinctions, and the reality of the way in which objectives are set and implemented.

For the present, we wish simply to draw a major distinction between *worker or employee participation in management*, and *organizational democracy*. The former we believe to be the most logical and appropriate concept to embrace the whole set of practices, structures, working procedures and so forth, within the operating part of the enterprise (the lower triangle) that have the character of involving employees in operational making. Organizational democracy on the other hand, seems to us to be the most logical and appropriate term to describe situations in which the employees further participate in the government of the enterprise, whether this be by control of shares, by means of worker directors, or as a result of participation of trade unions in the planning process at the enterprise level.

The importance of this distinction is highlighted in the case of take-overs and mergers, such as those which have characterised the restructuring of the retail industry over the past two years. In such cases it does not really make any difference whether or not worker participation in management has developed; the fate of the workforce is in the hands of the new owners and the managers that they install. Participation in management does not necessarily lead to organizational democracy. Unless there is organizational democracy, participation in management is always vulnerable to corporate takeovers or changes of government.

This distinction raises the question of whether or not organizational democracy in this sense is possible in the public sector. At each level of government competing programs of public administration are put forward, and those who are elected to power are entitled, indeed expected, to determine directions and objectives in public policy and programs. In democracies the purposes of public policy

are popularly decided, at least in their broad outline. Do employees in the public sector have the same rights or reasonable expectations about participating in the policy-making level of public sector organizations as private sector employees do in private companies? Consider for example: the Board of BHP has within its power the decision to sell off its steel manufacturing division; the Federal government has within its power the decision to sell off Telecom to private enterprise (this has become less likely since March 1983). Should the Telecom employees and the Telecom unions have the same right to influence such a decision as the employees of BHP and their unions? Given that governments are elected to make policy decisions, can workers in the public sector expect to be able to co-determine public policy?

This fundamental distinction between worker participation in the internal management of the organization and participation in the democratic control of the enterprise as a whole is the basis of our understanding of the democratization of the workplace. To it must be added, however, the place of the unions:

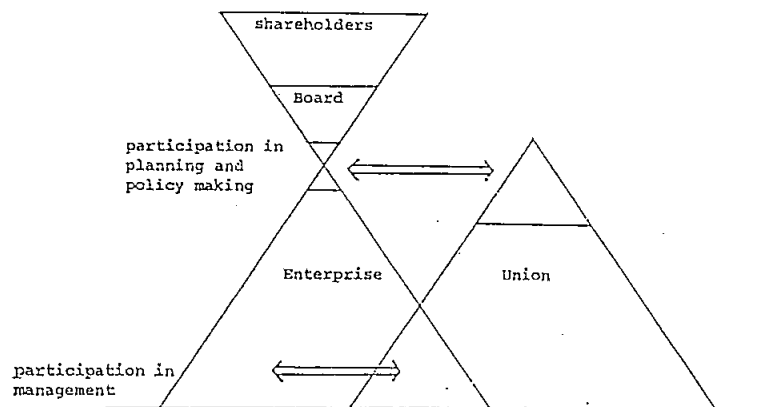


Fig. 2. *The roles of unions in workplace democratization*

What we see emerging, and what we believe needs to be encouraged, is a deeper understanding in the union movement of this distinction between the management and the government of the enterprise, and a more appropriate application of their resources in the democratization process. That part of the union which is within the enterprise — the convenors, job reps/delegates, shop committees, etc — is in the best position to develop participatory processes for worker participation in management; the fulltime officials and employees of the union are in the best position to intervene and make a contribution to enterprise planning, policy making, reorganization, and so forth. What has particularly struck us in having a closer look at what is happening today is the extent of developments of the latter kind, and the growing commitment and confidence within the union move-

ment in pursuing this path. We are still however talking about a small part of the union movement as a whole.

It has, we believe, been a common assumption that the only, or at least the most effective, way in which employees can participate in enterprise-planning is through the introduction of worker-directors. There are in fact some seventy worker-directors in Australia at present, heavily concentrated in NSW and Victoria, and to the best of our knowledge, exclusively to the public sector. There has been since 1979 a Worker-Directors Association, which has promulgated a Code of Ethics, and which is running its own educational programs in association with TUTA.

In our estimation there is diminishing support for the idea that the introduction of worker-directors should be a major plank in the democratization of work. On the other hand, we have found very considerable support for the idea that there is an important role for worker-directors in representing the interests and perspectives of labour at the Board level, in the same way that other interests and areas of expertise are represented — banking, legal, marketing, suppliers and purchasers, and so on. The role of the worker-director in this scheme of things is to enrich and improve the overall capacity and competency of the Board by keeping it informed and aware in relation to labour issues and interests. Such a role leaves the way clear for the relevant unions to involve themselves in enterprise-planning through the existing forms of negotiating and bargaining.

DEMOCRATIZATION OF INDUSTRY AND ECONOMIC PLANNING

Since we began this project we have come to realise that this model has to be placed in a broader context in order to comprehend the full scope that exists for the democratization of work. In particular the directions agreed to at the National Economic Summit (April 1983) and the contents of the ALP-ACTU accord (February 1983) indicate a strong commitment by the present government to establish more widespread and effective participatory processes at the industry and sector level, and at the level of national economic planning.

The establishment of a network of industry councils, state manufacturing councils and the Australian Manufacturing Council was a major recommendation of the Jackson Committee Report in 1975*, in which the purpose and potential benefits of such forms of consultation were clearly spelt out. These ideas it seems, have been taken up in the Accord in relation to Industry Development Policy, where it is stated, inter alia:

* Policies for development of manufacturing industry, AGPS, Canberra, 1975.

- consultation is a key factor in bringing about change in industry. This consultation will be extended to industry, company and workplace level.
- industry level sectoral councils will be fully integrated into the national economic planning structure with a reformed Australian Manufacturing Council.
- appropriate tripartite consultation at specific industry levels will be introduced and developed over time.

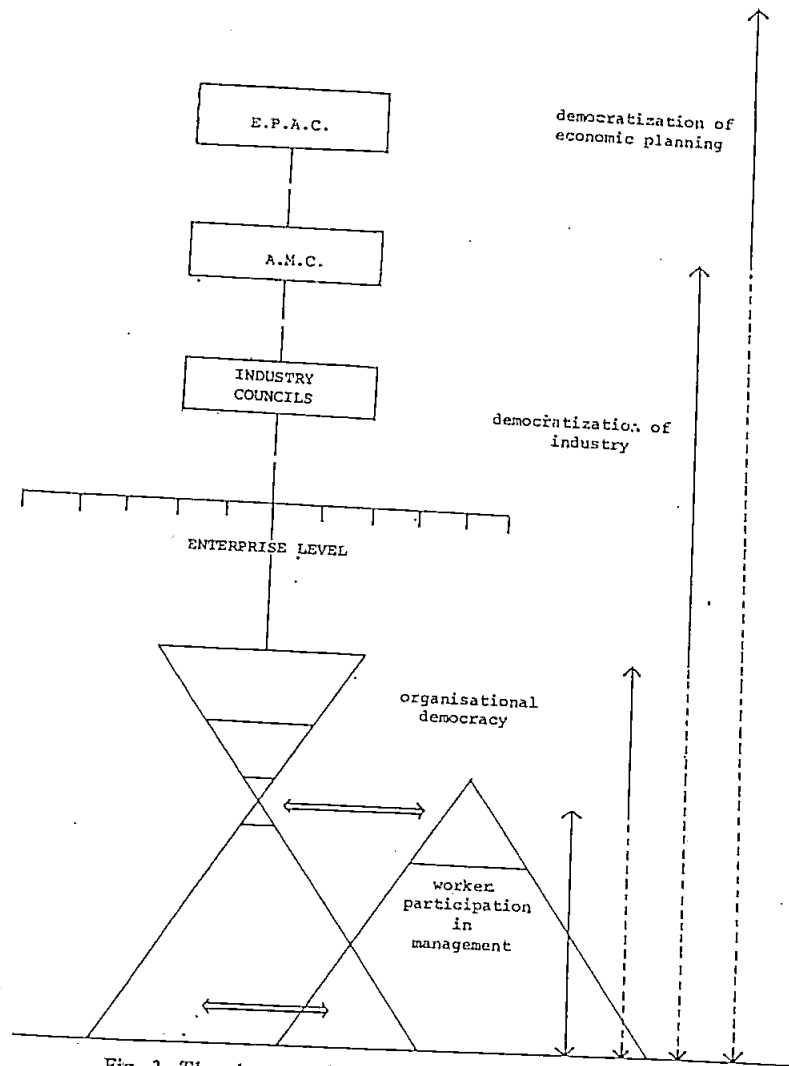


Fig. 3. The democratization of work — the four levels

These developments would have the effect of linking workplaces within an industry so that the major stakeholders could jointly explore industry objectives and policies, and plan collaboratively for the future. The dimension that this adds to our model of the enterprise is one that we believe should be called the *democratization of industry*.

Beyond this, at the national level, both the Summit and the Accord have opened some new horizons. The Summit communiqué identified the scope that exists for 'enlarging and improving trilateral consultation in all sectors of the Australian economy', and specifically endorsed the establishment of a 'small, independent, representative Economic Planning and Advisory Council (EPAC) ... to continue the process of consultation begun at the conference'. The Accord affirms that 'both the ALP and the ACTU support as a priority the institution of a planning structure which will determine the way in which the national economy will generate growth on a sustained basis. A fundamental feature of this planning process is the need for a national economic planning mechanism in which the prices and incomes structure has a defined role'. These aspirations, it seems to us, lead in the direction of the *democratization of economic planning*.

The key initiatives in relation to this macro-context are of course recent, and it is difficult to anticipate what level of commitment there will be in the future to bring the proposals to fruition. The most critical factor is the extent to which this approach to economic planning becomes bipartisan. Nevertheless it is evident already that such developments will give an added impetus and direction to future measures of worker participation in management and organizational democracy, particularly in the private sector.

In linking these four levels by identifying them as dimensions of the democratization of work, we also mean to imply that they should be developed in cohesion with one another. While we already have some experience of the way in which workplace developments can be blocked or cut off when they are not recognised or supported by developments beyond the workplace, there will now have to be careful attention to the dangers of a top heavy development of consultative mechanisms from which the rank and file feel excluded.

PUBLIC PARTICIPATION IN THE WORLD OF WORK

There is we believe, a fifth frontier for the democratization of work, which is becoming increasingly salient, especially but not exclusively in 'people-processing' enterprises. The idea has gained some acceptance that the customers or clients of production or service organizations are 'stakeholders' and have direct and tangible interests at stake in respect to the type and quality of products, the impact on the environment of producing them, and so on. Traditionally it has been asserted that consumers exercise their democratic freedoms in the market place, that linch-pin of free enterprise, but increasingly we see the need for and the success of consumers acting in other ways to bring influence to bear.

In this regard, the case of educational institutions is especially interesting and significant. As more and more of our schools and school systems move towards measures of parent and community participation in school decision-making, what are the implications there for worker participation in management? Where are the objectives of the school to be set? In the traditional State-centralised education systems this was not much of an issue, but as we move towards a 'school-based curriculum' it becomes a vital matter to determine whether it should be the community or the teachers who have the final say on what the schools should be doing. The same issues are every bit as important now in local government — where, it seems, community participation has pushed well ahead of worker participation (unlike in the schools) — in health services and in welfare organizations.

It is perhaps worth noting that in some of these health-education-welfare systems a pattern of community representation has become visible. It is a tiered structure in which representatives of various community and other organizations carry out Board-like functions at various levels within the system.

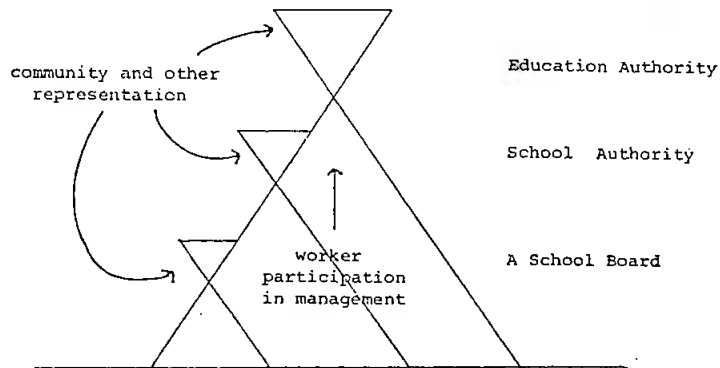


Fig. 4. Community and Worker Participation — an illustration

These patterns of representation are an evolutionary response to the demands for greater public participation, and participants in them are characteristically still looking for clarity in their roles and the division of responsibilities. There are accordingly abundant opportunities for conflict, and those who wish to promote the democratization of work in these organizations will also have to come to terms with the aspirations of community members to exercise some level of influence over the provision of health, education, welfare, and the like.

The decision that we have taken to avoid the term 'industrial democracy' and to talk instead about the democratization of work is an important one, and has not been taken lightly. Nor is it a matter of semantic style. The choice has been forced upon us by the concrete realities of the world of work. Whereas in the early Seventies

industrial democracy was presented and thought of as a new set of institutional arrangements, which could be installed in much the same way and on the same time frame as other kinds of enterprise reorganizations, we now find an emphasis on challenging and changing the procedures by means of which many different types of organizational decisions are continuously made. Industrial democracy, the noun, connotes a final product or end state; to democratize, the verb, connotes an open-end process, coordinated to a distant and ultimately unattainable ideal.

Our model then, both in the distinctions it makes and the terms employed, derives from our reflections on what has happened over the past decade or so. It derives in particular from our understanding of the way in which 'participation professionals' have changed over the past decade, and from our interpretation of the differences that exist amongst the various approaches to participation that are to be found.

MOTIVATIONS — DIFFERING PERSPECTIVES

In the course of the past decade or so, all of the major stakeholding groups have come to see participation in the workplace as a 'good thing'. This superficial agreement breaks down however, when one moves to the level of action plans and strategies for bringing greater participation about. Behind these divergences in practice lie dif-

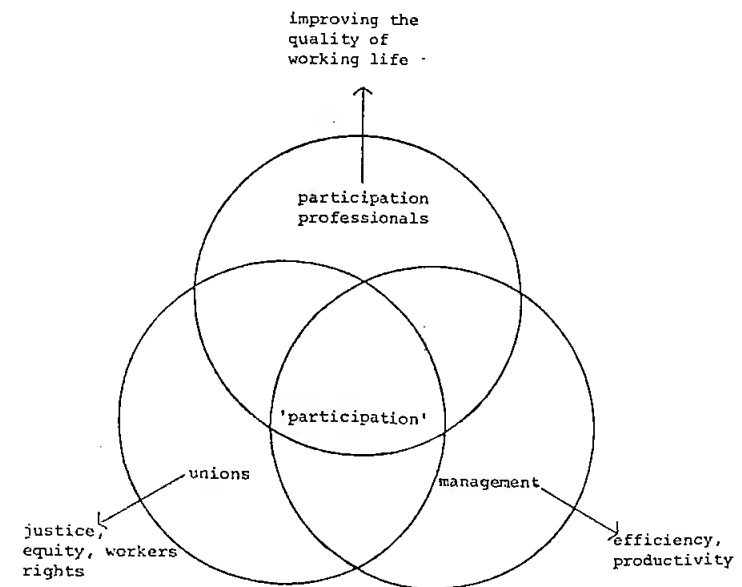


Fig. 5. Motivations — differing perspectives.

fering conceptualizations of participation, whereby different groups link participation conceptually with differing, if overlapping purposes (see Fig. 5). In some respects these have given rise to differing languages.

In the capitalist or mixed economies, like Australia, *management* has naturally dwelt longest on the links between participation and productive efficiency — has acted with most commitment when labour was scarce, has focussed on those dimensions of participation which are most likely to issue in higher productivity, and has approached the whole issue of participation as an area of 'management style' and management prerogative.

Trade unions, on the other hand, have historically linked the issue of participation most strongly with questions of justice, equity, democracy, workers' rights, and so forth — with fundamental issues of political power and social principle. These issues of course are those that gave birth to unions in the first place. Accordingly, they have focussed on dimensions of participation which are most directly associated with redistribution of power in organizations, and have approached the question of participation as an inherent part of the industrial relations system through which the conflicts of bosses and workers are worked out. Given the fundamentally reactive, protective nature of trade unions, there have been few examples of union initiatives, and the effectiveness of union strategies for participation has of course been closely tied to the state of the labour market.

A third less coherent group that we might refer to as the '*participation professionals*' — academics, consultants, personnel managers, government officials, and others — has sought to build the strongest links not with efficiency or workers rights, but with the liberal, reformist aim of improving the quality of working life — pursuing participation as the path to greater fulfillment and dignity in the workplace, and the more productive and creative use of human resources. The prime movers of the 'QWL movement' have been social scientists with an applied or action research focus, and it has been a product of the past decade. It has had a special affinity with large, often transnational corporations interested in and able to afford scientific approaches to organizational improvement. The QWL movement is somewhat more pluralistic than the two preceding perspectives, but it tends to approach participation as an extension of good personnel policy — the sound, humane deployment of human assets, to be viewed as investment not a cost. There are also of course, consultants and academics who ally themselves directly with either the managerial or union perspectives on participation.

Insofar as these three perspectives on participation are actual and influential, the position of the fourth main stakeholder — *governments* — has tended to be a moving compromise amongst these, constantly drawn towards the lowest common denominator of other positions, and finding it expedient to forego the rhetoric of opposition for inactivity in power. Only the Dunstan government in South Australia has had the courage to take decisive actions, the fate of the NSW Labor Party's 1975 Platform being more typical. On the opposite

side of the political fence the past Minister for Productivity, Ian McPhee, had his personal commitment to employee participation undermined by other aspects of that government's industrial relations policies. It remains to be seen whether strength of numbers will give the present quintet of labor governments the fortitude to act on their present platforms.

There is evidence within all four of these domains of shifts of attitudes, beliefs, and to some extent practices, over the past decade, in response to the actual experience of participation projects of one kind and another. Managerial preoccupation with productivity and efficiency, and union preoccupation with workers' rights of course predates the first largescale experimentation with participation in the workplace. The initiative of the late Sixties and early Seventies in promoting such schemes came first from the 'participation professionals', armed with evidence of the links between job satisfaction and participation, and imbued with the purpose of 'humanizing' work. Once a number of major enterprises had been persuaded to introduce participation programs, it was not long before the criteria of efficiency and productivity became more salient as a test of their worth, particularly as the Australian economy deteriorated from 1975 onwards. Meanwhile the trade union movement, which had been left way behind in its thinking and activities by the initiatives of the early Seventies (ICI, Shell, Alcan, Alcoa, Philips, Leylands, ACI, etc.) began to formulate views of its own in relation to participation, so that the 1975 ACTU Congress was asked to establish a working group to prepare policy for the 1977 Congress, and a number of individual unions, notably the (then) AMWSU and the South Australian PSA, formulated their own policies and strategies.

In overview, it seems to us on the evidence to hand that whereas the initiatives of the early Seventies were predominantly at the behest of private sector management, in close collaboration with the 'participation professionals', the running is now being made by trade unions, and more particularly, public sector unions (ATEA, ACOA, PSA-SA Branch, ARU-Vic, etc.). It should be noted here that at present around 20% of the Australia workforce have a labour government as employer, a situation which is in stark contrast to 1970. Naturally the character of these initiatives is very different. Whereas the initiatives taken by companies generally centred on structural modifications to the organization undertaken within the framework of job, or organizational design, the current initiatives centre on substantive workplace issues such as health and safety, disclosure of information, equal opportunities, new technology, participation in enterprise level planning, reorganization, shop stewards rights, and so on, around which unions are organizing campaigns, education programs, and collective bargaining. Generally speaking, these initiatives are not being undertaken in the name of industrial democracy or worker participation, and there is some hostility on the union side to the continued use of this abstract terminology.

The discontinuity of developments has not in fact been so marked as implied in this analysis. In the first place, there were some parts of the labour movement which from the first stood outside the

employer initiatives and advocated worker intervention and collective bargaining strategies for enlarging workers' decision-making power in the workplace. Secondly, we have found that employer-initiated participation programs have not actually disappeared, but have rather gone underground. What has most clearly disappeared is the publicity and self consciousness of the earlier period, so that there is less glamour and more quiet achievement.

All of this analysis has to be read against a socio-economic background which has been characterised in particular by recession and unemployment on the one hand, and a steady growth in consciousness of, and demand for participation in the affairs of society on the other.

'Participation' is the most general of a collection of terms that are in use to refer to different perspectives on the ways in which employees may increase their share of organizational decision-making: consultation, communication, involvement, negotiation, bargaining, co-determination, worker intervention, workers' control, are some of the commonest. 'Participation', as we have seen can be assimilated to diverging perspectives on the workplace — political, economic, socio-psychological. For some, it is firstly a path towards redistribution of organizational power, as a means to the achievement then of other objectives of the labour movement.

(1) PARTICIPATION —————> POWER SHARING

For others it is a preventative approach to worker alienation, dehumanization and apathy, offering in the first place those psychic nutrients associated with greater involvement in the management and controls of one's own life situation.

(2) PARTICIPATION —————> JOB SATISFACTION,
GROWTH, CREATIVITY

The economic perspective is that which links participation most closely to improvements in productivity, quality, efficiency and so forth. Some approaches try to make this link direct, as in the case of Quality Circles, but it has been more common in Australia to link participation and productivity via job satisfaction.

(3) —————> JOB SATISFACTION
PARTICIPATION —————> PRODUCTIVITY

The prevalence and distribution of these diverging perspectives is not simply a function of ideological premises, it should be noted, but is correlated also to some of the differences between public and private sector organizations, capital- and labour-intensive enterprises, small and large enterprises.

THE MAP OF PRACTICES

In seeking to differentiate 'participation' in the light of Australian experiences we have found it useful to construct a 'map'.

The map seeks to differentiate participation from the point of view of the kind of strategies and techniques that have been employed. This takes a step further the differentiation of participation according to fundamental perspectives, by charting the way in which participation translates into an array of different *practices* — the kinds of steps that are taken once participation moves from talk to action (Fig. 6).

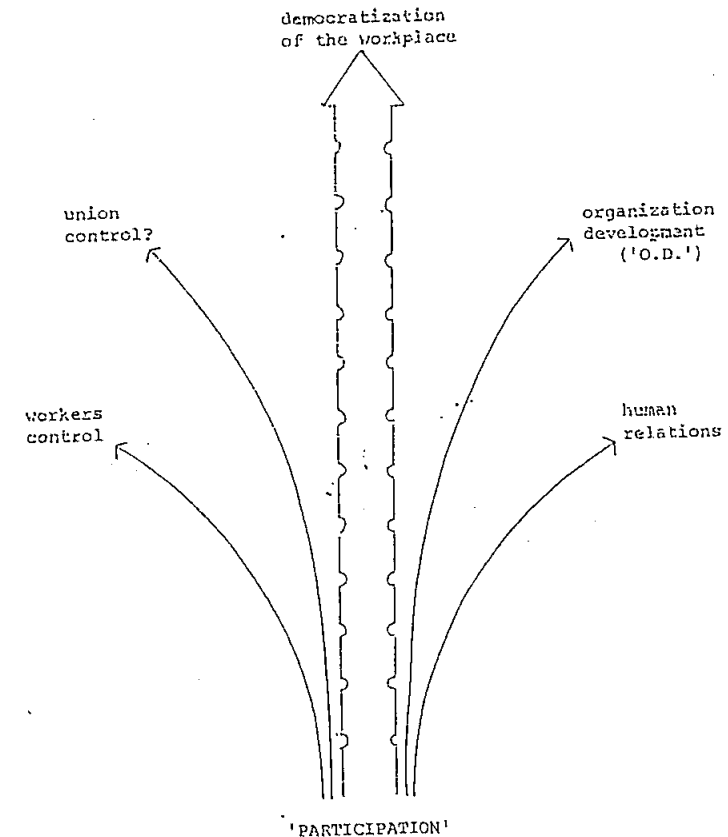


Fig. 6. *The Map of Practices*

The map of course is not the reality. All map-making represents a choice of initial perspective (the projection) and selection of what is to be shown. Ours is no exception. The presumption it embodies

is that participation has become part of the conventional wisdom in the running of organizations, but that this general rubric shelters a disparate array of practices, from the very mild to the very militant. The smallest and therefore the least challenging departure from traditional management practice is the line that heads towards *human relations*, by which we mean the set of beliefs and practices largely derived from motivation theory, which are geared primarily to improving the job satisfaction of individual workers through essentially psychological processes. This extends to transformation of individual tasks, as in the practices of job enrichment and job enlargement, and to team development through human relations training. The defining characteristic of these practices is that their theory base is psychological, and the unit is the individual in the group. Where norms of respect for, and involvement of employees are well-developed at an organizational level, this is usually referred to as 'participative management'.

Organization development has some significant continuities with human relations practices, in that it springs from similar liberal reformist values, but whereas the human relations movement has been essentially individualistic in emphasis, the 'OD' movement has addressed itself to whole organizations, or to large segments of them, and has had to draw on the sociology and politics of large group behaviour as well as psychology and group dynamics. If one could say that the ideal for the human relations practitioner is the 'achieving, satisfied, and purposeful worker, the ideal of his OD counterpart is the perfectly adaptive, flexible organization with well-developed corporate identity and morale, able to adjust continuously to the contingencies of the environment.

These two belong together as 'deviations of the right', in that they are both characteristically regarded as being full square within the province of managerial prerogative, the pace and direction of change being under unilateral management control. It is most uncommon to find unions or staff associations being asked to sanction or collaborate in such practices, and not likely that many would. This is not to deny the real benefits that can, and have issued from such developments in terms of improvements in working conditions and job satisfaction, communications and decision making. The behavioural science interventions being used by practitioners in these fields are powerful and sophisticated tools which can identify and rectify sources of stress and dissatisfaction in jobs, identify and resolve conflicts and communications problems between individuals and between groups. Their fundamental limitation under practical Australian conditions is that they are premised on a unitary view of the enterprise — the presumption that organizational authority and organizational purpose flow in an unbroken chain from top to bottom, producing a unity of view and action in the life of the organization. Against this may be set pluralist and conflict views of the basic nature of organizational reality under modern capitalism.

There is room on our map also for 'deviations of the left', although one of them is somewhat speculative, and it is arguable that neither of them in practice embark from the same starting point as

human relations and OD. *Workers control* has a history and development in this country, as in practically all western industrial nations. The complexion of the movement has varied with the ideology of its leadership, but it has been characterised by opportunistic encroachment upon managerial prerogatives by relatively small groups of highly organized and militant workers, acting somewhat independently of organized unionism to secure effective control of jobs and sites. The building and the mining industries have been especially vulnerable to such tactics, but they are also well-known in abattoirs and on the wharfs. Such initiatives of the rank-and-file on the job are an important part of more inclusive strategies for the socialisation of industry. They demonstrate that the power exists to take over, and that the workers are capable of self-management, thus keeping alive the possibilities of a more comprehensive movement of workers to take over if the opportunity or need should present itself.

Union control is a speculative concept that does not yet correspond clearly with our experiences and findings to date, and may have to be erased from the map. It envisages situations in which union organizations through their officials might effectively gain control of work situations, rather than the rank and file, as in the case of worker control. It invites speculation on the actual power and role of unions and associations at both extremes of public respectability — the AMA and the Pilots Federation on the one hand, the Painters and Dockers and the BLF on the other.

As might be expected, the deviations of the left are not premised on a unitary view of the enterprise, but a conflict view — the presumption that the basic interests of workers and bosses are in conflict, and that this conflict relationship pervades every aspect and dimension of organizational life. From this perspective management-initiated worker participation schemes are traps for the unwary, and the only sure path to democratic control of work is through unilateral action of workers intervening in the management process.

The central feature of our map, its remaining direction, reflects our judgement concerning the mainstream of participation in the workplace — the direction that seems to be emerging as the most desirable, most widely supported, and therefore perhaps, the most feasible for Australia and Australians. We have called it *the democratization of work*. Its basic characteristics are:

1. A pluralistic view of the organization
2. A bilateral approach to the initiation and management of change
3. Focus on the redistribution of decision-making power
4. Greater decision-making power of employees treated as a right rather than a privilege
5. An open-ended process, coordinated to the ideal of a perfectly democratic organization.

We are aware of some problems of consistency and comprehensiveness in this list, but not, at this stage, unduly worried. We have seen some of the first attempts to map Australia itself. If none but

perfect maps were issued, there would be no maps; through the issue of imperfect maps improvement becomes possible.

The pluralistic view of organizational reality is one that recognizes many stakeholders, or interest groups, although management and unions remain the two most significant. In private enterprise there are in addition shareholders, customers, suppliers, and in some cases, the public at large. In the public sector, the first of these is uncommon, and the public at large is usually a more salient group. Demands for, and the regulation of corporate social responsibility are now a fact of life, and the interests and rights of consumers of goods and services are more and more likely to be acknowledged. Whereas the conflict view of organizational life characterizes it as 'them and us' locked in zero-sum struggle for power, the pluralist view is 'them and us' in non-zero-sum conflict (ie. power is not in finite quantity) in which our struggle must be moderated by the legitimate interests and aspirations of other groups.

The core of the matter is that the democratization of work involves the redistribution of power within a bilateral institution framework, and that the extension of decision making power to employees is in the form of rights rather than privileges. If this seems to place the emphasis on the justice/equity arguments for participation, this reflects accurately our belief that there has emerged a real disparity between the norms and standards of democratic control and behaviour in civil life generally, and those that operate in the world of work. In this restricted domain the master-servant relationship as enshrined in the common law contract of employment underpins all other considerations of relationships and task allocations in the workplace. As the leading legal commentator on industrial democracy in Australia has put it:

»We cannot escape the fact that, however democratic a manager fancies himself to be, the hallmark of the common law contract of employment is the employer's lawful power to command and the employee's duty to obey. There can be no employment relationship without it. On the one side there is dominance; on the other side there is subordination. Even if there was a fetter on the employer's right of dismissal, this is scarcely the safest footing from which the employee can say what he honestly thinks about decisions that affect him. The employee lacks security.«

He goes on to conclude:

»In Australia it is the common law contract of employment to which our attention needs to be directed in determining how the law of work ought to be reformed. The collective interests of the parties will no doubt be well pursued by the trade unions as the guardians of the workers' rights. The common law contract of employment needs however to have enshrined in it the funda-

mental human right of employees as individuals to have more democracy in the work place.«*

The human relations and OD movements prefer to ignore the basic question of power in the workplace, and to focus on the attitudinal, behavioural and relational aspects of getting tasks agreed to and effectively accomplished. If they do willy nilly shift the balance of power amongst individuals and groups, those who make the gains do not have these established and protected as rights, and they are quite likely to evaporate with the next change of management style or chief executive. These processes go on, in other words, within the traditional assumptions of the common law contract of employment.

On the other side movements towards workers or union control deliberately and systematically disregard this contract in those practical circumstances where it is possible to do so — where the effective power to get the job done is in the hands of the workers, and they see virtue in the unilateral seizure of control.

The choice that remains is to use the existing bilateral arrangements to develop and put in place measures of power redistribution in relation to the 'power to command and the duty to obey', and to give recognition to these measures in awards or agreements, legislation, interpretation of the common law, in corporate structures and work design, and any other means that might underpin in practice more democratic arrangements in the workplace.

RATCHET DESIGN

It is this latter point which explains the peculiar design of the central pillar of our map (Fig. 6). We have given it the property of a ratchet, rather like the jack for raising a car, to emphasise the importance of some type of lock-step function which secures the gains that are made. Programs or strategies for employee or worker participation which lack this feature, and which are held in place only by willing involvement of employees and the continued enthusiasm of management, are prone, we have found to collapse like a pack of cards when the really tough issues are struck, or there is a managerial succession. We have found extensive cynicism, both in the private sector and in the Australian Public Service, amongst employees and unionists who have been involved in such activities. The picture is somewhat different in those situations where participation schemes have been written into Agreements, or new rights have been supported at law.

There are it seems a variety of ways in which this ratchet effect can be achieved, though they vary markedly in their strength and reliability.

The ones that have so far come to our attention are:

* R. L. Pritchard: »Current legal implications of industrial democracy in Australia« Sydney University, Oct. '78.

- (i) The creation of site or island Agreements which embody negotiated understandings in relation to work structures and procedures.
- (ii) Legislation.
- (iii) Job and work designs which require or support group involvement and cooperation, and give information to those who are in the best position to make decisions.
- (iv) Through the kind of learning that occurs in participatory environments. Those who have really experienced new levels of autonomy and responsibility tend to acquire a taste for it, and are reluctant to give up the gains they make.
- (v) Public commitments entered into by Board Chairman or Managing Directors in relation to employee relations policy and practice can be important points of leverage, and protection, for participative practices.
- (vi) Custom and practice.

CURRENT SUBSTANTIVE ISSUES IN THE DEMOCRATIZATION OF WORK

In our final report we intend to deal more substantially with current developments in the democratization of work. Here, we wish at least to indicate 'where the action is' and the ways in which the issues are being handled.

1. Job Security.

In a period of recession, high and sustained employment, job security inevitably moves to the forefront of workers' interests. While it is apparent that jobs for all who want them is not a possibility under the existing organization of society for the foreseeable future, there are ways in which the decisions about who gets work, and how much work people get can be subject to democratic, and more humane control than that offered by the logic of profits. There are at least three ways in which workers are seeking more influence over job security:

- (i) By bargaining for improved redundancy provisions. While this does not actually encroach on the right to hire and fire, it makes firing more expensive, and may thereby encourage exploration of other options before sackings.
- (ii) Through the introduction of legislation such as the NSW Employment Protection Act. The flaw in legislation of this type is that it actually legitimates sackings by establishing a legally determined price. While this may cause pain to an employer in the short term, it does nothing to alter the basic ground rules in relation to job security, and in NSW at least, is proving an administrative nightmare.

- (ii) By entering into security-productivity understanding with employers, whereby commitments are given to certain levels and quality of production in return for job guarantees. The case of Mitsubishi in South Australia was most striking in this regard, where a guarantee of job security has enabled management and unions to continue constructive improvement of industrial relations and work practices through the worst of the recession. Another Japanese company, NEC Pty Ltd in Melbourne, has similarly underpinned its operations with job security and been able as a result to extend participation in management in a number of worthwhile directions.
- (iv) Finally, there are increasing demands for timely access to the kind of information upon which projections a labour demand are made, so that trade unions can be in the same position as management with respect to the facts. This however, is best seen as part of the more inclusive issue of information rights as such, to which we next turn.

2. Information Rights.

After job security, access to information is perhaps the next most fundamental requirement of the authentic democratization of work. Quality of access to pertinent information does not of course resolve differences of value or fundamental belief, but it does at least support the rationalisation of conflict — it helps to make clear what matters are and are not in dispute, and those about which all sides need more information before a good decision could be made.

We perceive a growing demand from trade unions for access to information, particularly as it affects the government level of the enterprise. Nor is this interest confined to the unions. There are many voices now recognising that responsible partnership in the development of government and industry requires that the workforce not be excluded from important information.

3. Technological Change.

The issue of technological change bears directly of course on both the previous issues. It has been and threatens to remain a substantial factor in the creation of unemployment, and for this reason union demands have escalated. The Victorian Transport Act of 1982 embodies some important new developments in this respect, giving the unions in the transport industry the right to be informed of planned changes, and the right subsequently to contribute to task force considerations and assessments. The qualified success of the Telecom unions in relation to the ARE-11 case (automation of exchanges), and the current initiative of the ACOA in relation to the major computer acquisition by the Department of Social Security are other examples of the way in which the acquisition and control of new technology

is being brought within the industrial relations arena and made subject to demands for increased union involvement.

4. Work Restructuring.

Work restructuring, and in particular the shift away from 'Taylorised' or bureaucratic divisions of labour towards various forms of self-managing production groups, has been a prominent part of the democratization of work in Australia throughout the past decade. Participative job design and the development of self-managing work groups based on multi-skilling, job rotation, and 'resource person' roles for supervisors, has been the most prominent type of *direct* participation — participation by workers in the design and control of the work itself at the point of production. Our impression is that the principles of 'socio-technical' work design — designing jobs that are optimal for human beings as well as for the technology — are being incorporated into good management practices, even though there is still a long, long way to go. We also find however, some real concerns in relation to new technology, and it is here that the most visible and significant struggles are likely to take place.

5. Enterprise Planning.

Beyond the specific issues of technological change we have found an increased propensity for unions to intervene in enterprise planning and reorganization in general. While this normally becomes visible only in exceptional circumstances, such as the crises that have recently overtaken the coal, steel, and car industries, it is again becoming part of the normal way of operating.

6. Occupational Health and Safety.

The development of improved health and safety at work can be an aspect of the democratization of work, when it is put in the context of organizational decision-making as a whole. There are some signs however of the short sighted seizing of new powers in relation to health and safety which will have a symbolic rather than a practical significance in relation to long run increments in the health and happiness of the workforce. Unless the employees in the enterprise are themselves motivated to act in relation to the specific health and safety issues there, then recent and foreshadowed legislation will be a paper victory.

7. Shop Stewards Rights.

More progressive employers have recognised for a long time that the interests of the enterprise as a whole are served when shop ste-

wards or delegates have appropriate time and facilities to carry out their work. However these requirements are still not generally recognised, and life can be made difficult for those seeking to effectively discharge their union duties if an employer is uncooperative. Not all unions of course are equally keen to strengthen their job representative structures. Those that are will continue to press for the demands set out in the shop stewards charter.

THE UNIONS: RESTRUCTURING, RE-EDUCATING, AND RESOURCING.

Along with evidence of new union initiatives in the democratization of work has come a chorus of agreement on the need for unions to reorganize and re-educate themselves. Some call more specifically for the democratization of unions. Many factors lie behind this pressure:

- (i) as in organizational life in general, unions are getting numbers of better educated and more purposeful recruits, who want to be involved, and who have their own ideas on what needs to be done. The growing demand of women for more effective representation is an important aspect of this.
- (ii) more and more of the issues with which trade unions have to deal require formal knowledge, scientific analysis, problem solving abilities, and so on — abilities which are often spread throughout the membership, but not necessarily concentrated in the elected officials, or able to be bought in the quantities needed.
- (iii) the public image of unions as centralized bureaucratic structures of small oligarchies has not noticeably improved over the past decade, but must do, if unions are to play their rightful role in the future.
- (iv) the level of membership contributions, and involvement is in fact relatively low, with the result that the resources to do the job are completely inadequate.
- (v) the traditional preoccupation of unionists with the 'bread and butter issues', and of their officials with the rituals of 'the claim' is being superceded, and in its place are coming a range of concerns relating to the quality of the work environment, the 'social wage', and a range of major social issues. Action on such issues cannot be left to a brilliant advocate, but require the mobilisation of the membership in effective campaigns of action.

The more progressive unions are already responding to these issues, and others will have to in due course. The pressure of these forces is highlighted when unions become involved in democratization projects, for two reasons. There is firstly the important question of credibility, — 'putting one's own house in order'. Secondly, the democratization of work cannot be done *for* people, it can only be done *by* them. If the rank and file members do not take initiatives

in the movement for greater democracy at work then it will become at best a shallow exercise, and at worst, a manipulative one.

If the union movement is to play a credible leading role in the democratization of work through the next decade and beyond, then the present leadership will have to focus on their own '3-R's' — restructuring, re-educating, and resourcing.

1. Restructuring: In formal terms, unions always have been, and are today very democratic organizations. So too is the Australian state. However, the limitations of representative forms of democracy — essentially the opportunity to periodically select between competing contenders for office — have become more and more evident. While restructuring is fundamentally a matter of the internal organization of individual trade unions, it is also an issue for the union movement as a whole. The major dimensions of the problems that have come to our attention are:

- (i) the representativeness of the peak councils, and their method of constitution.
- (ii) the fragmentation of unions, and the urgent need for progressive amalgamations.
- (iii) more effective inter-union industry arrangements, such as those which have appeared in the aircraft industry.
- (iv) more, and more effective, combined union shop committees.
- (v) decentralisation of decision-making within individual unions, especially through the development of strong and effective job representative of delegate structures, and expanded opportunities for rank and file members to participate in policy making, and in industrial campaigns.

One of us — Alan Davies — has already been involved in the extensive reorganization of the ACOA, and is currently involved in a similar project with the Tasmanian PSA. We believe that unions will need, and will benefit from the help and support of outsiders in their moves to restructure.

2. Re-education: If the union movement is to stay under the informed control of its membership, then the membership will need more and more opportunities for learning. As increasingly the membership will have a substantial experience of formal education already, we may think of the task as 're-educating'. Beyond the present important contribution of TUTA and those unions which conduct their own education programs, the effective extension of the democratization of work in Australia will require a dramatically expanded educational effort in relation to:

- (i) management and administration of unions.
- (ii) contemporary issues in the workplace (eg. technological change, occupational health and safety, equal opportunities, company accounts and reporting, etc.)
- (iii) issues in the running of the country — social, political and economic.

3. Resources: In addition to their normal traditional roles and responsibilities, unions are increasingly involved in a range of tripartite and bipartite arrangements at the national, industry and enterprise levels, as it becomes established that there is a rightful and useful part for unions to play here. In our view, the trend of increased demand upon union's resources to support involvement in these processes will continue. While the union movement is not devoid of the talent to take on these roles, it is desperately short of the infrastructure to support them (research, legal, accounting, scientific, etc.). Two kinds of measures seem to be required:

- An increase in the membership contributions to a realistic level. We understand that in Japanese unions the average level of contributions is 2% of annual wages. In Australia it is around 0.7%.
- Direct additional resources from government, and from employers, to support the participation of unions in the range of emerging consultative mechanisms at national, industry and enterprise levels, and the training of union members.

LEGISLATION

The general impression that we have formed is that there is in Australia diminishing enthusiasm for legislated industrial democracy as such. The prospect of legislation to introduce some form of comprehensive scheme of the German type, or that proposed by the Bullock Committee in the UK, or, closer to home the Siddons Bill, or the NSW and ALP platform, does not seem to have very much support. Industrial democracy legislation seems to be closely associated in most people's minds with representative forms, and with worker directors in particular. We found very little evidence of support for developments of this sort.

On the other hand it is generally appreciated that certain forms of enabling or facilitating legislation could play a most important role, and that prescriptive legislation in respect of limited and specific matters of concern is both desirable and likely to occur.

Others more competent than ourselves have given detailed attention to the legal aspects of the democratization of work. For the present we wish merely to signal what has been presented to us as suitable areas for legislation:

- (i) an expansion in company law of definition of duties of Directors, to require that they act in the interests of employees and the public generally, as well as the shareholders.
- (ii) more adequate provisions for job security, beginning possibly with a redefinition of the concept of *reasonableness* in relation to notification of redundancy.
- (iii) rights of employees to information.

- (iv) amendments to the various Arbitration Acts so as to extend the legitimate areas for collective bargaining into the domain of policy making, and the planning and organization of work.
- (v) establishment of the rights of shop stewards, and other union officials in relations to time off and access to the facilities required for the effective performance of their duties.
- (vi) establishment of standards and practices in relation to occupational health and safety, including the rights and duties of Safety Representatives in relation to the halting of manifestly unsafe work.
- (vii) legislation in relation to other aspects of the working environment, and in particular the design of jobs.
- (viii) provision of paid educational leave.
- (ix) some measures of social auditing, which require organizations to report on their activities in relation to the development of their human resources.

NEXT STEPS

This paper has sought to cover the territory with a broad brush, and canvas a range of issues in relation to the further development of the democratization of work in Australia. We have not tried here to make a comprehensive account of what is going on, or to formulate any detailed recommendations for the future. These tasks will be taken up in the preparation of our final report, and possibly also in other specialized reports meanwhile.

It is our view that the democratization of work in this country need not wait upon major new decisions on policy announcements. It is happening, and will continue to happen, so long as there are people at work with visions and ideas for more democratic approaches to working life.

There are however many different ways in which progress could be promoted. We have tried to identify a number of these, and it is our hope that the publication and very wide distribution of this Green Paper will bring to our attention other proposals that can become part of our final report.

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SELF-MANAGEMENT AND CAPITALISM COMPARED: A REVIEW OF M. R. SERTEL'S, WORKERS AND INCENTIVES.

Saul ESTERIN*

Murat Sertel has recently published a book, *Workers and Incentives* in the North Holland 'Contributions to Economic Analysis' series which brings together some of the most important papers he and his colleagues, in particular Paul Kleindorfer, have produced in recent years on the comparison of economic systems. Murat Sertel will be no stranger to readers of this journal, having acted as President of the Association for the Economics of Self-Management during 1980-81, been the prime organizer of the IInd International EASM Conference in Istanbul in 1980 and the host of the annual Bosphoros University Conference on labor-management each summer. It will therefore come as no surprise that this book contains much of interest and significance to specialists in the labor-management field, as well as to analysts in the broader area of comparative systems. My aim in this review is to bring out some of the most important implications of Sertel's highly original approach for theoretical literature on labor-management. The coverage is necessarily selective and given the primary focus of this journal I have chosen to exclude any consideration of the broader themes in Sertel's book, such as the optimal design of incentive mechanisms or the operation of an economy which practises sharecropping. The fact is that Sertel has a lot to say and at best this review can whet the readers' appetite to read the book in its entirety.

Sertel offers two classes of contribution to the self-management field; his approach to the topic, which is virtually orthogonal to that of the literature and related to this, the questions that he is able to answer. Sertel comes to the subject as a general equilibrium theorist interested in how incentive systems influence allocative outcomes once all competition forces have worked themselves through. From this perspective, capitalism and self-management represent two different ways of rewarding the suppliers of capital and labor inputs respectively, and should therefore sustain two different competitive equilibria. In essence, Sertel seeks to compare the ways in which these competitive equilibria differ, particularly with regard to incomes, effort and social welfare. The traditional labor-management literature as developed by Ward (1958), Domar (1966) and Vanek (1970) instead approaches the topic from the standpoint of the theory of the firm. Self-managed firms are hypothesized to maximize a different objec-

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