

REVIEW ESSAY

Glen Adler (ed.). *Engaging the State and Business The Labour Movement and Co-determination in South Africa*. (Johannesburg. Witwatersrand University Press, 2000).

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The concept of 'co-determination' has enjoyed a considerable popularity among industrial sociologists during the 'South African transition'. This partially follows on theorisations about corporatism that have in the past decade accompanied debates on the role of organised labour in the new democracy. Common to the two concepts is the definition of institutional spaces where worker organisations are recognised as autonomous participants in processes of consultation or joint decision-making over production, industry-related or broad socio-economic issues. These academic interests reflect a shift from an emphasis on working class activism as the capacity to mobilise grassroots constituencies in support of demands antagonistic to capital towards an approach privileging the nature of trade unions as partners and critical voices inside a process of socio-economic modernisation. In this framework the democratic representative state and interactions with business can guarantee progressive outcomes in exchange for workers' co-operation, also in the absence of fundamental systemic changes. The importance of these trade-offs, on the other hand, is underlined by academics that, while sympathetic towards labour, point at the fact that the South African democratisation takes place in a context of economic liberalisation and neoliberal ideological hegemony. These have turned out to constitute a harsh predicament for both historically entrenched national labour movements and trade unions in developing countries (Adler and Webster, 1999).

The fashionable aspect of co-determination for this line of argument is given – as I have noted elsewhere (Barchiesi, 1998) – by the reconciliation that the concept allows of imperatives of adaptation to and transcendence of the globalised capitalist order, imperatives that would otherwise be in an uncomfortable relationship, if not open contradiction. Instead, the use of 'co-determination' in South African debates promises a solution that, while accepting the need to adapt to requirements for liberalisation and competitiveness on the global markets, identifies labour as a strategic asset and a vehicle, not an impediment, for this adaptation. This is allowed by the unions' acceptance of productivity, co-operation and non-adversarialism in production as

tools to advance the interests of waged workers. It is also made possible by the institutionalisation of labour's independent power in structures with a capacity to shape not only wages and working conditions, but investment strategies, patterns of innovation, forms of corporate social responsibility. In this way liberalisation is turned into a 'win-win' game that transcends the borders of unilateral managerial decision-making and appropriation of workers' input. The peculiarity of co-determination in this scheme is that it focuses specifically on the workplace dynamics that should parallel and reinforce similar developments at the level of macroeconomic policy-making (through institution like NEDLAC) and sectoral negotiations for industrial restructuring.

These ideological assumptions underpin what is to date the most systematic attempt at elaborating the concept of co-determination in different South African institutional and productive environments. The book *Engaging the State and Business. The Labour Movement and Co-determination in Contemporary South Africa*, edited by Glenn Adler, combines case studies from various industrial sectors with analyses of the current state of co-determination, the obstacles it faces, and the prospects for its advancement as an agenda for change in industrial relations. The book is the result of a research project by the National Labour and Economic Development Institute (NALEDI), whose results have been presented during the past few years in various academic and union forums.

Common to all the contributions for this book is the aim to understand co-determination as a set of arrangements and practices that do not merely reproduce experiences that flourished in (especially northern) Europe, particularly during the three decades of post-war welfare capitalism's 'golden age'. Rather, the book tries to conceptualise South African experiments with co-determination as creative elaborations of different European dynamics and debates in ways that define a normative and institutional framework that primarily responds to South African peculiarities. In this way, workplace-based processes and interactions between workers and managers are part of a broader system of 'engagement', which includes also forums for industrial restructuring and tripartite corporatist decision-making. 'Engagement' is defined as institutionalised regular interactions that prevent unilateral decision-making by capital or the state. The South African reality has been characterised in the past by the unions' long history of grassroots radical militancy and self-organisation, and by the fact that conflict has led to a stalemate between labour and capital, implying the impossibility for one of the two to prevail in a confrontational game. At the same time, economic liberalisation faces labour and business with a common challenge, providing also opportunities to enter negotiated deals and trade-offs between decision-making powers and co-operation and commitment to enhance competitiveness. These deals are arguably facilitated by a long-standing culture of negotiation shared even during periods of conflict by the two social actors. In fact, they take place in a con-

text that does not deny the existence of conflicts, but it assumes them as a starting point to search for common grounds where the strength and the independence of the organisations involved should provide a legitimacy unusual in African contexts marked by co-opted or emasculated worker organisations.

The long introductory essay by Glenn Adler provides the programmatic outline of this project, not just in terms of analysis of concepts, but also in what is ostensibly a progressive labour agenda for social transformation. In this chapter, in particular, 'engagement' emerges quite clearly in its double meaning as an element of interpretation of current trends and as an advocated strategy for the union movement. However, the co-existence of these two meanings proves extremely problematic in the book, especially in some valuable empirical contributions, and it determines a number of serious shortcomings that severely question the validity of this kind of approach. In fact, the assumptive logic of co-determination and engagement – and the concern with the minimisation of social conflict in general – as the most effective ways to define a progressive role for organised labour in a 'globalised world' easily prevail in most of the chapters. This is to the detriment of a thorough investigation of other possible scenarios opened for co-determination in the present phase, and it encounters an unresolved tension with substantial empirical evidence from the cases discussed, which often contradicts that very logic. The book is ultimately flawed by a confusion in its concepts of co-determination and engagement between what is an analysis of actual potentials and what is a prescriptive set of imperatives to which reality is required to eventually adapt. This results in a series of crucial misreadings and underestimations.

In the first place, the book is strikingly silent, or at best quite superficial, on the question of the impact of social power relations on the solutions the authors advocate. In general, the book argues that co-determination does not necessarily lead towards an increasing convergence of orientations between labour and business, or worse to the co-optation of the former by the latter. All the authors agree that how far labour will be able to push forward its agenda in co-determinist structures will depend on the ability to use its strength in an innovative and proactive way, without merely opposing or abstaining from opportunities for worker participation. In this way, the outcome of co-determination is regarded as depending on the level and the kind of power that different social forces exercise on its institutions. From a union's point of view the ability to 'use' power is linked predominantly (especially in the essays by Sakhela Buhlungu and Karl Gostner and Avril Joffe) to 'capacity building' as a concept that includes a whole variety of factors, from finances, to union training, expertise, up to punctuality in the attendance of meetings. In this way, institutions of co-determination are essentially regarded as tools, or levers in a machine: the capacity to move the machine in a certain direction is made dependent on the purely technical skill and aptitude with which its levers are handled. This, so to speak, 'hydraulic' model underestimates various other

ways in which power operates in institutions. As, among others, scholars from Foucauldian or 'critical management studies' traditions (Alvesson and Willmott, 1992) have argued, power is not merely something that is 'used' in institutions. Rather, forms of social control and power relations in society at large actually shape institutions, their rationality, aims, possibilities, constraints, in ways that are often unaware to, or rationalised *ex post* by, the actors involved, leading to consequences that are unintended by programmes, ideologies and agendas. Nonetheless, the power effectively exercised and the resources controlled by different social actors inside an institutional framework are structurally linked to, albeit not univocally determined by, the location and strength of those actors in the broader society, economy, politics and relations of production.

It is precisely on the relationships between forms of co-determination in production and power balances in end-of-century South African capitalism that omissions and silences in the book become particularly evident. While it maintains a view based on the neutrality of techno-administrative apparatuses that can be voluntaristically bent in specific directions provided there is the 'capacity' to do so, the book says very little on the ways in which external social dynamics are *already* influencing forms, practices and ideologies of 'engagement'. This aspect is usually confined to a rhetorical evocation of the power gained by labour during 'the struggle', which in itself has arguably defined unions today as crucial social interlocutors. On the other hand, only in one case (the essay by Hirschsohn, Godfrey and Maree on industrial policy in the clothing and automobile industry, probably the most valuable in the collection) is the actor 'government' explored in some complexity. It is emphasised, in fact, how the state has been interested in those two industries not in promoting engagement as a holistic strategy, but only in supporting the aspects that are more functional to a free-market agenda (although substantial blame for this outcome is placed, again, on the unions' lack of seriousness and commitment in 'using' co-determination in an alternative way).

Buhlungu's chapter argues correctly that the danger of 'co-optation' of labour inside co-determinist structures is misleading if referred to some presumed inherent 'essence' of such structures in a capitalist society. However, this does not exempt advocates of co-determination and 'win-win' social deals with capital from a careful analysis of the social context in which co-determination takes place. This task, which goes well beyond purely prescriptive assumptions on how unions should 'use' the system, is largely absent in the book, and yet the directions that 'engagement' can actually take depend on these factors to a substantial degree. The book underlines differences between the South African and the northern European (particularly German) experiences in mainly formal terms (for example by comparing the provisions on workplace forums in the 1995 Labour Relations Act and the German practice of works councils), but differences in terms of social contexts hardly fig-

ure. In Germany, for example, co-determination followed a Weimarian tradition of constitutional compromise between capitalism and socialism (Mezzadra, 1999) that provided a powerful ideological tool for a weakened capitalist class to embroil labour in the task of post-war reconstruction. German unions, initially suspicious, fully endorsed co-determination only when they could mobilise its workplace structures to counter militant struggles that were questioning the wage-productivity link negotiated in a Keynesian welfare context (Roth, 1974). This is similar to other European cases, as witnessed in Italy by the union federations' 'EUR policy' based on productivity pacts and wage restraints in the context of powerful popular uprisings after mid-1970s.

However, the social conditions of the South African transition have been starkly different. Here democratisation has not promoted any comparable constitutional compromise between capital and a Fordist working class. The political transition rather prevented such an outcome with a constitutional settlement and policy choices that decisively entrenched the centrality of the enterprise, market relations and private property. This precisely when there was a powerful opinion inside labour, in the aftermath of the 1991 VAT strike, that a normative codification of a social pact with capital was needed to define precise social commitments for the ANC's action as a ruling party. Moreover, the question of the incorporation of the working class in the structures of the democratic state has surfaced here in totally different terms. Market forces and international competitiveness, rather than Keynesian/welfarist approaches based on full employment policies and an expansion of public intervention, were delegated this task in South Africa. In Europe co-determination was brought on the table by the bargaining power of working class mobilisation in a phase of national productivity deals. In South Africa the concept becomes fashionable (after a brief appearance in 1970s moderate unionism) when labour is requested to defend and justify its very existence in a liberalised economy, faced with insistent claims by capital that a successful global economic strategy can (and often does) rely on fragmentation of bargaining, deregulated flexibility and union avoidance. It finally sounds paradoxical that co-determinist ideologies arise in South Africa precisely when market-based solutions are mobilised in Europe to undermine co-determinist traditions and institutions. This is witnessed by the decline of the concept in a post-unification Germany marked by a competition between Eastern and Western regions, and local and migrant workers, where co-determination is generally unable to oppose downward pressures on employees' wages, conditions and protections (Upchurch, 2000). In the approving words of a recent report (Streeck, 1998), co-determination is shifting away from the maintenance and the protection of rights towards the incorporation of labour in decentralised, less formalised deals where such rights are made more dependent on international market competitiveness.

It is true that Germany is not, as Adler notices, the only model of successful co-determination (although it is definitely the most often cited example in the

book). However it is a case that underlines the importance of studying social and historical specificities that made co-determination *particularly* successful as a point of accommodation of interests and relative working class advance. The underestimation of the role played by such specificities produces two negative consequences in Adler's book. First, it makes the concept of co-determination extremely vague: in the final analysis its definition comes to rely on its desired outcomes, rather than on some generalisation out of an empirical reality. In other words, co-determination defines *any* institutionalised practice of compromise that in the authors' view increases unions' influence on decision-making (or 'co-determines' it). Therefore, the definition becomes purely tautological. From this point of view, also, diverse patterns of collective bargaining can be subsumed under 'co-determination', as long as they contain and minimise adversarialism and maximise participation. But this way of defining co-determination becomes a matter of value judgement based on the reduction of social conflict, assumed as the most undesirable outcome. Second, the book's neglect of the social conditions and contradictions that underpin co-determination as a historical fact rather than just an ideological device, end up precisely in what the book claims to avoid: the adherence to an idealised view based on a simplistic reading of the European experience. Here co-determination and corporatism are supposedly 'associated with union success in weathering the storm of globalisation' (p. 27), a conclusion that has been at least questioned by the above mentioned research into north European cases.

Co-determination is indeed facing a profound worldwide crisis because it is now surpassed by new coordinates that class struggle assumes on a global scale. These increasingly involve, on one side, a capital that is de-nationalised, financiarised and networked – 'imperial', according to the important formulation by Hardt and Negri (2000). On the other side a diversified working class is emerging which, having – often unsuccessfully – contested mechanisms of social subordination based on national productivity-cum-welfare pacts, articulates now conflictual subjectivities that are problematically identified with trade unions and industrial relations institutions. This affects workers at both ends of the labour market, individualised cognitive-intellectual workforce and precarious, hyper-flexible employees alike. In South Africa, moreover, the democratic transition is facing a balance of class forces between capital and labour that can hardly be defined as a 'stalemate'. Several aspects are important in this regard to explain capital's offensive, and these are generally ignored in Adler's book:

1. The South African transition has developed into a policy context marked by strong continuities with the past, and where the idea of a market- and company-led modernisation, which the racist regime unsuccessfully tried

to adopt in its final stages, finds new legitimisation under the democratic government (Bond, 2000).

2. A massive transfer of wealth has taken place in the past ten years from wages towards profits and, especially, financial rent, which with a 30% share of the GDP forecasted for 2010 (Standard Bank, 1999) is becoming the most important sector of the economy, and it is also the most globalised and separated from national systems of negotiated regulation.
3. Commodification and marketisation of basic social necessities have increased. This, together with high unemployment and the rise of atypical forms of work, is widening the areas of working class poverty and exclusion by eroding the living standards of waged labour (Barchiesi, 2001). At the same time, COSATU's ability to push for expansionary policies inside corporatist institutions is confronted by 'non negotiable' public spending limitations endorsed by its main alliance partner, a point this that is simply mentioned in passing in the book.
4. A technocratic style of decision-making has emerged to sidestep democratic-representative institutional circuits – not to speak of the marginal position of organs such as NEDLAC in important areas of economic policy intervention. This is for example apparent in the rising prominence of the Department of Finance in imposing a cost-containment approach to dynamics of social delivery (Marais, 2001). As a result, the very meaning of 'democratic institutions' and their scope are questioned. Once the problem is read in terms that interrogate the very nature of a political system, it can be doubted whether labour's effective response is mainly a matter of union 'capacity building'.
5. In this situation, the capacity of COSATU as the main union federation to advance an alternative agenda appears increasingly subordinated to the requirements of alliance politics under the leadership of an ANC increasingly prone to macroeconomic conservatism. This point is touched on by many contributors, but rather superficially: much more could be said about the nature of the ANC itself, of its popular and symbolic appeal, of its capacity to combine apparently contradictory developmentalist approaches, which can explain the coexistence of corporatism and neoliberalism in South Africa beyond supposed ideological discrepancies.
6. The composition of the South African working class is changing dramatically with the emergence of precarious, highly vulnerable, unprotected and fragmented workforces in industries that provide important union strongholds. These processes challenge the organisational and representative capacity of the unions, confining many of them to purely defensive battles to maintain wages, conditions and levels of employment. The total neglect of this aspect is particularly serious in a book that has as one of its

main concerns to strengthen the unions' capacity to 'use' institutions of engagement.

7. Massive retrenchments have affected many highly unionised industries and sites where a conscious permanent workforce is employed. Often these job-shedding processes have been facilitated by clauses on 'operational requirements' – which have restricted workers' capacity to respond to unilateral restructuring and increased the employers' discretion – contained in the same Labour Relations Act that the book indicates as a fundamental achievement of labour's 'engagement', and an avenue for a progressive form of co-determination.

These factors are rarely mentioned, let alone discussed, in the book. Much more space is given instead to the hopes raised for supporters of the co-determinist ideology by what has turned out to be the real 'non-event' of the post-1995 industrial relations system in South Africa: workplace forums, the reasons of whose failure are not, on the other hand, examined. However, the social processes summarised above have had the consequence of shifting the balance of power of the South African transition and providing capital with a strategic advantage that allows it a plurality of options to enforce working class discipline, compliance and commitment to productivity and competitiveness. Actually, all the empirical studies in the book (the already cited one by Hirschsohn et al, together with the case studies proposed by these latter and by Webster and Macun) recognise this fundamental imbalance in everyday labour-capital relations. Although they do not analyse this reality in terms of broader social dynamics, they nonetheless recognise that even when employers try to adopt co-determination as a method, this is usually done in pseudo-participatory forms to enforce co-operation and consent without worker decision-making.

However, if the social factors here mentioned were deeply analysed and discussed, then proponents of co-determination would have to produce a much more convincing case for this concept as a progressive strategy of social transformation (which of course cannot be excluded *a priori*). In the absence of such a case, which the book fails to deliver, the likelihood is that worker co-operation will become at best the expression of forms of defensive accommodation for a highly flexible and exploited workforce. Addressing similar anxieties, some contributors in the book (Vishwas Satgar, David Jarvis and Ari Sitas) emphasise a need to go beyond a mere production-centred view of co-determination to embrace, respectively, forms of worker self-management and decision-making involving civil society organisations at the grassroots. But, once it is framed inside the book's concept of co-determination and engagement, with the shortcomings here illustrated, this ambitious agenda just reinforces an impression of vagueness.

The shortcomings of the book touch problems referring to the nature of the South African democracy and capitalism, the relations between the two, the role of an independent working class politics, the erosion of power and influence for an expanding marginalised section of the population, and the substance of the unions' aims to represent these dynamics inside institutional arrangements. These are some of the issues that are decisive to measure the performance of institutions and organisations in terms of advancing democracy and social delivery. But on these Adler's book has very little to say. Its endorsement of co-determination ends up in an unconvincing ideological plea that does not show how much labour has actually to gain from pursuing this strategy rather than, for example, a more radical and conflictual grassroots mobilisation for basic decommodified services, forms of social income de-linked from the wage form, and global networks of solidarity in alliance with other social movements.

In fact, the adverse fate of co-determination and corporatism reflects the eclipse of national welfare states and the 'nexus' between wage and social inclusion in many industrialised economies. But it is also the product of the emergence of subjects that try to be antagonist to capital when this latter is more capable of globalising the terrain of contestation. This is reflected by the struggles of migrant workers, precarious 'feminised' workforce, environmental and peace movements, and others who are defining new agendas of confrontation that directly tackle corporate globalisation (Klein, 2000). The 1999 Seattle demonstrations or the capacity that the Zapatista uprising had to ignite broader processes of mobilisation and democratisation are representative of these dynamics, which question time-honoured borders of working class politics. Labour movements worldwide are faced with the challenge of responding to these forms of mobilisation and conflict (Waterman, 1999), and South African work and labour studies are dealing with these issues with a considerable delay. As I have argued in the past (Barchiesi, 1998), part of this delay is due to a sort of reductionism that considers social dynamics only as far as they can be represented, mediated and moderated institutionally, and it identifies 'labour' with 'trade union organisation' as vehicles of compromise in a way that marginalises (when it does not denigrate) real-life processes of formation of working class subjectivity, needs, demands and conflict.

If the advocacy of co-determination and corporatism is premised on this restriction of the field of analysis – often regardless of the very empirical evidence produced by proponents of these concepts – this gives legitimacy to the suspicion that it will be functional to some sort of frozen productivity and flexibility deal between big business and big labour under the aegis of the state. This would confirm the centrality for social rights and citizenship of waged labour, but it cannot address the needs of the majority of the South African working class that has either been *de facto* expelled from or has never been part of dignified waged labour. As a consequence, co-determination would leave to the

market the final decision on the modes, the times and the extent of social inclusion and citizenship. The recruitment of the social sciences in this operation, while probably appreciated by a university whose survival is made dependent on its usefulness for corporate performance, faces critical sociologists with a series of new, unsettling questions.

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