

Book Review

Democratisation of work and economy through participation Is it possible to relaunch this utopia in neoliberal times?

Comments on: Fricke W. & Wagner H. (eds.). *Demokratisierung der Arbeit: Neuansätze für Humanisierung und Wirtschaftsdemokratie*. Hamburg: VSA Verlag, 2012.

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Werner Fricke, together with Hilde Wagner and a group of collaborators, some years ago published a book with the title *The democratisation of work: new approaches to humanisation and economic democracy* (Fricke and Wagner, 2012). The book contains results of a debate originally encouraged by the German Metalworkers' Union (IG Metall) about the question, "whether there could be new opportunities and potentials for democratisation of labour and economy, considering dominant developments in financial market capitalism and post-democratic trends" (p. 9). The authors, practitioners in NGOs, trade unionists and researchers, share the conviction that there is a close internal connection between democratisation of work and broader economic democracy: economic relations on both levels are intertwined, and have the same actors as subjects.

If we take into account how much neoliberal reasoning has penetrated in many countries today, the title seems somewhat pretentious. While democratising labour relations already sounds like a daring goal, aiming to humanise and democratise the economy seems to be a far-reaching project.

The book presents a state of the art, centered on the situation prevailing in Germany, to which Werner Fricke, honoured in this edition of the *International Journal of Action Research*, has dedicated the best of his professional activity: the democratisation of working conditions and, by extension, of social relations in the economic sphere in general, through research and action involving the direct participation of workers.

Although a good review has already been published (s. Höhn, 2014), I would like to suggest a reading of this book in the perspective that Karl Mannheim (1976) uses for the analysis of utopias. This reading can highlight the description and critical analysis of the situation, indicate the contours of the utopia that the authors seek to foster through their engagement, examine which are the suggested social practices, and who is considered the leading social bearer of this utopia. Finally, and transcending Mannheim's suggestion, it is important to ask how much this utopia can be made concrete under the given conditions of widespread neoliberalism.

Almost all the contributors to *The democratisation of work* depict a very challenging reality in the sphere of work, determined mainly by factors external to companies. In recent decades both global competition and the global financial market have become the central

reference for business decisions. Decisions are increasingly oriented on the global stock and finance market and on expectations of yield for investors. In the distribution of a company's economic results, the investors who own shares and financial products like debentures are disproportionately privileged. This privilege comes to the detriment of the remuneration of the workers that generate the value and of the communities that host the companies, contribute with resources and support externalised costs. The social function that legitimates the capitalist model of organisation of economy loses more and more of its relevance. Market requirements are transferred almost without mediation to all parts of the organisations, and marketing becomes one of the most powerful departments within companies. As a consequence, prices of products or services are defined according to what the market agrees to pay, reducing working conditions and wage policies to dependent variables. While work is seen primarily as a cost factor, cost-containment policies make work relations precarious, and induce a state of permanent uncertainty for workers. Whole branches of industry, individual enterprises, departments within them, and even individual workers: all of them become subjected to globalised competition. As a consequence, workers increasingly sacrifice claims and social rights in the attempt to secure their workplace. The self-exploitation goes so far that employees work free overtime, and replace their leisure with allegedly voluntary commitments in social projects, in favour of the company's image surplus. Trade unions complain that collective bargaining is increasingly being undermined by parallel negotiations. Formal institutions of the labour unions are fundamentally represented as a hindrance for competition, and often felt so even by the employees themselves. The authors remark alarmingly that the omnipotent dictum of the depersonalised market as a decision maker increasingly replaces political democracy for the balancing of interests, conflict management, and for the definition of the general framework for the economy. It increasingly becomes the decisive reference in structuring the macro-economy, legal order and the policy decisions of governments.

Recognising the lack of discussions and social transformation processes concretely oriented to face these developments, and to advance in the democratisation of the economy, Fricke, Wagner and colleagues choose the strategy of contextualised processes and small steps towards the far goal. So it seems coherent that the book focuses primarily on the democratisation of labour, aiming, through it, to improve the broader goal of an economic democracy. To a certain extent, the expressions *humanisation and economic democracy* in the subtitle demonstrate the authors' utopia, while *democratisation of work* as title indicates their strategy for the necessary social transformation.

The delineated strategy, to start with small steps of a struggle for democratising work to reach the far utopia of a humanised capitalism and democratic economic relations, reminds us of the classical sociological dilemma of the relation between the micro and macro levels of social life. Where should transformation processes start, in order to be more effective? As close as possible to the interpersonal level, where face-to-face relations strengthen the ethical commitments that could then be formalised in institutions at the intermediary level, and so finally renew an entire sphere of social life and, why not, the whole of society? This choice is likely to imply a more long-lasting trajectory, because it places a great burden of responsibility on those individually involved, and requires from each one, and from all members of the concerned group, a commitment to the ultimate goals, as well as to

the intermediate resources that are permanently activated. Personal engagement, however, depends on intensive mobilisation, conscientisation and learning processes. And even if a mobilisation becomes successful in a favorable context, its stabilisation on a high level for a long time is a very difficult task. Both the trade union movement and pluralist social movements of civil society have constantly been confronted with this challenge.

Or should the effort for social transformation be primarily directed to the broader level of structures and regulatory frameworks? This strategy would apparently be more comprehensive, and would lead more quickly to the ultimate goal. However, the political capacity to act at this level supposes the access to institutional power, or at least the mobilisation of sufficient support in the public sphere to induce institutional power holders to act favourably. Individual direct participation has only a secondary relevance in this strategy, if it has one at all. Whether the circumstances are favourable, and whether the capacity for political action of the subjects interested in this transformation is sufficient or not, can only be answered for and in each specific situation. For the authors collected in *The democratisation of work*, the option was clearly to start at the micro level. Following the reasoning of Dieter Rucht (1998), it could be said that they choose to implement projects in society on the way to a new society as a project.

A basic thesis in the book is that, because employees are subject to “asymmetric power relations” and “suffer under undemocratic conditions” (p. 10), they need themselves to develop both the disposition and skill for the political struggle that will build up democracy. According to the editors, three thematic focuses can be found in the texts to highlight the centrality of workers’ participation in this struggle. Some authors emphasise the workers’ innovative qualifications as the source of their own interest, in a broader policy that improves self-determined engagement on tariff policies, work councils and company’s strategies, as well as on the internal life of the worker union itself. Other authors highlight the interest of workers in contributing, with their technical abilities and innovative initiatives, to ameliorating conditions in the workplace and the competitiveness of their company. Finally, some authors focus on the tensions between direct participation and already existing traditional institutions of co-determination through representation. But there is a consensus that without the democratisation of work there can be no democratisation of the economy, and that participation must involve co-determination.

When Fricke states emphatically that democratisation of work is up to the dependent employees themselves, he looks back on his own long-standing experience with initiatives aimed at increasing participation and democratising work. This German experience helps to explain why, both among academics and members of the trade union movement, there is a clear defense that all transformation in the world of work must have the workers themselves as central protagonists. But besides satisfying successfully achieved goals, the experiences were also accompanied by a series of ambiguities and tensions, even within the protagonist groups themselves. Of the various topics raised by Fricke concerning this question, I would like to highlight just two, which other authors also discuss in the book. To a certain extent both topics are interrelated.

At the time when some of these projects were still running or had just been completed, Johannes Weiss published an essay entitled *Representation: reflections on a neglected sociological category* (Weiß, 1984, cf. 1998). He emphasises the social importance of this

kind of action, although not without pointing out its weaknesses. It may be that sociology neglected this concept. In the working world, especially in trade union activity, representation however was not only a long-maintained political demand, but also an established and legally protected everyday practice. The over-emphasis on representation as a delegation of power, however, has sometimes allowed autonomy of representatives, away from their base. This loss of legitimacy and trust, in turn, allowed companies to co-opt workers through direct negotiations, bypassing representative institutions. In such cases, participation ceases to be a democratic value, and simply becomes a managerial strategy.

There is a clear perception that the traditional conception of trade unions as mediating organisations, between the social bearers of labour and those of capital, can no longer be sustained. On one hand, demands have widened towards the most diverse fields of social reproduction. On the other hand, as Gerd Peter remarks in his text, life in companies is increasingly interfered with by other organisational modalities such as international organisations, social movements of various orientations, NGOs and lobbies. For the authors, representation and participation do not have to be treated as excluding alternatives. What is necessary is to rediscover the proper balance between them. As Stefen Lehndorff, among other authors, explains, representation may recover legitimacy, provided that it is connected with decision-making relevant channels of direct participation.

The researchers, trade unionists and NGO activists who contributed to the book combined their expertise in their fields, an ethical stance engaged in the cause they advocate, and well founded theoretical reflection. Even so, it is necessary to ask whether the utopia for which they struggle can realistically be relaunched today, when in many countries, including Germany to some extent, neoliberal reasoning is colonising not only the world of work and the economy, but increasingly also many other spheres of life. In countries with a tradition of welfare, wage policy and working conditions were traditionally defined through collective bargaining agreements of general validity. This allowed a general improvement in life conditions, and avoided predatory competition between companies. As correctly put by Lehndorff in his contribution *Better instead of cheaper*, this model had its validity in economies where national or sub-national governments had reasonable regulatory sovereignty over the economy. The authors themselves are aware that the multiple forms of renunciation of this sovereignty in favor of the market sovereignty have brought predatory competition not only up to the level of companies, but even to the individual level.

As Wendy Brown (2015) analyses, with the advance of neoliberalism, not only democracy is being threatened by money and markets. Individuals, citizens and workers have been transformed into self-entrepreneurs, all competing with everyone in everything. For her, neoliberal reasoning is becoming ubiquitous in almost all the spheres of life, transforming them into economic spheres. In the classical field of economics, basic civility and the rule of law are emptied and lose validity. In Germany, for example, Agenda 2010, implemented during Gerhard Schroeder's administration (1998-2005), was a turning point in welfare policies towards policies of precarious working relationships. In countries such as France and Brazil, legislative changes are underway that place negotiations at company level above labour legislation. But perhaps the most telling example of the new times, and close to the context to which the texts of the book refer, is the practice described in the documentary

Die Rausschmeißer – Feuern um jeden Preis [Bouncers – fire at all costs].¹ It describes the supposed practice of the German lawyer Helmut Naujoks, who allegedly specialised in involving trade unionists, representatives of factory committees and other law-protected workers in ambushes to produce evidence against them and lead to their dismissal. If the long tradition of designating capitalism as savage makes some sense, then it certainly applies to these new situations.

Brown uses the Foucauldian concept of governance to describe the specific mode of governing that is evacuated of agents and institutionalised in processes, norms, and practices, emptied of any ethical content. Referring to Thomas Lemke, Brown (2015, p. 124) argues that the new governance involves a shift in the analytical and theoretical focus from institutions to processes of rule. Governance divorces democracy from concrete politics and economics, transforming it into a merely procedural powerless operation. Participation is increasingly emphasised, but receives new meanings. Instead of co-determination and deliberation, participation is reduced to involvement in solution finding for already given ends, and under the pressure of externally defined benchmarks. According to her (2015, p. 129), “stakeholders” replace interest groups or classes, “guidelines” replace law, “facilitation” replaces regulation, “standards” and “codes of conduct” disseminated by a range of agencies and institutions replace overt policing and other forms of coercion. [...] Governance becomes a race to reach and surpass benchmarks set with increasing demands by a hand that the “participants” will never be able to see.’ Political questions are reduced to technical problems while governance depoliticises life and undoes the bonds of solidarity that are fostered by the common search for solutions. But neoliberal reason places on the increasingly isolated individual the moral responsibility for eventual failure. Thus, while participation is withdrawn from its capacity for autonomous contribution, the weight of an eventual failure overloads it unreasonably with guilt.

With the book edited by Werner Fricke and his colleagues, the reader feels refreshed by his hope of a democratised society when he learns of the successful experiences and the strength of the mobilisation cultivated in IG-Metall. But he also feels the lack of a broader strategy of resistance and bolder steps towards a more humanised capitalism and a democratically regulated economy, despite living in times of the predominance of neoliberal reasoning. In order to increase the hope that the utopia of a humanised society and an economy subject to regulations, decided democratically by those directly affected by it, is still viable, much research, engagement and direct participation of all citizens will still be needed.

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1 *Die Rausschmeißer – Feuern um jeden Preis*. Antonius Kempmann, Jasmin Klofta, Willem Konrad, Christoph Lüttert, Kersten Mügge, Reiko Pinkert [30 min].

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