

Co-determination and transformation: Co-optation or alternative vision

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1 INTRODUCTION

South African intellectuals, worker and community leaders have advocated forms of co-operation, workplace democracy, worker control and participation in varying forms of intensity. Of late, since the debate on the new labour dispensation, the word that seems to have predominated is “co-determination”.

For many who think that the word implies a novel development in labour circles, and that “co-determination” necessarily implies a new trend in left thinking as it pragmatically tones down its aspirations in a new world order, it would be a surprise to realise that it was all the rage in the 1970s as an alternative to militant, adversarial and democratic trade unionism. In fact it was brought on to the agenda as an alternative to the Trade Union Advisory Co-ordinating Committee (TUACC’s) approach which argued for democratic shopsteward structures and class war; and the co-operative communalism advocated by Black Consciousness. Loet Doves-Dekker, for example, was one of the first to use the German model of *mitbestimmung* and from the 1970s spent his scholarship advocating more and more complex systems of local co-ordination. Much of this translated into the educational training resources of the Urban Training Project and Consultative Unions of South Africa (CUSA).

Does this rediscovery of “co-determination” mean that the democratic left, COSATU and its intellectuals, have finally understood the limitations of their vague notions of socialism and recanted? To answer these questions, the first part of this article reviews local history and separates our traditions’ indigenous flavours. If we accept that co-determination is firmly placed within the tradition of European models, then these ideas are close to an argument for labour’s accommodation to capitalist norms.¹

The second part of our article deals with “principles” – workplace democracy and social co-ordination. The third discusses the levels of co-

¹ This is not to say that the left has uncritically accepted co-determination as the future for the shopfloor but rather that at this juncture co-determination is seen as an obtainable and immediate goal.

determination which we believe are necessary for a truly democratic society.

We propose a system of governance of economic institutions that goes beyond the dualistic European co-determination models where only labour and capital are represented. We argue that a broader “co-determined” form of governance and co-ordination is the most necessary and most democratic form available to us in the late 20th century.

2 PART I: LOCAL TRADITIONS OF PARTICIPATION AND DEMOCRACY

In the 1950s, as part of the Congress Alliance, the South African Congress of Trade Unions (SACTU) subscribed to a two-stage theory of social transformation from apartheid to socialism (Lambert, 1988). The first stage, which was to be the result of a national democratic revolution, was there to institute the democratic principles of the Freedom Charter. This stage implied a far-reaching democracy with a mixed economy but also with a state that intervened directly in the economy of the country. Within the Congress tradition there were deeply embedded notions of social co-ordination, nationalisation and popular control, and even in its post-colonial democratic phase it shared these traditions with many anti-colonial movements, like its namesake in India.

The idea of a first “stage” involved both a legacy of the Comintern’s analysis that national democratic states would be transitional: neither capitalist nor socialist, but reflecting both the democratic aspirations of the oppressed in the colonies for self-determination and a state that nationalised the citadels of economic power. South Africa of course was seen as a “colonialism of a special type” where its white masters were a settler population. It also involved a vision, so common in most third-world anti-systemic movements, that the resources and wealth of the society belonged to the “people”. All conceptions presupposed the emergence of strong states that would harness resources and the economy, control them in the interests of society and direct them for social development.

Indeed, the Post-Second World War period was marked by major initiatives that involved attempts to co-ordinate developing economies in the third world and to introduce democratic workplace practices. Assef Bayat (1991) traces how ideas around workers’ control in the third world, or peripheral capitalism, were either inspired by the “workers” state approach” hatched in the centrally planned economies and influenced by the Soviet Union, or by populist ideas of building the nation through collaborative efforts. In both cases, social determination of work was lodged with the state which represented either the interests of the working class (workers and peasants) or the “nation”. Participation was consultative and usually involved worker enlistment into ideas for raising output quotas.

Although SACTU was driven underground in the 1960s and the trade union movement was suffering serious setbacks, the experimentation that occurred in China, Cuba, Tanzania and Algeria, to name but a few countries, had some resonance. It led to the debates that informed the famous

Morogoro declarations of 1969 that it was the *African* working class that was to lead the struggle for national liberation. The idea that somehow the "first stage" would set in place a democratic state that co-ordinated production in the interests of the oppressed and the majority was strong.

But by 1969 the "Golden Years" of European social democracy (Hobsbawm, 1994) were also throwing up their own models of workplace democracy and economic co-determination. Bayat (1991), in his work on workers' control in the third world, describes these models as the "corporatist" approach, the "third way development" approach, the "aggressive encroachment" approach and contrasts these to the "workers' state" approach. Each one had two levels of intervention: at the workplace and at a social level through which the economy and the market were to be regulated.

The corporatist approach demanded the peaceful co-operation between state (government), capital (management) and labour (workers' organisations). Within this context, a strategy of workers' participation at the level of the enterprise was envisaged where, in an atmosphere of co-operation, all parties were to benefit from improvement in individual companies and in the economy as a whole. (1991: 27-29) Capital and labour were viewed as equal partners who were engaged in free agreements; the state for its part was to act as a neutral arbitrator between the two. This Bayat, notes, was the fruit of successful trade union movements in expanding, prosperous economies.

Within the third world, and enhanced by the Yugoslavian experience, new ideas evolved that viewed workers' participation as a "specific path of socio-economic development, a unique path that (was) different from those of the West and East" (1991: 30). In third world countries within a populist ideology as a means of national economic development and in Yugoslavia as an alternative to capitalism and statism, this general economic approach was centrally concerned with finding "an alternative to the dehumanised economic systems of both private capitalism and statism" (1991: 31). As the Yugoslavian example highlighted, shopfloor democracy, state co-ordination and a market could be combined with remarkable effects.²

The aggressive encroachment approach was essentially a *political* approach. Workers' control was viewed as "the means to a gradual but aggressive encroachment on the power of capital, both at the point of production and in society at large. It is, thus, a way of genuinely reforming capitalism" (1991: 33). This approach represented "a socio-economic system in which workers' control from below was exercised not only at the level of the individual enterprises but also in all other social, political and cultural institutions in society" (1991: 34).

2 For a critical opinion of the Yugoslavian experience, see Eddie Webster's article 'Self-management in Yugoslavia: a failed experiment in democratic socialism?' in *SALB*, Vol 15, No 1, June 1990.

This saw the labour movement as a *political* movement and a vehicle for the transformation of the state. Inspired by widespread factory occupations and strikes in the late 1960s and the early 1970s and demands for direct democracy, proponents of this approach revived an interest in revolutionary “councils” and soviets. Workers were to overthrow the capitalist state and form a state based on the institution of workers’ control.

By 1972 the idea – that it was possible both to live and work in democratic institutions and in non-market or market-regulated societies – was gaining currency. For example, it was the stories around the Chinese Cultural Revolution, the village socialism of *ujamaa*, and the workers’ control movements around the Paris strikes of 1968 that influenced left thinking in South Africa, be it Rick Turner’s ideas of a participatory democracy, Black Consciousness’ communalism or Freireanism. Turner spoke of “a human model” where an individual, would say: “I need to be free from hidden conditioning processes, I need to be free to be open to other people. I need to be free from external social coercion; and I need meaningful and creative work, work that is an expression of my own autonomous being, and not something I do unwillingly and without understanding what my particular job is for.” Thus the social system required for the satisfaction of human needs must be one which (a) enables the individual to have the maximum control over his/her social and material environment and (b) encourages her/him to interact creatively with other people. These two ideas are combined in the idea of *participatory democracy*. The first essential for democracy is that the worker should have power at his/her place of work, that is, that the enterprise should be controlled by those who work in it . . . only full workers’ control can permit the realisation of human autonomy (Turner, 1978: 32-33).

The above ideas found a home in the democratic trade union movement that was developing after the Durban strikes of 1973. The belief that workers were more than just “hands” operating at the whim of owners of factories was a fundamental founding principle of the South African trade union movement. It animated trade unionists and intellectuals of the left to argue and create democratic institutions that pre-figured the future, desired relationships and refused to be bounded by employer and governmental demands. Furthermore, within the South African trade union movement there has always been a belief that workers have rights within the factory that go beyond a safe working environment and a living wage. These were expressed not only in demands for participation and democratisation on the shopfloor but also for a series of cultural rights. So across the spectrum of unionism in South Africa the ideas of social regulation and democratic control proliferated: voices were heard articulating the need for “the workers’ state approach” as well as the need for corporatism; voices were heard arguing for an “encroaching control” approach as well as voices identifying with a Yugoslavian mix of democracy, regulation and markets. By the 1990s utopian models of factory life had begun to be described (on this see: Sitas, 1993).

By contrast, the arguments for workplace democracy that characterised the late 1960s and 1970s experienced new strains as monetarism took its

toll: the dismantling of social welfare capitalism in Europe, and the failure of many nationalist regimes in the third world to generate tangible forms of development, turned the tide towards greater factory discipline and more vigorous forms of authoritarianism. One of the last remarkable calls for such forms of democracy was from UNESCO (1982). Its publication *Working Life and Culture*, the result of a six-country collaboration (both Eastern and Western block countries participated) argued that work had to be democratised, had to be made more meaningful and factory life had to be re-socialised and encultured. The study met a world which was deaf to such ideas; the subsequent collapse of Yugoslavia and the ferment in Eastern Europe sealed a period of labour retreats on a global scale.

For South Africans and for the local trade union movement, 1990 proved to be a watershed year. Up to 1989, most of the world's trade unions were caught between two competing "dreams": a Western one, which in its most conservative strains celebrated the American dream of consumerism, and an Eastern one, groomed through Moscow's promise to create a society without exploitation. After 1989, with the symbolic collapse of existing socialism after the Berlin Wall was dismantled, the second dream was in ruins. FW de Klerk's announcement unbanning popular organisations was justified to his electorate as a consequence of the "defeat of socialism": it allowed the unbanning of these organisations because they would not be able to survive as communist/socialist entities.

A number of safe assumptions within socialist and communist movements began to be questioned, too. Important here was Joe Slovo's article, "Has Socialism Failed?" (1990) which on the eve of the unbanning of popular organisations called for a *new* socialist vision and a distinct shift from previous SACP policy. Slovo reaffirmed that the future of "humanity lies within a socialist framework" in which the "all-round development of the individual and the creation of opportunities for every person to express his or her talents to the full can only find ultimate expression in a society which dedicates itself to people rather than profit" (1990: 28). But such a socialism had to be *democratic, pluralistic and participatory*.

This new socialist vision found a shadow in a new trade union language as well. Trade unions, would have to accept that they were no longer "the" vanguard of struggle against an unjust state. Their role in the fight against apartheid was to be superseded by the ANC in its role as the political representative of the national democratic movement.

The response from COSATU was to shift its emphasis from a broad struggle for democratisation towards what has been termed "strategic unionism" – a more corporatist approach, involving the government and employers at the macro level whilst at the same time insisting on democratisation on the shopfloor. In tandem, "industrial strategy" proposals from the federation shifted towards a concern with human resource development. Through this a number of training and National Qualification Frameworks were mooted. There was a shift towards Swedish, Australian and German ideas of co-determination and discussions about tripartite economic forums. The early evidence of this shift was also to be found in the pages of the *South African Labour Bulletin*. The March 1991

focus of the SALB examined the role of unions in the new South Africa; the edition was aptly titled "From Resistance to Reconstruction". The new role of the union would be a strategic one, entering into dialogue with both government and business, and committing itself to the delivery of a "reconstruction and development programme".

Even during the time of the adoption of the "reconstruction accord" between COSATU and the ANC-led alliance, one witnessed both critical venom and assent. Voices emerged to criticise such a "capitulation". Words like "co-option", "transmission-belt", "reformism" proliferated and chastised the move to "accommodation" with capital and the Government of National Unity. Unionists like Etkind and Harvey (1991) spared no time in summing it up in a formula:

"Wage restraint + strict monetary policy + eternal co-operative partnership between capital and labour + achieve higher levels of profitability + government expenditure within existing constraints = the workers will pay."

On the other hand, participation in managerial structures and the new collaborative atmosphere was vigorously defended. In the words of Avril Joffe (1994) this had to be seen in the long term as a first step to the realisation of some fundamental social values:

"Democratic participation is a *learning process* for workers, worker representatives, trade union representatives, managers, directors, owners and governments. It is also a struggle. Once a certain level of power is attained, the desire for higher levels, other areas of power and *more effective and meaningful forms of participation* will grow. What is at stake in this struggle are the *fundamental values* inherent in the human right to participation- humanity, dignity, democracy, equity, social and economic efficiency and solidarity. *Democratic participation is a dynamic process* which has been constantly proposed learned and defended - sometimes through struggle and it must be constantly widened and adapted to new situations".

That the dominance of corporate priorities in society, in the polity and in the economy was increasing there is no doubt (Sitas, 1992). That COSATU was pragmatically adjusting to the priorities of capital accumulation in the interests of a new social contract and sound industrial relations there is no doubt too. The shifts in language and practice between 1991-1993 are easy to trace.

During COSATU's 4th Congress and at its Economic Policy Conference in 1991, "workers control" was the demand from labour. Workers' control would afford workers the right to:

- inspect company books;
- monitor production;
- have time off for planning;
- control investment;
- veto retrenchments and factory closures;
- sit on control committees.

On the shopfloor it was envisaged that there would be worker control over the production process, the products that were to be made, the use of profits, and control over investment. ESOP's were by and large rejected

by unions as co-optation. This rejection was based, however, not on a principle that said that ownership of capitalist companies is wrong but on the basis that ESOP's offered too small a share of ownership to influence company decisions. It was envisaged that investment would be directed towards the goal of job creation rather than mere profit accumulation. Outside the shopfloor, nationalisation of conglomerates, services and privatised institutions and the redistribution of land would ensure that the democratic state would be able to achieve its major goal, that of redistribution of wealth and power and meeting the basic needs of the majority.

Three years later, one witnessed COSATU calling for incentives for companies to encourage the increased training of workers. COSATU also proposed that companies with poor track records in Industrial Relations should have limited access to government contracts; COSATU's submission to the Department of Trade and Industry asserted that "the South African economy must compete internationally on the basis of innovation, productivity and superior product quality: not on the basis of watering down worker rights" (COSATU, 1993). It also insisted that trade agreements should contain social clauses that bind South Africa's trading partners to upholding worker rights.

The major shift within COSATU's approach to human resource development (HRD) policies was the replacement of demands for worker control with demands for co-determination and HRD strategies compatible with a "high road" of economic development.

Authors characterised the shift during the early 1990s as one from "resistance to reconstruction", (Von Holdt, 1991) from "adversarialism to institutionalisation", (Sitas and Kruger, 1993: 29) from "conflict to conflict and co-operation" (Maller, 1992). Basically the unions' shift in strategy was one that echoed views of co-determination expert Wolfgang Streeck, who was the special guest for the *South African Labour Bulletin's* annual general meeting and workshop:

"In a capitalist society, in which the livelihood of workers depends on the prosperity of private enterprise, both unions and workers...will recognise that if their industry or their company loses its competitive power then they, like the shareholders and bosses, will be negatively affected. That is a fact of life. (Streeck, 1994: 96)"

Therefore, co-determination offered the most empowering way of constraining the will of managerial agendas. Gwede Mantashe, Assistant General Secretary of the National Union of Mineworkers (NUM), a COSATU affiliate, warned that in this new era "labour is being asked to put "national interests" before their "narrow constituency interests" (Mantashe, 1994: 110). But he agreed, in the same breath, that co-determination was just one step closer to full workers' control. As Jeremy Baskin (1993: 3) forewarned:

"There is a trend towards co-determination in industrial relations. This doesn't mean the end of conflict between management and labour; merely the conflict is supplemented by the need for practical agreements to address common problems."

The shift also reflected the acknowledgement of changing dynamics in the global economy and their increased influence on the South African

economy. Michael Burawoy (1985) warned that neo-liberalism had increasingly been empowered by “the fear of capital flight, plant closure, transfer of operations and plant disinvestment” (Burawoy, 1985: 150). Increasingly business argued that workers and the governments they voted into power had the most to lose from falling profits; increasingly businessmen boasted that they could easily move to another more profitable sight; that such views gave ground for the argument that the interests of capital were the interests of all “both in the present and future” (1985: 35). At the same time South African intellectuals insisted on unique and different possibilities for our own trajectory. Time has conspired against such arguments, so that now, arguments about globalisation and neo-liberal injunctions seem common-place: they demand of us a climate of participation and co-determination.

The important point for this article is not to take sides on the immediate tactical and strategic questions. These concern other contributions in this project. Rather the focus is on co-determination as a *principle* of organisational governance. What we can state is that any move towards making governance accountable in organisations is an important new terrain for contestation. But what we cannot fail but notice is that the language of co-determination re-emerges precisely at that juncture of “strategic” participation. Since then, we have been witnessing a trend towards co-determination and increased industrial democracy in South Africa.

It is in that context that Streeck’s injunctions became canonical:

“Co-determination presupposes that unions assume that somehow they have to come to terms with capital. On the other hand co-determination presupposes the recognition on the part of capital that unions will be around for some time, and that one has to come to terms with a unionised workforce that makes its interests heard at the workplace (Streeck, 1994: 87)”.

Streeck offered five basic points to define exactly what co-determination is:

- It is the participation of workers in the actual management of the workplace;
- it is a limiting of managerial prerogative, introducing new onuses on management that require them to consult and reach consensus on issues;
- workers should have representation on issues of production as well as distribution;
- co-determination has legal backing or a legally backed industrial agreement;
- finally, co-determination normally takes place through works councils as opposed to trade unions.

Later contributions will focus on “actually existing forms of co-determination” in South Africa. What Streeck outlines is a far cry from South African shopfloor relations. It seems that most employer-employee relations are rather rudimentary, hostile and consultative (Ntshangase and Solomons, 1993; Jarvis, 1995).

Undoubtedly, the distance between promise and reality, theory and practice, proclamation and fact can and will be great. The issue at hand, though, concerns two points: firstly that co-determination as defined in the European experience is limited, and its adoption by the labour movement, although understandable, might mean the abandonment of a serious democratic challenge to the economy as such; also, that co-determination has to be seen as a principle that covers realities broader than shopfloors.

3 PART II: PRINCIPLES OF DEMOCRATIC REGULATION AND CO-DETERMINATION

As we have already pointed out, the South African trade union movement had embraced, if not a strong conviction, at least a constant reference to a democratic economy and state ownership of economic assets. Increasingly, from the 1970s onwards it also embraced ideas of workplace democracy and shopfloor self-determination. Is the recent trend towards co-determination an abandonment of principle or a redefinition of goals?

Throughout the 1980s, debate ebbed and flowed around the limitations of the "social co-ordination" clauses of the Freedom Charter. Critics of the mixed economy it prefigured argued for a stronger social *ownership* of the means of production and the extension of shopsteward structures into viable forms of factory control. Such critics also distanced themselves from the simple demand merely to *nationalise* economic assets and from third world nationalists who wanted to *harness* resources through the state in the name of the "people". Rather, their criticisms were rooted in a more orthodox Marxist analysis.

Marx argued that the organisation of production in capitalist societies was a fetter on human emancipation. Organised for profit, using people's power as an expendable commodity, governed by an anarchic market, production under capitalism was the source of exploitation and alienation. For Marx and Engels, the seizure of state power by the working class, the nationalisation of economic assets, the destruction of private property formed a necessary first phase for genuine human development. The second phase, after the roots of exploitation were destroyed, would lead to a communist society based on human equality – in the words of Lenin later, a *real* democracy. It was in this spirit that the Soviet Union, under the leadership of the Bolsheviks, attempted to create such an intervention in the territories of the old Russian empire.

The Soviet Union, though, got trapped in a highly distorted version of the first phase of Marx's and Engels' theory. Ideas of central planning were indeed developed by Soviet economists into tangible forms of governance: the production of goods, their input and output norms, their technological parameters were pre-planned and calculated. The provision of basic services was pre-planned as well. A managerial stratum emerged to run economic institutions within the broader macro-economic parameters of "the" plan. And all this "statism" was organised to serve the interests of the working class. This system was put in place with the adoption

of a policy of War Communism hardly three years after the revolution. Since then, Soviet workers had very little say over their everyday lives. Without getting into a more complex historical account the tragedy of Soviet development cannot be grasped in its totality suffice it to say that the century's lesson has been clear enough: the commandist economy failed to deliver the society of plenty it promised. Even if the "model" was democratised, a centrally planned economy had become unworkable. Its organisational apparatus failed to deliver economically or technologically and it failed to create a motivated, satisfied and empowered working population.

There have been scores of criticisms of the commandist model of social determination. Bad enough was the human cost of Stalin's reign and the repression of all those who did not respond to the central plan's dictates. For many this was a profound aberration from a vision that saw centralisation of decision-making and plans as a means to a loftier goal. And here the critique of this distance from theory and practice has been well served by two generations of Trotsky-inspired intellectuals. What we would like to highlight further though is the highly problematic nature of the project itself. It is not possible, we contend, given the capacities at our disposal, to concentrate knowledge, technology inputs and outputs, plans, calculations, consumer demand and outcomes in the hands and heads of a few people. The complex division of labour in industrial societies makes it an unfeasible task. Although the first twenty years of Soviet industrialisation seemed to show success, its short-term (human) and long-term (economic and resource) costs proved to create a serious problem.

Furthermore, it was a deeply *undemocratic* model. As many social philosophers and economic thinkers have argued, it proved to be a direct negation of the egalitarian and emancipatory promises of socialism (Bahro, 1978; Anderson, 1979; Marcuse, 1973). From a concept of the dictatorship of the proletariat, as the French Marxist Poulantzas (1980) argued, a system of a dictatorship *over* the proletariat emerged with very dire consequences. It was both the economic stagnation and undemocratic nature of the system that led to the Gorbachev bureaucratic revolution: through *perestroika* (restructuring) and *glasnost* (openness and democracy) the reform-wing of the Soviet intelligentsia sought to re-energise the country's productive forces and create socialism on a democratic basis. Gorbachev's was a revolution from "above" trying to meet social movements from below to consolidate such a transition. Unfortunately for them, the pent-up frustrations of the Russian population with the past swept the whole project of socialism off the historical stage.

The moment we abandon the idea of state ownership and *centralised* planning, what becomes necessary is to develop an adequate theory of *social* co-determination. The need for an alternative vision becomes pressing indeed. Although in this vision the state still has to co-ordinate the parameters of our development, and most certainly needs to plan as well, the form and nature of our economic relationships need new national, regional and local grids of decision-making. Furthermore, as work is also a material process that interacts with nature, with people, with the

environment and communities, a plurality of interests need to shape together the “co” side of our economic decisions, no matter what the governmental arrangements of the state.

We need to in other words, find a new *agency* for determination that is not “univocal” but “multivocal”: a return to centrist, commandist and dictatorial forms of organisation is undesirable. A collapse of all determination into a reborn “marketeerism” is also undesirable. By social co-determination we are signposting the need for an economic system that is accountable to social and civic needs. And this accountability demands new forms of “co-decision”-making. To steal from Alec Nove (1981), we need a socialism that is democratic *and* feasible. Social co-determination should not be confused with proposals for shopfloor co-determination, or *mitbestimmung*, but rather as a means of integrating production and distribution decisions democratically.

By exploring the meaning of such an “agency” we would like to see at least three currents of thought being brought to bear on the discussion:

- Discussions around the meaning of human-centred development enunciated by African intellectuals who are rejecting the enforced marketisation of communitarian structures (Barratt-Brown, 1995; Ake, 1996);
- intellectual work that looks at the role of states and local governance in a globalising world work that is defining the contribution of intellectuals in India, in the so-called “Far East” and in California;
- and last, but not least, are the forms of public class knowledge and aspirations that have developed from the grassroots of South Africa’s black working class: participation/accountability, equity and a utopian vision of “community” based on deep communitarian beliefs.

The question confronting all intellectuals who agree on the need to create a just society without exploitation and oppression is the nature and composition of such a “multi-vocal agency” and how it relates to governance structures. It is this multi-vocal agency of “determination” that we would like to describe as social co-determination.

Similarly, forms of co-determination are necessary at the workplace. Such arrangements we would like to describe as forms of institutional co-determination: the experiments of worker control and of participation in economic institutions carried out in the last seventy years have taught us that the organisation of work under our most modern productive forces cannot yield total democratic self-determination.

At first, socialist intellectuals articulated the desire for workers’ control and industrial democracy. But the rise of statism in the Soviet Union and its defence by the Communist movement stunted its growth. Lenin, originally a supporter of grassroots and soviet power, criticised the drive for workers’ control and self-determination running through the factories during the first five years of the Russian revolution. For him this would have created a new kind of “anarchism” as each factory floor decided what it felt like without caring about the next or indeed about the state’s priorities. Furthermore, the ideas of factory councils enunciated by the

young Antonio Gramsci were seen as too close to anarcho-syndicalism for comfort. Over the years such ideas were muffled as the dictates of state plan and economic performance dictated by centralised planning, scientific management, and market dynamics in the West, rendered these ideas the talk of romantic idealists.

Yet, as Bayat (1991) has demonstrated, ideas of workers' self-management and workers' control proliferated further after the Second World War. As we have also argued in the first part, such ideas have had a strong indigenous resonance since the 1970s. More and more people were convinced that "democracy", "freedom", and "self-determination" meant the possibility that workers could come to control the expenditure of their productive power and that work itself could be made more meaningful. The most desirable form of institutional and economic governance would be a democracy exercised directly by the immediate producers.

Here our argument takes an unpopular turn: we feel that such a direct, unmediated democracy is functionally impossible. As the division of labour advanced since the beginning of this century, it created alongside mass production, alongside Taylorism and automation, new managerial *structures*. At the heart of this was a new mental and manual division of labour and a new professional function. Those who co-ordinate the labour process, who articulate each of its moments and regulate the quality of its performance-functions, constitute a new hierarchy that is separate and distinguishable *from* the direct producers. Even if each person occupying this hierarchy was elected democratically, s/he would still be in a *structurally* different position from the others.

Trade union pressure and a realisation by managements that labour, reduced to a "cog", a "performance function", was not necessarily "satisfied", "productive" or "functional" have opened up the possibility for more meaningful participation in management or, conversely, a more democratic shopfloor culture. New post-Fordist technologies enhanced further the possibilities of more worker autonomy and participation. Yet modern production processes cannot abolish the separation between those who co-ordinate and demand and those who are co-ordinated.

We would like to argue that the 20th century, with its cruel laboratories of social engineering and control, has taught us that state ownership and centralised co-ordination of economic life is untenable, and demands new forms of social co-ordination. It has also taught us that people will always be grouped together to produce use-values; that such groupings will always be co-ordinated so that they also generate a surplus, over and above what is necessary for their own reproduction. This, which under capitalism is translated into profit, may be a social good instead in some remote future. The co-ordinating function will always be separate from the performative one and therefore, whether appointed or elected, it will demand new forms of co-determination.

In this sense, co-determination as an institutional principle must be distinguished from the concrete accomodationist forms of managerialism that it has been associated with. It can and must be seen as a necessary claim for co-decision-making even in the most democratic of institutions.

Of course, capitalist managements, directorates of state departments and even co-operative leadership structures (and union executive committees) would rather do their expected work *unilaterally*. The principle of co-determination at once proscribes such a work ethic and guarantees a level of participation that respects different voices and aspirations.

Whether this leads to “co-option”, “containment” or “empowerment” immediately refers to “power-balancing” in organisations rather than to questions of principle. Co-determined forms of decision-making could lead to any *one* of such directions. From our perspective, it is crucial to assert that as long as a trade union plays an active role guarding workers’ interests and rights, the debate cannot even arise: a principle of co-determination is far superior and closer to notions of industrial democracy and real control over working life and its effects than one which abandons the sphere of work to marketed windfalls and to managements’ whims.

The current cynicism about “co-determination” on shopfloors and in industry has to do with the fact that managements are more interested in productivity increases, are busy “right-sizing”, are arguing for “competitiveness”, demanding more flexibility from labour, and talk of lean production and “world class manufacturing/service”. It is only as an afterthought that a shift occurs towards an acceptance that some level of participation might expedite the above goals. The management approach to these issues often involves the introduction of new technology and the retrenchment of workers. From their perspective, managements realise that some union demands need to be addressed, and co-determination is seen as a “soft” option by some of them because it does not involve large amounts of expenditure and most certainly sounds “politically correct”.

Especially here in South Africa where managers are attempting to undergo a transition from colonial, patriarchal, paternalist forms of management to a recognition of divergent interests and a commitment to reach consensus within established forums, trade union cynicism about such initiatives is understandable. Management may also be quite happy to engage in co-determination because they believe that unions will not have the capacity to challenge their corporate vision within enterprises.

We do not want to entertain here the “participation” versus “consultation” debate: all we can state is that co-determination cannot be mere consultation. In many cases managements attempted to consult with workers before a decision is implemented; as Judy Maller has pointed out this has always been “pseudo-participation” and can never be a basis for co-determination. Although consultation is a crucial element of any co-determined interaction between management and labour, it is not and cannot be anything more than an aspect of organisational “decency”.

The most trenchant criticism of co-determined models by the trade unions is that they forge a partnership with managements within parameters set by the profitability of the firm and within broader capitalist macro-economic priorities. Co-option in this sense is real, tangible and effective. Staying out of any such arrangement and worrying about wages, conditions of service, health and safety in an industrial relations-based, *negotiated* sense does not free unions or workers from parameters set by the

profitability of the firm or broader macro-economic priorities! Co-determination makes sure that those who are appointed, elected or ordered to decide for others, are held in check.

The problem is not so much with institutional co-determination as a principle. Rather the problem is with the quality of the vision, the organisational practices and consistency of trade union and shopsteward initiatives in the long-haul of positional democratic advances in any struggle for emancipation. In short, institutional co-determination has to interact with a variety of forms of social co-determination if it is to provide an *alternative* to capitalism's anti-social logic.

4 PART III: LEVELS OF SOCIAL CO-DETERMINATION

The classical conception of the state as the node of power and decision-making, as the concentrate of force and of popular will, and therefore the control-centre through which the regulation of society occurred, has given way to a humbler vision of an enabling, *facilitating* state which conducts its activities according to a social charter. Such a charter, or a constitution, embodies a "directionality": for example, it enshrines rights to shelter and housing, to gender equality, to equal access to resources and life-chances, to jobs and so on. In other words, it works within a parameter of social norms and principles that are human-centred and ecologically sound.

The classical conception of the state was shared by socialists, social-democrats and by the world's national liberation movements. Its simple message: seize state power, through revolution or incrementally through the ballot, and determine socio-economic performance to meet human needs. By contrast, liberals of all hues argued that one needed a "referee" state that looked after the rules of the economic games in civil society. Creating a *facilitating* and *human-centred* state is a departure and a precondition for sensible forms of co-determination.

Political competition, then, would be about the various versions of "human welfare", the new redefined "commons", based on such a normative framework, and not on the current corporate-sponsored electioneering. But such a state has still to be won and made, so that new forms of social co-determination may flourish. Although Immanuel Wallerstein has argued (1997) that it is our task as scientists to study the "possible" and the *utopistic*, such a task is beyond the confines of this presentation.

Any alternative presupposes though many sites of social *and* institutional co-determination: there have to be arrangements to govern socio-economic performance. As long as any alternative is rooted in our local experiences and enhances the capacity of people to take control over their life's conditions as we have outlined in the first two parts of this piece, it will be an element of the democratisation of our society. In principle therefore, there is nothing wrong with a NEDLAC-like institution at the national level, REF-like structures at the regional level that create frameworks and targets for economic performance. Yet, the nature and meaning of economic performance has to be contested; indeed contested and broadened, perhaps beyond our borders, perhaps in a broader cluster of internationalised relations.

Then, there is the interface between the world of the economy and the "community". Social co-determination here can and must involve a broad array of interest groups, delivery structures, urban and rural voices and NGO's. There are the possibilities too of local co-determination: as work is a material and physical process with qualitative implications for communities, the environment, the quality of life of citizens, a different nexus of power-blocks has to be involved. Also, if work is a nature-imposed necessity it is also an intervention in environmental and social systems, and however much it is an input or a calculated digit, it qualitatively affects locals and communities. Within all these fora, however, the broadest definition of interest groups with representation has to be employed. For example, within industry it cannot be just the employers, unions and government who have representation. Groups such as the unemployed, environmentalists, women and consumers all need to exercise their influence over production and distribution within the economy. Within such a context, the industry-wide and workplace-specific structures for co-determination make a different sense. These fora would be more inclusive than sectoral, micro and meso level accords proposed by Standing *et al* in the ILO's country review of South Africa (1996). The fora would allow active participation of citizen's in the formulation of policies which impact on them in their everyday social and economic existence. It would be a means of extending democracy by exposing policy to a myriad of intervention possibilities. In effect this would be an expansion of democracy away from politicians and give labour two bites at the policy pie; via its alliance partner in government and via fora of social co-determination.

Our basic premise within this article has been that work and society as it is presently organised places severe restrictions on the ability of people to influence decisions that impact on their lives. Democracy involves taking control of one's body, of one's powers, one's environment, one's life. Co-determination is neither about co-option nor radical reform – it is a principle that guarantees a democratic voice and a democratised space so that those who do labour are not undone by processes beyond their reach or knowledge.

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