

**EXPERIENCES IN EMPLOYEE PARTICIPATION IN SWEDEN:  
1969—74**

*Lars Erik KARLSSON\**

INTRODUCTION

In Sweden the interest in problems related to industrial democracy has grown at an increasing rate during the last ten years. The political parties on the center and the left and the labor union movement have exerted strong pressure in order to change the internal structure of enterprise and public administrations.<sup>1)</sup> The main argument is that in a democratic society it is not acceptable to let undemocratic institutions function as a counter-weight to the development towards increased equality and personal freedom.

These demands have widespread and popular support and are strongly influenced by the improvements in educational and cultural standards. But the pressure for industrial democracy is not only a confrontation between different values and ideologies. It is also a way out of the dilemma between, the continuous demand for productivity increases and competitiveness in an international market, on one hand, and, the rising difficulties of recruiting workers to a highly rationalized and capitalized industry on the other.<sup>2)</sup> The methods of Scientific Management still dominate the practices of Scandinavian industrial leadership. Many enlightened managers, however, realise that these methods are no longer compatible with the demand for a stable, efficient and qualified work force.

The demands for industrial democracy are thus to a certain degree well in line with the demands of both the labor movement and industrial leaders. The long term development and survival of Swedish industry is dependent on its ability to adapt to new social demands and to keep its relative advantage in the use of highly skilled and educated manpower.

During the period 1969—1971, broad acceptance of the need for changes in working life towards more active participation from employees helped establish a number of institutions working in the field of workers participation and industrial democracy. However, these institutions had different political and institutional support and, consequently, differed in their interpretation and implementation of industrial democracy.

---

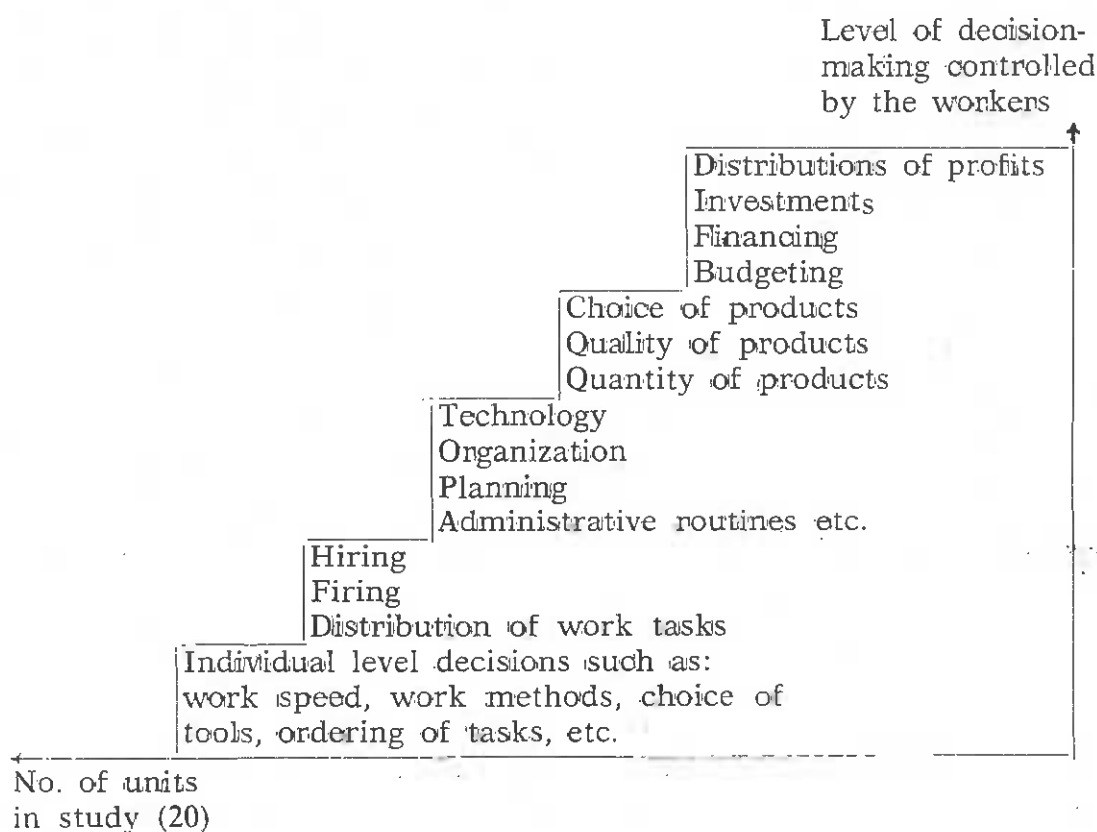
\* Industridepartmentet, Stockholm.

The aim of this paper is to describe the work of these institutions and to interpret with reference to a simple model the advances in the field of industrial democracy that have been made in Sweden. In the first part of the paper, we will present the model; in the second, we will describe the institutions and some of their most interesting projects (both successful and unsuccessful) initiated during the period 1969—72. Finally, in the third part of the paper we will return to the model and try to evaluate the practical experiences.

It must be emphasized that the information provided is incomplete and that the readers who want to get more detailed data should try to get into contact with the research institutions mentioned in the descriptive part or to visit the enterprises which have taken up experimental activities.

### LEVELS OF PARTICIPATION — A SIMPLE MODEL

In the middle of the nineteen-sixties several experiments with self-steering groups were initiated in Norway. Joint management and union organizations asked for the services of the research-workers of the Work Research Institute in Oslo under the leadership of Einar Thorsrud, assistant professor. One of the projects of the Institute investigated of the factors promoting or preventing the development of workers' self-management.<sup>3)</sup> Jon Gullowsen examined about eight self-steering groups, set up on an experimental basis in four large enterprises. He also studied twelve small co-operative or semi-independent firms and teams in the fishing, lumber and stone industries.



The results of these projects showed that workers' control seemed to follow a cumulative step by step pattern, i.e. workers' control on a high level of decision-making must be preceded by a control on lower levels. If the shop-floor level is not controlled by the workers' collective the latter has few or no means of effective control on long range economic decisions. The conclusions need further validation and empirical support but will nevertheless be used to develop a small »model« as a point of departure for our discussion.

This simple model implies that the higher up on the vertical axis one goes the more the decisions commit the firm for the future and the more costs are involved in any single decision. In large enterprises top management concentrates most of its efforts on the highest levels while problems of technology, planning, personnel, etc. are left over to middle-management, supervisors, and staff specialists.

Only in a small number of firms in the study did the workers own the firms and thus control all levels of decision-making. In all of the units, the workers were in full control of job-related matters at the individual or group levels, and in about half of the units, the workers' control reached up to some of the intermediary steps. In none of the units was technology of the kind which creates highly repetitive or monotonous tasks. The workers were thus free to make decisions about their jobs, develop certain skills and move and communicate freely within a certain area. These freedoms seem to be a fundamental precondition for democratic influence on the higher levels of decision-making.

By referring to sociologists such as Marx, Fromm and Blauner,<sup>4)</sup> and others, who have dealt with the problem of human degradation and alienation in working life, it is obvious why it must be extremely difficult for workers to have a voice in the running of an industry if they are enslaved by machinery, time-and-motion studies and rigorous controls. Numerous studies of industrial performance have proven that workers who are employed in the most dehumanized and simplified jobs are less interested in the overall operations of the department or firm in which they work.<sup>5)</sup> It is also easy to understand why the workers who are controlled in detail by superiors (either directly by foremen etc. or indirectly by the machinery) have a very narrow platform for control, for instance, of hiring and firing. Efforts in that direction can easily be countered by the managing structure which is in control of working conditions. This argument leads to pessimism about prospects for developing industrial democracy in firms employing assembly-line and similar forms of highly subdivided and repetitive work methods. Fortunately, in many cases, it is (as we shall show below) possible, to reorganize the work in more humane patterns without suffering overall losses of efficiency.<sup>5)</sup>

It is equally easy to grasp why it is difficult for workers to control matters on higher levels if they are not in control of personnel matters such as hiring, firing, transferring and promoting. In an authoritarian organization the managements' right to fire is an efficient

weapon against those who contest their decision-making rights. The workers must also be in a position to create a work-organization which allows for a high degree of learning, rapid information exchange and work-satisfaction.<sup>6)</sup> This cannot be accomplished if the workers are not free to divide work among themselves according to their own preferences. Decisions about type, quantity and quality of output are, quite naturally, of higher order than the decisions referring to the way of achieving it. Choice of technology, planning, organization and administrative routines etc. are thus on a lower level than decisions about the products.

For a firm operating in a market it is necessary to balance costs and incomes. Decisions about investments make possible the increased efficiency and continuous growth necessary for survival in the market. Provided the goals of the owners (either external capitalists, the state or the workers) are primarily economic, it is self-evident why decisions about the allocation of profits (or surplus), budgets and financing should belong to the highest level of our model.

Only when all the workers or all the employees in a firm are in control of all levels of our decision-model should we be allowed to speak about industrial democracy or self-management according to the definitions given by J. Vanek in his »The General Theory of Labor Managed Market Economies.« All other forms of self-steering groups, joint-consultation machinery, co-determination bodies or formal workers' councils on higher levels (with an authoritarian structure of command within the organization) must be classified as quasi-forms or transitory steps towards full self-management. Thus, the Norwegian self-steering groups, the German co-determined enterprises and many of the Yugoslav »self-managed« firms fall short of our demands for democracy. In the self-steering groups, the workers control only the two lowest levels; in the co-determination bodies workers have a say on higher level matters but no full control on any level, and the joint consultation machinery such as work councils etc. tend to foster the interests of the managing group more than those of the workers.<sup>7)</sup> Only in worker controlled firms (to be found in Yugoslavia and in the forms of producer co-operatives in some other countries) do we find full industrial democracy. However, many of the formally worker managed firms of Yugoslavia fall short of our demands. Several sociological studies<sup>8)</sup> have shown that only a small part of the total work force (the managers, specialists, white collar workers and highly skilled blue-collar workers) have real influence on the matters of the firms. Unskilled laborers for some reason or other have, in most cases, very little influence.

In small firms, provided the employees have control of the highest decisions full participatory democracy can be realized relatively easy. The employees as a whole form a general assembly, elect one or several representative councils, and appoint or hire a manager who they are free to dismiss.<sup>9)</sup> However, as the firm grows, the difficulties of creating or maintaining democracy increase. Production, administration and decision-making must for very obvious reasons be more complex and

specialized. Therefore, it is still a formidable task to develop forms of organization that allow for the active participation of all the employees in a firm. The above model of the interrelations between the most important decisions in a firm can be used to illustrate some important problems concerning the meaning and the implementation of industrial democracy.

1. What are the effects of workers' control at different levels on goals such as the economic efficiency of the firm, on work-satisfaction and on the possibilities for self-actualization of different groups of employees in the firm?

2. Given the goal of complete workers' (or employee) management at which level in the hierarchy of decisions should we start our action for change? Should we start at the shop floor, at the highest economic sphere, or perhaps somewhere in the middle by changing planning-systems and technology?

3. Which are the major (effective) »change-agents« in the transformation towards industrial democracy? Should, for instance, the main efforts be made by the unions, the management, or by external authorities?

4. Which organizational, educational, technological and legal changes are necessary to make industrial democracy real and not formal?

### PRACTICAL EXPERIENCE

In Sweden, during the years 1968—74, some steps towards industrial democracy were taken on all the levels of our model. The developments can be separated into the following categories:

1. Changes of work-organization and wages systems;
2. Self-steering groups, departments and factories (or other units of non-industrial enterprises):
3. Intensification of the work of the existing advisory works councils, such as:
  - decision-making rights on specific matters in the councils;
  - decentralization of the councils by establishing smaller councils on a factory or departmental level;
  - establishing special committees for matters of personnel, work environment, education, etc;
  - increasing the number of meetings; instead of monthly or weekly meetings;
4. Worker-owned and managed factories;
5. Employee representation on the board of directors.

We will first give a short description of the major institutions in the field and their major activities; then, we shall go more deeply into a few of the more interesting projects in the categories presented above.



Some of the institutions and projects will be given more space than others. This is both a reflection of the relative progress of the institutions and the available written information about their work.

.1 *The Development Council for Collaboration Questions* (UR), active within the private sector, has formed a special research (URAF) group, whose members were attached to various universities and private foundations.\*) The URAF planned and initiated a research programme focusing on factors promoting or preventing development towards industrial democracy.<sup>10)</sup> The main efforts were invested in experiments on the work organization in parts of two private industries: Atlas Copco, Sicklavenken and Perstorp AB. The work was done along »socio-technical principles, and included job-enlargement, job-rotation, disentangling of assembly lines and organizing group work. All changes were decided upon in joint bodies in which either the management, the local union or the workers taking part in the experimental activities had veto rights.

Sociologists from the University of Gothenburg were carrying out a study of employee influence in a widely developed joint consultation system at the Eldon Company in Nassjö.<sup>11)</sup> Other URAF projects included studies on work organization in offices (the Skandia Insurance Company), and employee influence on long range planning of a company and on personnel policies such as choice of supervisors.

The URAF research workers in Atlas Copco and Perstorp AB have published reports on the progress of the projects.<sup>12), 13)</sup> The results showed that work-satisfaction increased notably after reorganization of work along the above principles. In the trial year of 1971 productivity in one research department of 12 workers grew by the »normal« figure of 5%. The projects have, however, been delayed by resistance on the part of staff-specialists (mainly the work-study people) and by conflicts about the wage systems. The researchers concluded that they had not expected such strong reactions towards the relatively small changes of power relations planned.

During 1971—73 the experiment in Perstorp AB was relatively successful. The work in one laminate factory, employing 80 workers was shaped along group principles and the foremen were given more advisory roles. Seven groups of 6—12 men were coordinated through a joint worker and management committee. Some results of the experiment was higher work satisfaction among the workers, large number of suggestions for technical improvements from the workers, higher demands for influence among the workers and intensive management and supervisor hostility towards the researchers and the whole scheme. Negative attitudes among management in 1974 resulted in termination of the experiment.

Reports have also been made on the progress of the projects in the Eldon and the Skandia Insurance Companies undertaken by uni-

---

\*) The Personnel Administrative Council; The Economic Research Institute (EFI) at the Stockholm School of Economics; The Sociological Department at the University of Gothenburg; The Royal Institute of Technology in Stockholm.

versity employed research workers.<sup>14), 15)</sup> Their results show that employee influence is not increased by joint consultation at higher level and that changes in power relations must be accomplished before the employees attach any importance to the bodies established. The projects that have been »successful« in the URAF programme have only led to changes on the lowest level of our model.

2. *The technical department of the Swedish Employers Confederation* has assisted the management of a number of private companies in their efforts to reorganize work methods and to introduce new wage systems. These activities were reported in nine booklets published during 1971.<sup>16)</sup> The projects usually included the restructuring of work-roles along socio-technical principles, and the replacement of individual piece rate wages by fixed salaries plus bonuses on a group basis. In some enterprises, substantial changes in work organization have been made. In the SAAB-Scandia auto factory in Sodertälje 2,400 workers have been involved in an experiment which included replacing the monotonous work on the assembly line by group work. In one department employing 30 female workers the work was organized without assembly line. Each small group of workers (3) had stock-piles of parts which made it possible for them to decide their work speed and methods, and divide work among themselves when assembling petrol-motors.

Several other firms have made similar changes in different technological environments. The Volkswagen repair shops in Stockholm have introduced group work and fixed salaries with bonuses, and the Widmark and Platzer building material producer has also deserted the principle of subdivided tasks in favour of job-enlargement and job-rotation principles.

The democratic features of these activities may, however, be questioned. The changes do not fulfill Thorsrud and Emery's definition of self-steering groups, which must have decision-making rights about hiring, firing, and division of work among group members, as well as the basic individual freedoms on the job. This might be explained by the fact that the changes have been initiated and carried out by management and with only the consent of the workers involved. The local unions have in many cases only been invited to take part in the developments at a later stage. Figures about changes in productivity, absenteeism and labor turn-over, which are kept in all enterprises, have not been made public. Nevertheless, it is known that remarkable economic gains have been made in some firms. This leads one to conclude that the efforts are basically of a manipulative nature, made with the problems of management in mind rather than those of the workers. However, no progress would have been possible without active cooperation on the part of the workers who perceived that they would benefit from the re-organization.

3. At the level of *county council regions and primary municipalities*, experimental administrations and public utilities have been appointed.<sup>10)</sup> One project has been initiated at the Bollnas hospital. The inten-

tion is to combine administrative rationalization and »hospital democracy«, and to dissolve some of the very hard-to-change border lines between different layers of personnel in the hospital. The world of medical care is still very traditional, but younger MD's are very often open to a levelling out of the traditional hierarchy of work roles. Younger nurses and their union also work very actively in that direction. However, the work has been prevented to a great extent by high ranked older MD's who have very strong professional interests in the established order. It is unavoidable that the changes of work roles must also be accompanied by changes in the reward structure, i.e. democratization would lower the incomes of high ranked doctors in favor of those of nurses and service personnel.

In the cities of Stockholm and Gothenburg, there are numerous democratization efforts in various branches of municipal administration.\*) In Stockholm, the employees of the welfare institutions (which employ more than 15,000 persons) were well represented in project groups dealing with reorganization of the administration. Some welfare offices are managed by the employees on the basis of one man one vote.<sup>17)</sup> This democracy is, however, limited by the budgetary constraints of the central administration and the municipal government. The social workers of the welfare agencies of Tensta and Aspunden in Stockholm tried to desert their traditional authoritarian relationships with the clients and seek to achieve the social and political mobilization of the local population.<sup>18)</sup> These activities caused, however, serious conflicts with the central authorities who for obvious reasons could foresee a diminishing of their own influence. The budgets of the experimental agencies have thus been substantially decreased.

The attempts of the social workers' union to gain control over matters related to a planned reorganization of the welfare administration in Stockholm were strongly opposed by the central bureaucrats. The politicians preferred to support the traditional bureaucratic form of organization. As a consequence the local unions left all joint management union groups and the democratization efforts were terminated.

In many other cities and municipalities there are various activities ranging from self-steering groups to employee representation on different administrative boards. New legislation making possible the inclusion of employees on politically elected boards (in a non-voting position) was passed by the Parliament during 1973.

4. *The delegation for Administrative Democracy* (DEFF) was set up in 1970 for carrying out experiments within the part of public administration controlled by the central government.<sup>19)</sup> This sector employs more than 500,000 persons and includes ministries, public utilities and a wide variety of administrations. DEFF began by defining their »reference points for trial activities«. In a paper, they elaborated

---

\*) In the administration of the city of Stockholm, there is a group called LORAS, managed by Willy Karlsson; and in Gothenburg a commission called FORBERED has done some preparatory investigations in the field.



their views on the representation of interested parties and the tracing of border lines between politics and administration, the subject fields and methods of administrative democracy, the extent of personnel democracy, etc.<sup>19)</sup>

DEFF has initiated experiments at a number of administrations: the National Patent and Registration Office; The Post Office in Gothenburg; the Swedish International Development Authority (SIDA); the National Power Administration; the Swedish Forest Service; the National Board of Health and Welfare; the County Administration of Gothenburg; the Data Centre at Uppsala; and the Telecommunication Factory at Vanersborg. The experimental activities comprise collaboration in budget submissions, personnel matters, work environment and work organization. Four reports have been published by DEFF during 1971—72. One of these comprises a short summing up of the activities of the above mentioned administration.<sup>20\*)</sup> All efforts are made in joint committees with management and the local unions. The DEFF has not until lately engaged research workers. At the end of 1972 two sociologists from the University at Uppsala were engaged to evaluate the activities of SIDA and a few other administrations.<sup>21)</sup> At the SIDA a conflict between the general director and the board of directors, on the one hand, and the local unions, on the other, was made public in May 1975. The local unions demand majority representation in special committees for personnel matters, work environment etc. This is strongly opposed by the general director and the board members representing »various interests in society« such as for instance »The Organization of Swedish Industry«. The DEFF according to its practice has adopted a neutral attitude. The most interesting experiment in this sector has taken place at the Data Centre of Uppsala.<sup>22)</sup> The 50 employees manage the computer centre on a one man one vote scheme. The success of this project has to a great extent been dependent on the good will of the manager (who is, according to law, still appointed by the central authorities). The major decision-making body is the general meeting, which is held every month. An elected council handles day-to-day matters under the auspices of the manager. Intensive educational efforts have been made to prepare employees for the equalization of work-tasks. All jobs, both boring and interesting ones, are shared as equally as possible and all employees who desire may enter upon a career in systems work. The figures for productivity, absenteeism and turn-over have improved substantially since the project was initiated in 1969.

At the end of 1972 the DEFF published new guidelines for far-reaching experiments in several large sectors of public administration controlled by the central government.<sup>23)</sup> This included setting up joint committees on a parity basis within all departments and work groups. These bodies are to decide all issues concerning work environment and personnel affairs. However, when the parties cannot agree, the vote of the chairman (usually a manager) is decisive. The implementation of

\*) The summing up is only made with the formal aspects of the trial activity in mind.

these changes will call for changes in legislation regulating decision-making within the various administrative agencies. During 1974 a sociological evaluation of the efforts within the public administrations was initiated by DEFF (by the sociologist Casten v. Otter).

5. *The Delegation for Industrial Democracy at the Ministry of Industry* is the oldest of the institutions which has been working in the field. It is also the one which published its activities most extensively (in fourteen reports). It was created in 1968 and consisted of seven delegates representing the government, the unions and the employers within the government industries (which comprise about 5% of Swedish industry).

The delegation employed research workers who took active part in experimental activities in five projects in the Swedish Tobacco Company (factories in Arvika and Harnosand), the Uddevalla Shipyard, the Karlskrona shipyard and the VARA-restaurant chain in Gothenburg.

The most interesting and successful projects of the delegation have been carried out at the Swedish Tobacco Companies factories in Arvika and Harnosand. In the Arvika factory a project for including self-steering departments was initiated in 1969 and in the Harnosand factory a project for the establishment of a self-management was carried out in 1971.<sup>24,25</sup> In Arvika, in 1970, a department of 30 men began to manage the department where tobacco is prepared for processing by means of a monthly meeting, an elected contact-man and a weekly committee meeting. Other changes are job-rotation, an educational programme and replacing of the piece-rate system by monthly and equal salaries. Substantial gains in productivity (about 20% between 1969 and 1970) and work-satisfaction was found to be the result of the experiment. The workers experienced greater satisfaction with their jobs, greater feeling of comradeship and freedom in work and higher esteem of the »democracy« in their department than the workers in other departments and in the sister factory at Harnosand (which at that time had not taken part in any experiments).

When the local union branch tried to spread the new form of work organization to the factory as a whole many difficulties occurred. Supervisors and managers were basically negative.

During 1972 most of the problems were solved and similar organizational changes were made with the help of the researchers in other departments. It was the workers themselves, who after studying the democratic organization, demanded help from the »experts«, whereas managements' attitude was one of passive resistance despite the obvious advantages of a participatory work organization. After 1 1/2 years of pressure from the labour union in autumn 1973 management and supervisors agreed to the creation of a worker-dominated council for the whole factory; it meets every week and makes all decisions about local matters in the factory.

In the Harnosand factory an attempt was made to avoid some of the problems connected with choosing only one experimental department.<sup>26</sup> However, in 1972 the pre-study and the discussion following

it resulted in the adoption of scheme covering the whole factory (which had about 200 employees). A council, comprised of the manager, three supervisors and five labor union members meets every week at a fixed time. This council makes all the important decisions on the factory level. In each of the six departments a council consisting of the supervisor and five workers (elected through secret ballot) makes the local decisions every week. Two smaller committees, one for personnel matters and one for work environment problems, support the central factory council. An extensive educational programme taking up forty hours for every employee was carried out during 1973.

The new forms of organization and management have now been in work for more than three years and have so far been very successful. Measurements as to the effects of the experiment have been made in a follow-up study during the beginning of 1974.\*) All data collected by means of questionnaires and interviews show that the experiments in both of the Tobacco factories have been successful. In the Arvika factory the improvements in work satisfaction are more substantial.

Higher management in Stockholm headquarters have agreed to extend employee influence to various managerial groups. A joint programme having as a target employee influence of the whole of the company has been settled by bargaining between the management and the unions. By legal provisions since 1973 the local union branches are also represented in the board of directors.

With reference to our model, we may say that the workers in the Arvika factory control most issues on the lowest three steps. The management has (to a certain extent) to share influence with the employees on issues concerning the technology product and the economic decisions.

The other projects of the delegation have not been successful to the same extent. At the Uddevalla Shipyard, which has more than 3,000 employees, an extensive study was made and an ambitious programme for democratic reforms was decided upon by both the workers' council and the board of directors.<sup>27)</sup> The programme included 50% employee representation on the board, decision-making rights for the workers' council on certain matters, departmental decision-making councils, special committees for personnel affairs and work environment, monthly salaries for all employees, etc. However, despite the fact that the programme was decided upon (November, 1971) a very few of the changes have been implemented. This was primarily due to resistance on the part of the management of the shipyard and on the part of the holding company controlling most of the state-owned enterprises (Statsföretag AB). As a result of the delays of the democratization efforts, 1,800 workers went on a four hour strike in November, 1972 to demonstrate their demands for monthly salaries and implementation of the programme. During 1973 monthly salaries were introduced after hard negotiations.

---

\*) To be published at the end of this year by Andersson, A., Hammarström, O. and Karlsson L. E.

Similar programmes were adopted at the Karlskrona Shipyard and the VARA restaurant Company. At the restaurant company, due to management resistance and low level of union activity, few democratic developments have taken place. At the shipyard several representative councils on a parity basis between management and workers were established during 1973.<sup>28)</sup> The employees have veto rights against decisions on departmental level and can bring up matters for discussion to the board of directors.

During 1971, management circles in Sweden began to organize resistance against industrial democracy. The strategy was not to allow too good examples of worker-managed factories, departments, etc. to develop. The managers of the holding company (Statsföretag AB) in control of state industries publically announced that they would not have decision-making rights granted to bodies with employee majority. As a result of pressure from private industries and from the majority of managers within the state industries they also declared that they would not cooperate with the delegation as long as it employed »leftist elements« on its research staff. The work of the delegation was (strongly) supported by local union branches and in the autumn of 1973 both the minister of industry and central union officials in the LO and TCO agreed to »reorganize« the delegation. Officially, it was to be replaced by a »permanent body« under the auspices of the »parties involved«. However, 20 months later (June 1975) the experimental activity in the state industries has been totally shut down. This illustrates the inability of the present centralized power structure to guide the development of locally based attempts to change the power structure.

6. *Independent activities* in the field are performed in man firms who for various reasons prefer to employ their own staff specialists rather than to engage outside research-workers. In this context, we will describe some of the activities of the LKAB mining company and the Volvo automakers.

The state-owned LKAB mining company in Kiruna was shaken in 1969—70 by the biggest strike in Sweden since 1945.<sup>29)</sup> This strike has had a great impact on many union leaders and politicians as well as on the public's perception of the present state of industrial relations in our country. The LKAB case is also a very interesting one as it is (as far as volume goes) the most ambitious project for joint consultation that has failed in Sweden.

After the strike, which ended in March, 1970, as a condition for granting the workers' demand for monthly salaries the management of LKAB presented a scheme for »collaboration between management and employees.« The explicit aim of this scheme was to secure workers' participation and responsibility in maintaining productivity as piece rate systems were abandoned. The workers accepted the scheme despite the warnings of the members of a research team\*) who had studied the strike about its authoritarian character. Its main components were:

---

\*) Professor Edmund Dahlstrom et al.



- monthly meetings at all places of work with the supervisor as chairman;
- councils for joint consultation in each of the cca. 50 departments and special committees for work environment, personnel matters, education, production problems, health and welfare, etc;
- intensification of the procedure of the workers' councils (more frequent meetings and more important problems to handle);
- hiring of three collaboration experts who were to develop and support the consultation machinery.

During 1971 and 1972 a research team guided by Dr. Jan Kronlund investigated the effects of the monthly salaries and the development of the consultation machinery. The most important results of their report, published in November, 1972, were:<sup>30)</sup>

a. The monthly salaries had no noticeable effects on the productivity of the mines in terms of physical production per man-hour worked. In many dangerous operations, however, the workers, tended to be more careful and slow. They also spent more time on having their tools and machines kept in good condition. This care for the equipment more than compensated for the slowdowns as far as the total output/cost relation was concerned. On the other hand, there was a remarkable effect on the frequency of accidents and short-term absenteeism. The figures for reported smaller injuries went up by 50% and the figures for serious accidents (ranging from broken limbs, etc. to casualties) decreased by the astounding figure of 90% after the shift to monthly salaries. The increase in reported smaller injuries was caused by the fact that after the introduction of salaries the workers could afford to see a doctor or a nurse to have their ailments seen to. Interviews among the workers and supervisors indicated a noticeable increase of freedom on the job on the part of the workers and, consequently, higher work satisfaction. The supervisors were forced to apply a more cooperative style of leadership as they could no longer use the piece-rate prices as »carrots and whips« against the workers.

b. During 1970 and 1971 monthly meetings were held at most workplaces of LKAB. The supervisors and the men who were their subordinates (usually between 15 and 40 men) were allowed to discuss job-related matters (except wages and other matters which were normally negotiated about through the unions) for about an hour. It soon proved to be the supervisors who dominated the meetings with information about management's plans and instructions. The demands of the workers for better planning and rules for transfers, new safety and ventilation equipment etc. were largely neglected. Although many supervisors tried to promote the demands of the workers, their problems seemed to disappear in the management apparatus. The supervisors also found that



their efforts in that direction were not appreciated by higher management and staff specialists and soon found themselves in a very frustrating situation, pressed between the demands of the workers and the inertia of management.

The researchers concluded that the managements' and the workers' aims with, and perceptions of, the meetings were wholly contradictory. Management saw them as a means of steering the workers and the workers saw them as a means of getting improvements out of management. The presumed basis of mutuality of interests for collaboration was thus merely a fiction invented by the management for the fostering of the profit goal.

c. The joint consultation on the departmental level and the various special committees also proved to be dominated by management and its specialists, despite the fact that the agreed upon rules stipulated that the parties would be on an equal footing. As the joint bodies had no decision-making rights the managers could easily postpone, ignore or send for further investigation all issues which would involve costs or would imply a real shift of influence in favor of the employees. The union representatives were very often ill-prepared for the meetings and lacked the proper training to take stands against management's specialists. The researchers concluded that the joint consultation served to undermine workers influence by weakening the unions. Management succeeded to bring the matters which would normally have been treated in the negotiation machinery to the advisory joint bodies and then let the problems disappear in its own bureaucracy.

d. The collaboration experts were hired on condition that they would serve all parties neutrally. However, management had the greatest influence on the selection of these experts, and this made the union representatives reserved towards them. The experts, however, proved to have serious interests in the development of the consultation system and tried to promote employee participation and influence. Thus they soon gained the confidence of the workers. But at the same time they found themselves to be excluded from management meetings and in many other ways counteracted by the men in power. In the spring of 1972, the leading expert found the situation unbearable and resigned bitterly condemning the LKAB management's lack of serious interests in industrial democracy. His resignation was followed by many newspaper articles and an interview on television.

The LKAB case shows that it is impossible to try to give the workers a »feeling of influence« without granting a real influence on matters that are of great importance to them. It also shows that it is risky to undercut by the effort of the unions joint consultation based on the false premise of mutual interests, when in fact the interests are in conflict as they must be in an industry geared to make profits to capital.

The strike of 1969—70 had thus not changed the management's attitudes and practices. It had, however, served to raise the level of consciousness among the workers about their real needs and interests and about the true character of the Swedish corporativistic power structure. This, in combination with the failures of the collaboration scheme, has helped the unions put forth plans and demands for far-reaching reforms including »collective supervision« on shop-floor level and decision-making rights to worker-dominated bodies in the company.

Referring to our model, we can see that the workers were supposed to have influence on all levels of decision-making. But as this »influence« was only advisory it did not in fact give the workers any influence. The only positive effect was on job-related matters (a consequence of the monthly salaries).

The Volvo auto-making company is one of Sweden's biggest enterprises (40,000 employees) and perhaps the most economically successful. However, in the late sixties and the first years of the seventies Volvo suffered great problems in the recruitment of manpower to its highly rationalized and efficient plants. In the main factory in Gothenburg turnover has in some years been above 40% and in the most rationalized assembly departments several hundred percent. This caused great complaints among unions and the public about inhuman principles of organization used by Volvo. In fact, these principles are entirely based on the Scientific Management method of MTM (Motion time measurement), and have for a long time created extremely boring and monotonous jobs. Influenced by the successful experiments of other firms, the Volvo management set about to do something about work organization and workers' participation.

During 1971 and 1972, several extensive schemes were proposed for several of the company's factories. The most far-reaching and ambitious project was planned for a new factory in the town of Kalmar. The factory was planned and built for group work and the assembly line has been replaced by electric transport vehicles which are guided by a computer system. Groups of 15—25 workers have their own workroom, restroom, showers, entrance, etc. Thus it is intended to create a climate of group solidarity and team spirit to benefit both work-satisfaction and quality of work. However, one can suspect that the division of the labour force into several smaller groups with little contact with each other might have the purpose of preventing strikes and other collective actions towards management. (In 1970 and 1971 Volvo workers went on several wildcat strikes.) As most of the changes supported by the SAF, the Volvo projects do not meet the standards of self-steering groups. They must be regarded more as simple changes in work-organization. The piece rate wage system is still in use and this has caused many negative comments from the unions. No publications, except small public-relation papers, about Volvo's plans and activities have so far been made available. Volvo has, however, received quite a lot of publicity, both nationally and internationally, on its small steps toward workers' participation. The demands of the unions

in the Volvo plants are however, much more far-reaching than what the management is willing to grant at present.

The above description, quite naturally, does not give full credit to all the independent activities in Swedish industry and administration. Hundreds of firms and public administrations have set up schemes for increased employee participation. A few of these schemes have evidently been just as successful as the experiments where research workers have been involved, but the vast majority of »democracy programmes« have not reached above the basic shop floor level or gone further than the advisory influence granted by the agreement on works councils.

At the end of 1972, the Development Council published the results of a survey including most Swedish firms and administrations about their activities in the field.<sup>30)</sup> The data only state whether a firm is active in the field or not and thus give no qualitative information on the scope or intensity of the efforts. They are of low accuracy as have been obtained from the negotiating machinery on the local level. Managements have had a great interest in showing a better picture than that which is justified by the real state of affairs. During 1973—74 the SAF has published several booklets in which they claim that substantial progress has been made in several hundred enterprises. However, when this information was confronted by the views of local union representatives, it proved to be very much a propaganda balloon sent up in order to counteract the efforts of the Swedish trade union movement to introduce new legislative measures regulating local worker and union influence.

7. *Worker-owned and managed firms* have existed in Sweden for several decades. In 1974 there were about 20 small firms which had a dominating worker ownership. In some cases these firms had been donated to the workers at the retirement of the former private owner. Most of them were bought cheaply by the workers when the private capitalists had failed to go on running the business. During the recession of the early nineteen-seventies, several new worker-owned firms were created. Private owners who for reasons of bankruptcy had to choose between shutting down or selling to the workers at a low price preferred the latter solution in order to minimize their losses. In the mass media as a result of the intensified debate about industrial democracy great interest has been paid to these worker-owned firms. A research team at the sociological department at the University of Göteborg (under the leadership of Olle Hammarström) began, in 1974, to investigate the functioning of these firms but no report has so far been published. According to reliable sources, the firms seem to function well provided there is a sufficient market for the produce of the firm.<sup>31)</sup> In several cases the workers managed to increase productivity in a one-time effort in the range of 10—30% by means of reorganizations, cutting of administrative costs and more rational distribution of work. The workers always seem to prefer to abandon piece rate wages and to take out their incomes as equal monthly or bi-monthly salaries. The eventual »profit« is distributed as a bonus every year.

These firms are, however, very often operating in industries, such as textiles, which suffer heavily from international competition. The force that motivated the workers to take over was always the desire to maintain their employment. If well-paid work had been available in the district in which they lived the workers would most certainly not have sold their cars, taken out their savings and so on to become selfemployed. However, it has also been shown that workers' management has other advantages such as improved working conditions and greater work satisfaction. This might in the long run stimulate other workers to try to take over the firms in which they work.

In several cases the worker-owned firms have been forced to shut down when the prices of the products have fallen too intensively because of international competition. These shut-downs have been supported by central union officials who do not accept that union members should earn less than the union rates. The workers usually keep union membership because they do not want to lose redundancy-payments, etc. These conditions, and the lack of public support, are not favourable to the establishment or survival of worker-owned firms.

Referring again to our model, we see that the workers controlled all internal matters of the firm on a democratic basis. However, as the firms are usually very small (10—200 workers) they give little guidance as how democratic organization can be implemented in larger enterprises.

8. *Employee representation on the board of directors* was the central issue of the debate on industrial democracy in Sweden in the middle of the nineteensixties. This simple measure to ensure some employee influence was strongly advocated by the Liberal Party, whereas the Confederation of Labour Unions (LO) and the Salaried Employees Central Organization (TCO) were very hesitant as they feared that such representation would be an excuse on the part of employers not to take any other measures for industrial democracy. At the end of the sixties, in many state and privately-owned companies, one employee representative (usually a man from the local labour union) was invited to take a seat on the board. In 1971 the leading trade union federations changed their mind about employee representation on the boards. LO, for instance, adopted a programme for industrial democracy which, among other things, also includes the demand for employee representation on the boards. In 1973 legislation which guarantees two representatives (usually one for the LO union and one for the TCO unions) for the employees on all companies with more than 100 employees was passed by the Parliament. The LO and TCO consider this a small step towards industrial democracy which should be fit into a wider frame of reference, giving the employees influence at »all levels of decision-making«.<sup>32</sup> This cautious attitude is strongly supported by an evaluative study made by the Statens Industriverk (the Industrial Board) on behalf of the Ministry of Industry. The main results of this investigation were:

- Most employee representatives (ER) claimed that they had little or no influence on the major decisions of the boards. Some ER's said that they had little to contribute to the discussion and that most decisions were so well-prepared by management that the board had only to confirm them.
- A few ER's who were known as »strong men« both within the unions and the Social Democratic Party claimed to have influenced a long array of matters ranging from personnel affairs to investment policies.
- Most ER's add that management was forced to give more accurate information which served as a check on management, strengthening the union representatives in the works councils.
- Managers and chairmen of the boards expressed more positive attitudes towards employee representation than the ER's themselves. Managers, however, stressed that »the right kind of persons should be selected« and that the employee's men »should have exactly the same obligations and responsibilities as all other members of the board« (this would mean that the ER's would not be allowed to inform their union members about all important decisions). Their attitude was thus that the ER's should not regard themselves as responsible to the workers who had elected them but rather »contribute with their special knowledge to the general benefit of the firm.« Most managers and chairmen stressed the importance of having local as opposed to central union representatives on the boards.

This quite clearly is a case of »co-optation« as described by sociologists such as Amil'tai Ezioni and others.<sup>33)</sup> By including in a minority position members of an outside group which is threatening the authority of the established group, the latter may counter the attacks on its »legitimate authority«. As could be expected, the impact of this kind of »industrial democracy« on the general conditions of the firms is indeed very small. The boards are in themselves rather uninfluential except in special situations (mostly situations of economic crisis, etc.).<sup>34)</sup> and the union representatives must possess unusual personal qualities in order to wield a noticeable influence within the boards. In no circumstances could we expect them to change the general goals and policies of capitalistic enterprise. It is thus surprising that the LO and the Government have begun their moves towards industrial democracy by legislating on this issue. The LO and the TCO have decided to devote ample resources for the education of its more than 2,000 local officials who during 1973 took seats on the boards of directors in joint stock enterprises.

#### EVALUATION OF THE PRACTICAL EXPERIENCES

In this part of the paper we will return to the problems derived from our model on page 4 and try to give some evaluative answers to them with reference to our practical experiences.



Before trying to answer these questions, we must point out that there are few or no controlled experiments which would allow us to make a scientifically correct analysis of cause and effect relationships. Such experiments cannot be made, basically for the reason that the research scientists involved in the projects have not had the possibility to choose experimental units. Also, men are not mice, manipulable for the benefit of the social scientist's curiosity. The work must be regarded as »action research« in which the researchers have been actively involved in the processes of change and in the attempts to evaluate the impacts of these processes. The information gathered from such involvements is in many respects more of a qualitative than quantitative nature. However, as several teams of researchers have independently arrived at similar conclusions, some preliminary evaluations can be made.

1. What are the effects of workers' control at different levels on goals such as the economic efficiency of the firm, on work-satisfaction and on the possibilities for self-actualization of different groups of employees in the firm?

All available data indicate that the productivity and the economic performance of the firms involved in democratic changes on the shop floor level are effected positively. In several cases, productivity, measured as value of output per costs involved, has increased in the range of 10—30% during the first trial year. Through studies of organizational performance, it has been concluded that this effect is caused by improved cooperation between workers, by creative suggestions for rationalizations among the workers and by effects on motivation. Thus, the positive effects on economic performance are caused by the participation, which allows for a more flexible and rational system of work-organization, and not by the »Western-Electric halo-effect« implying that the workers increase productivity because they are observed. This verifies the conclusions made by Paul Blumberg in his summary of experiments in workers' participation.<sup>35)</sup>

In several cases, the effects on work-satisfaction and possibilities for self-actualization have also been measured by means of interviews, attitude tests, etc. In the Arvika and Harnosand projects, the same scales were used and some controls could be applied. The results pointed to a decrease in alienation. In 1974 about 60% of the Arvika workers (compared to 25% in 1971) said that their work was something valuable in itself rather than a means of achieving money for satisfaction outside of the firm. Normally, some 90% of industrial workers express the latter attitude. The employees showed greater satisfaction with respect to comradeship in the department, freedom at work, evaluation of own work and level of »democracy« in the departments. Many spontaneous expressions of satisfaction among the workers involved in the experiments, and the fact that workers who have once started on the road to greater freedom and responsibility in work very seldom want to return to the traditional kind of organization, clearly indicate that the effects are of a lasting nature.

The supervisors who had been employed in the experimental departments have in most cases expressed great satisfaction with the changes, despite the fact that they were stripped of most of their formal authority. In their new advisory roles, they have been able to develop themselves as specialists in raw materials, planning, etc. However, all supervisors and managers do not seem to be able to adjust properly to democratic work-organizations. Democracy on the shop floor seems to demand higher levels of knowledge and inter-personal skills on the part of supervisors and managers than do the traditional command systems. Anyone acquainted with the military system could confirm this observation.

The fact that supervisors, specialists and managers not taking part in the experiments held negative attitudes towards the experiments thus contradicts both the success of the experiments and the satisfaction of the supervisors actually involved. One explanation is that the experimental departments had been chosen with the interests of both employees and supervisors in mind. The experimental departments had thus not had the »normal« kind of supervisor but rather men of higher ability and democratic ideologies. Another explanation is that the democratic principles wholly upset the general belief or creed held by managers and supervisors. They not only threaten the long-fought-for privileges (both monetary remunerations and more intangible favours) of higher echelons but also violate their basic values and beliefs about the »lazy and stupid workers«. The fact that the changes are of an equalitarian nature and that the experiments, if they would spread, might in the long run undermine the power, status and privilege of supervisors and managers, has in several cases caused great anxiety and many counter-measures from them.

We know very little about the effects of workers' controls on higher levels, i.e. steps four and five in our model. One may, however, presume that the effects would be of a more long-range nature and have less impact on productivity and work-satisfaction. The effects would perhaps be greater on investments, work-environment, incomes and employment.<sup>36)</sup> To be able to evaluate the effects on those levels we would have to study either a fully worker-managed economy or at least a certain number of large size worker-managed enterprises. As no such experiments are at hand in Sweden, or any other country at a comparable level of technical and social development, we are not able to give any answers to the questions about the effects of worker influence on higher levels.

2. Given the goal of complete workers' management, at which level in the hierarchy of decisions do we start our action for change?

Our data gives no definite answer to this question. Summing up the contents of our descriptions of the projects in Tables I and II, we find that most of the successful projects that have been carried out in large size enterprises and administrations have given the workers influence only on three or four lowest levels of our model. Worker-

-owned and managed firms were created under exceptional circumstances in a few small firms. Isolated take-overs of large scale industry and administration would be both possible and desirable. In the small worker-owned firms, the participation from the workers in decision-making was usually less developed than in the above mentioned tobacco factories. This might be explained by the lack of ideological consciousness on part of the workers and the strong cultural impact from the surrounding society.

We also find in Tables I and II that projects aiming at intensifying the joint consultation have failed as far as increased employee influence is concerned. The projects aiming at decision-making power in employee dominated bodies at higher levels (Uddevalle, VARA, LKAB, etc.) have also failed to develop because of management's counter-measures. The lack of preparatory advances on lower levels might be one of the reasons why workers could not secure the desired influence.\*) This supports the implication of Gullowsen's model that employee influence should follow a cumulative pattern with provisions for control of basic decisions if bodies on higher levels are to be effective.

However, the small experiments on changes in work-organization and on self-steering groups have developed very slowly and in many cases become isolated islands of democracy in a sea of authoritarianism. Both Norwegian and Swedish experience point to the fact that despite the proven superiority of workers management on the shop floor level (both in productivity and work-satisfaction) this form of organization seriously threatens the established organizational structure and managerial ethics. Lack of »proper control«, inability to use work study methods of rationalization and unacceptably low worker discipline are common management arguments against the democratic units. As long as the authoritarian firm makes a normal or reasonable profit, the people in power prefer to maintain the established order rather than create a more efficient but democratic organization. The goals of preserving the existing differences in power, status and incomes are by far more important values than the over-all efficiency of the firm. Thus the struggle for industrial democracy is clearly a political struggle with the double aims of liberating the working men from their oppressors and of removing the forces which now hinder the full development of the productive potentials within industrial society.

The shop-floor approach to democratization seems to be a very slow and inefficient one and may never be successful if it is not preceded by changes of power relations on higher levels. However, the shop-floor democracy cannot be substituted for by worker representation at managerial levels. Both approaches are necessary and complementary parts in an over-all strategy. But a labour movement which is not able to tackle all problems at once might start by taking control on higher levels. This control must, however, not be petrified into bureaucracy and control *for* the workers as opposed to control *by* the;

---

\*) The lack of success in these projects is of course also dependent on the absence of political, legal and educational support from those who are in a position to give such support.

workers. A take-over at the level of a board of directors must have the clearly stated goal of spreading democratic forms of organization to the whole of each firm.

In Sweden, the technical and economic possibilities of establishing a labour-managed economy or at least a far-reaching form of co-management already exist in the form of the huge ATP pension funds.\*) The value of these funds (20 billion dollars) is now in excess of the total value of the private enterprises which trade their stock on the Stockholm exchange. In 1973 the Parliament decided that up to 500 million Sw. Cr. of the funds could be used to buy shares in private enterprise. By simple legislative means, it would be possible to create workers' branch funds and to raise considerably the sum allowed for share purchases. It is, however, a sad fact that there exist no major political powers that at present favour full workers' management. In the joint stock venture of Sweden, the labour unions and the Social Democratic Party still perceive themselves as countervailing powers to private ownership. They want a larger and more fair slice of the pie influence for their members, but have no demands for the whole pie and, consequently, crawl along like snails to the distant goal of socialism while the capitalists keep moving this goal away. The State is still controlled by a corporativistic coalition consisting of all »parties involved« (the organizations of private industries and employers are perhaps the most influential »party« on matters concerning the economy). While this structure remains, industrial democracy will not be accomplished. The very obvious lack of political support on the part of the labour government for the experimental activities in the state-owned industries clearly illustrates the weakness of the political system when it comes to coping with popular demands which are not compatible with the principles of private ownership.

3. Which are the major (effective) »change agents« in the transformation towards industrial democracy?

The answer to this question has been implicit in some of the preceding discussions. First, we must point at the fact that all attempts towards workers' participation which have been dominated by management have either failed completely or never reached above the very low level of job-enrichment and job-rotation, etc. In some cases, the attitude of local managers and consultants, etc. have been an important factor explaining the success of more advanced experiments. However, in a general strategy towards industrial democracy, we cannot rely on rare cases of goodwill on the part of management. There are several known cases in Sweden when »soft« managers have been replaced by more conformist upholders of the managerial codes.

In the preceding discussion it has been quite clear that the local unions are important agents for change. We can hardly over-emphasize

---

\*) ATP = General Pension for all employers giving 65% (inflation protected) of their income of the best ten years after resignation at 65 years of age. All employees pay 9% on the wage-sum to these public funds and they now grow at a rate of about 2 billion dollars per year or 6% of GNP. The money is at present mostly used to finance housing, public investment and municipalities.

the role of the unions as more than ninety percent of Swedish employees are unionized. The unions still enjoy a fair amount of confidence among their members and very often are in a position to wield strong influence on the workers' attitudes towards industrial democracy. Before more radical actions towards workers' management can be taken, it is, however, necessary to broaden the practical and ideological outlook of many local and central union officials. It is also necessary to widen the legal rules which now prevent the unions from negotiating about all matters of importance to their members. These processes are under way as the central union federations have intensified their educational efforts in the field and a government commission has presented propositions for changing the laws concerning collective bargaining. During the beginning of 1975, several hundred thousands of employees were engaged in »study groups« in order to give their points of view on the proposed legislation. However, a broadening of the rights to bargain to include matters of personnel, rationalizations and investments does not free the unions of their role as countervailing (and subordinate) powers. Therefore, it is also necessary to make possible the transfer of power from the owners to the workers' collective through combined political and union action. First, the local unions must be strengthened, then joint union and public authorities equipped with power and money to purchase the majority of shares in private firms could be established. External authorities, such as the so-called branch funds, could finance worker-managed firms and serve as controlling agency.

A third category of »change agents« mentioned above were the democratization experts of the various institutions working in the field. Their contribution to the process of change varied considerably depending on their personal capabilities and attachments to influential parties. These experts, however, were »consumed« fairly rapidly. As soon as it proved that they had serious interests in creating industrial democracy, they were black-listed or fired by management circles. We now have at least a dozen former »one-time democracy-researchers« who were engaged in one project and then frozen out or fired.

The success of the democracy experts very much depended on their ability to mobilize in favor of democracy strong forces within the enterprises. The outcome of the projects always depended on the relative strength of the powers for and against employee influence. Political support from the outside was an important factor in explaining the relatively successful projects in Arvika and Harnosand described above. The lack of such support for the URAF projects, the efforts in LKAB and the later projects of the Delegation is evidently the main reason why these projects stagnated or failed. The pre-studies of the experts have in several instances served to mobilize interest in the problem of workers' influence. The interviews, questionnaires, group-discussions, and the distribution of the pre-studies to all employees have contributed to raising the consciousness of the employees and to creating a climate favourable to change. The competence of the experts was, however, almost always questioned by managers when they



were faced with results unfavourable to their current authoritarian roles. The presumed unity between managers and employees on the desirability of democratic change always disappeared as the realms of abstract phrases were left and concrete demands for shifts in influence were made. The very strong hostility mobilized against those who threaten the established power-structure (both unionists and experts) in many cases had overtones of fascism.

4. Which organizational, educational, technological and legal changes are necessary to make industrial democracy real as opposed to formal?

This question is certainly most comprehensive and contains so many dimensions that it is only possible to hint at a few very short answers. Our data, however, give a few pieces of information on the problems of organizing a democratic firm. It seems quite clear that there must be provisions for employee participation at all levels of the enterprise, and that it is not sufficient only to establish representative bodies at a high level and keep the managerial hierarchy unaltered. In the modern large-sized enterprise, decision-making is extremely complicated, it often involves tens or hundreds of managers and specialists who by investigations and intricate politicking produce certain decisions. The attitudes and ideologies of these specialists and managers are of great importance to the outcome of their work, regardless of which persons sit on the board or in higher management. Very often, the company ideology (mostly maximum expansion or net profit) is consciously imposed on the higher ranked employees by top management. More often the ethos of middle-management and specialists consist of professional sub-cultures.

A reform aiming at full industrial democracy can never be effective before these managerial and professional values and practices are replaced by democratic theories and habits. Our experience in Sweden largely confirms the theory that such changes cannot be accomplished through factual information and mild persuasion. On the contrary, scientifically well-proven facts about the superiority of democratic systems serve more to create hostility against those who present them. The only known effective method of changing the attitudes and practices of authoritarian managers and specialist seems to be to put them physically in a situation where they have to act democratically if they are to have any influence at all. A wide variety of means aiming at decentralizing and demonopolizing information, knowledge and power are necessary for structural change. The hierarchy of command must be replaced by a system of voluntary cooperation between work-groups, specialists and democratically-elected managerial councils. New information systems, methods of budgeting, accounting, planning and control which allow for a high degree of decentralization must be developed. Our experience from the limited experiments in Sweden points out that the present administrative routines are serious obstacles to democratic change. Essential information is only available to a limited

number of trusted people and the methods of measuring performance and assets are extremely unfavourable to the employees.

A fully-developed industrial democracy must be based on the goals of full development of all the human resources in the firm. This demands that social barriers between categories of employees are broken down, that incomes, physical working conditions and work tasks should be equalized as far as possible. Our data very definitely point to the fact that employees prefer to abandon piece rate systems in favour of fixed and equal salaries. Such systems of remuneration are clearly a prerequisite for the creation of a cooperative (anti-individualistic) climate in the firm.

The full development of all human resources also calls for intensive educational efforts. Employees who in the previous authoritarian system have been accustomed to underutilizing their talents must be given a wide educational programme aiming at raising their competence and, most of all, their self-confidence. Our experiences show clearly that workers' ability to take part in decision-making on highly complicated matters is great provided they have the proper practical experience of the problems discussed and of the democratic procedures. Too often, however, this ability has been thwarted by lack of self-confidence and poor command of oral and written language. Therefore, in order to avoid the establishing of a democratic «elite», all workers must be stimulated into taking part in a training programme on matters concerning democratic rules and practices, the functioning and routines of the firm, the use of language, diagrams, drawings, and so on. If such an educational programme is worked out together with the workers and focused on their needs and problems, it is most often very well received. Classes should, however, be held in working hours and close to the place of work.

It may be necessary to offer managers training in the techniques of participation in collective and democratic discussion and decision-making and so help them adjust to their new roles as working advisors.

A few remarks about the technological problems and solutions have been made in the preceding chapters. It has been estimated that about 20% of the work force in the advanced industrial countries is occupied in work which greatly over-exploits particular physical abilities in a very monotonous way. If the alienating work, which now causes so much physical and mental exhaustion and disease, is to be abandoned, great scientific and economic efforts should be made to develop new technological solutions. Some advances have been made along the «socio-technical» path although the efforts have been far too small and restricted by profit motives. Given the over-all assumption of a democratically-managed industry the stimuli and economic resources to solve these problems should be at hand.

The final part of our fourth question concerns the legal aspects of industrial democracy. Laws are always a reflection of the power-relations in society at the time when they are made and, consequently,

an expression of the class dominating the State. If the laws are not in harmony with the prevailing power relationships on the level where they are to be enforced they seem to be ineffective. Legislation about workers' councils in many Western European countries is largely ignored by management and seldom accompanied by sanctions. Thus, we cannot expect the legal measures by themselves to be tools social change. Changes are always made by people who no longer accept the status quo. However, in the political struggle for industrial democracy, the legal measures should if possible be used to codify the new power relations. When the problem of transition from the capitalist to the worker-managed stage has been accomplished, new laws regulating the firms' relations to their employees, to the owners of capital (the state, unions, municipalities, etc.) and to consumers must be made. Some basic statutes regarding the internal democratic procedures of the enterprises should also be provided by legislators. The role of the unions, of the various committees, assemblies and hired specialists, must be clearly defined. To avoid the risk of elitism, rules concerning work-organization, educational efforts, income distribution, work-environment, and rights of appeal should also be devised.

### CONCLUDING REMARKS

The trial activities in industrial democracy and workers' participation initiated in Sweden in the years 1969—72 were based on the premises of mutuality of interest and cooperation between management and employees. However, this ideological precondition disappeared into thin air as demands for real shifts in power relations were put forward. The experiments were self-defeating as they uncovered (revealed) hidden class-antagonisms, the assumed absence of which is a necessity for the corporativistic *status quo* and for the peaceful industrial relations that make joint efforts possible. The power struggles which were released in many projects upset the basic values of the »parties« collaborating in the State bureaucracy. If the established leaders of industry are to perform their part of the official game (i.e. to pretend that they are politically powerless) they do not accept politics in their sphere of interest. Thus the labour government and the leaders of the union federations were squeezed between the widespread and growing demands for real employee influence and the industrial nobility's refusal to give up any of its privileges. Ministers without convictions were, consequently, engaging in various forms of double-politics. Trying to please »all parties«, they simultaneously proclaimed themselves in favour of industrial democracy and in practice refused to give the necessary support to the experimental activities in the state-owned industries which they formally control. Instead, they legislated to bring about employee representation on the boards in a way which was inefficient and obsolete from the very beginning. This was, of course, not opposed by the employers who realized possibilities of neutralizing the union representatives. The managers also tried to counter the threatening demands by converting them into various colla-

borative schemes which left all decision-making power for themselves, by demanding that employees be happy with crumbs of job-rotation and joint consultation. These tactics were, however, seldom successful. Few workers could be fooled into believing that they had influence when they, in fact, had to obey the boss's orders. On the contrary, the collaboration schemes only made the workers disappointed and helped them to formulate clear-cut demands for real shifts of power.

The experiments, however, served to a great extent to arouse popular interest in problems related to employee influence. They also served to prove to the vast majority of the working people that their choice is not between increased material standards of living and democracy at the place of work. The experiments have clearly shown that the alternative lies between the liberation of the working men and the latent productive forces on the one hand, and the preservation of out-dated forms of industrial organization and class differences on the other. The struggle for industrial democracy is thus both a struggle for the now neglected human values of working life and an attempt to establish superior forms of economic organization.

The experiments have also helped the labour and salaried employees' unions to formulate their long-range strategies. These strategies seem to be sophisticated forms of »salami slicing« the prerogatives of private-ownership, while the popular basis for the advances is constantly broadened. Demands which a few years ago seemed »totally unrealistic« are now official policies of the union federations. These programmes must sooner or later be supported by a labour government which is heavily dependent on the political activity of the union members. The transformation process, will, however, be a slow and strenuous one, regardless of which people are in formal control of economic affairs in large-size corporations and the economy as a whole. No evolution or revolution which would overthrow either the private owners or the state bureaucrats now in control could solve the problem of industrial democracy without a far-reaching reorganization of every single enterprise, department and work-group.

Therefore the small and gradual steps towards industrial democracy, which have been depicted above, should not be underestimated. Any major change to democratize enterprise in a stable and economically highly developed country like Sweden must be preceded by many small and seemingly unimportant advances which as a whole add up to a great movement. The ideal self-management can be spread and accepted by the vast majority of the population if in practice it proves to be superior to other forms of industrial organization.

Table I:

SUMMARY OF THE DESCRIPTION OF THE VARIOUS PROJECTS

Institutions and Projects Referred to	Kind of Activity								Known Effects of trial activities				Remarks
	Report has been publ.	No. of employees involved	Work-organization & wages system	Self-steering groups	Self-steering departments, factories	Joint consultation in works councils etc.	Representation on boards of directors etc.	Increased employee influence	Increased productivity	Increased work-satisfaction	Known conflicts in the project		
URAF: Atlas Copco Perstorp Eldon Skandia	yes	12	x	(x)				P	P	P	yes		
	yes	80	x	x		x		P	P	P	yes		
	yes	1500						O	O	O	no		
	yes	100						O	O	O	yes		
SAF: Saab-Scania Volkswagen Widmark & PI	yes	2400	x					(P)	(P)	(P)	?	The level of employee influence in these projects is very low	
	yes	?	x					(P)	(P)	(P)	?		
	yes	?	x					(P)	(P)	(P)	?		
Municipalities: Bollnas Hosp. Stockholm Welfare	no	?						O	O	O	yes		
	no	?			x			P	P	P	yes		





Table II:  
TABLE II: Levels of Influence Affected in the Projects

Projects (— successful ..... unsuccessful)	Individual (level of decisions)	Personnel distribution of work things things things	Organization (technology, planning)	Product decisions (quantity, quality, brands)	Economic decisions
Atlas Copco	—	—	—	—	—
Perstorp	—	—	—	—	—
Saab Scania	—	—	—	—	—
Volkswagen	—	—	—	—	—
Widmark & Pl.	—	—	—	—	—
six others	—	—	—	—	—
LKAB mining	—	—	—	—	—
Volvo	—	—	—	—	—
Arvika Factory	—	—	—	—	—
Data Centre (Uppsala)	—	—	—	—	—
Hamosand Factory	—	—	—	—	—
Stockholm welfare agencies	—	—	—	—	—
Worker-owned firms	—	—	—	—	—
Eldon	—	—	—	—	—
Skandia	—	—	—	—	—
Bollnas hospital	—	—	—	—	—
SIDA	—	—	—	—	—
Uddevalla Shipyard	—	—	—	—	—
Karlskrona Shipyard	—	—	—	—	—
VARA restaurants	—	—	—	—	—
LKAB mining	—	—	—	—	—
Representation on the boards of 2000 firms	—	—	—	—	—

## REFERENCES

1. Allbäck-Andersson, R. *Towards an Active Society. The Case of Worker Participation in Sweden*. Cornell University, 1972.
2. Agerwold, M., »Swedish Experiments in Democracy at Work«, International Conference on the Quality of Working Life, Arden House: Harriman, New York, 1972.
3. Gullowsen, J. *Autonome Arbeidsgrupper*, Oslo 1970.
4. Marx, K., »Economic and Philosophical Manuscripts«, in E. Fromms: *Marx concept of man*. New York, 1961.  
Fromm, E., *The Sane Society*. New York, 1955.  
Blauner, R., *Alienation and Freedom*. Chicago, 1964.
5. Gardell, B., *Produktionsteknik och arbetsglädje*. Stockholm 1971.
6. Thorsrud, E. and Emery, F., *Mot en ny bedriftsorganisation*. Oslo 1969; *ibid.*, *Industrial Democracy in Norway*, Ind. Rel. No 2., 1970.
7. Maulder, Mauk., *Power Equalization Through Participation*. Adm. Sci. Quart. 1971. No 1.
8. Papers presented at The First International Sociological Conference on Participation and Self-Management, Dubrovnik — Yugoslavia, December, 1972. Also: Bučar, F., *The Participation of the State and Political Organization*; Goričar, J., *Workers Self-Management: Ideal Type — Social Reality*; Obradović, J., *Distribution of Participation in the Process of Decision-making on Problems Related to the Economic Activity of the Company*. Rus, V., *The Limits of Organized Participation*. Županov, J., *Employees' Participation and Social Power in Industry*.
9. Bellas, C. J., *Industrial Democracy Through Workers Ownership. An American Experience*. Cornell University, 1972.
10. Hedberg, M. *Summary of Trial Activities at Present Being Conducted Concerning Changes in Work Organization*. PA-council, Stockholm, 1972.
11. Bäcklund, E. and Paulsson, S., *Rapport från första årets fältstudie vid ett västsvenskt industriföretag (Eldon)*. Göteborgs Universitet, 1971.
12. Hansson, R. Björk, L and Hellberg, P., *Ökat inflytande i jobbet*. Stockholm, 1972.
13. Forsberg, L. Hansson, R. and Pärsson, J., *Ökat inflytande i arbetet, försök med arbetsorganisation och arbetsutformning*. Stockholm, 1972.
14. Utvecklingsrådet för samarbetsfrågor, *Försök. Rapporter från sju företag som söker nya vägar till ett bättre samarbete på jobbet*. Stockholm, 1972.
15. Docherty P. and Stymne, B. *Office Workers' Participation in Organizational Development. An Experiment in a Swedish Insurance Company*. Dubrovnik 1972.
16. Svenska Arbetsgivareföreningen, *Arbetsmiljö i utveckling 1—9*, Stockholm, 1971—72.
17. Hall, B. Skillner, R and Turn, N., *Projektplanering avseende försök med fördjupad företagsdemokrati inom Stockholms stad*. Stockholm, 1970.
18. Aspuddegruppen.
19. Delegationen för Förvaltningsdemokrati (DEFF), *Företagsdemokrati i statsförvaltningen — förutsättningar och problem. Rapport 1*. Stockholm, 1970.
20. *Ibid.*, *Utgångspunkter för försöksverksamhet. Rapport 2*. Stockholm, 1972.

21. Björkman, T. and Udovic, S., *SIDA-studien våren 1973. En utvärdering av försöksverksamheten med förvaltningsdemokrati.*  
Westerberg, E. and Wikén, P., *Stormötesorganisationen på Uppsala Datacentral. Ett experiment i företagsdemokrati.* Sociologiska institutionen, Uppsala Universitet, 1971.
22. Johansson, R. »På det statliga dataföretaget har de anställda hela makten«, *Aftonbladet* (April 1, 1971).
23. DEFF., *Rapport 4: Medbestämmanderätt för statsanställda.* Stockholm, 1972.
24. Karlsson, L. E. and Söderlund, J., *Rapport från en förstudie vid Svenska Tobaksaktiebolagets fabrik i Arvika,* Företagsdemokratidelegationen, Stockholm, 1970.
25. *Ibid.*, *Lägesrapport från Arvikaprojektet,* Företagsdemokratidelegationen, Stockholm, 1971.
26. Hammarström, O. and Karlsson, L. E., *Rapport från en förstudie vid Svenska Tobaks AB i Härnösand.* Företagsdemokratidelegationen, Stockholm, 1971.
27. Hodann, J. and Karlsson, L. E., *Uddevallarapporten.* Företagsdemokratidelegationen, Stockholm, 1971.
28. Andersson, A. Hammarström, O. and Hodann, J., *Rapport från förstudie vid Karlskronavarvet.* Företagsdemokratidelegationen, Stockholm, 1972.  
Hammarström, O. and Mårtensson V., *Rapport från en förstudie vid Västsveriges Allmänna Restaurantaktiebolag — VARA.* Företagsdemokratidelegationen, Stockholm, 1972.
29. Dahlström, E. Erisesson, K. Hammarström, O. and Hammarström, R., *LKAB- och demokrati.* Stockholm 1971.  
Hammarström, O., *The Joint Consultation System at LKAB,* paper prepared for an International Conference on the Quality of Working Life. Arden House, Harriman, New York. 1972.
30. Kronlund, J. Carlson, J. Jensen, I. Sundström-Frisk, C. *LKAB efter strejken.* Psykotekniska institutet, Stockholm, 1972.
31. Utvecklingsrådet för samarbetsfrågor.
32. Landsorganisationen i Sverige (LO), *Demokrati i företagen.* Stockholm, 1971; Tjänstemännens Centralorganisation (TCO), *Demokratisering av arbetslivet.* Stockholm, 1970.
33. Ezioni, A., *Modern Organizations.*
34. Gustavsen, B., *Industristyret.* Oslo, 1972; Linden, L. *Makten över företaget.* Stockholm, 1966.
35. Blumberg, P. *Industrial Democracy — The Sociology of Participation.* London 1968.
36. Vanek, J. *The General Theory of Labor Managed Market Economies.* Cornell University Press, 1970.

ŠVEDSKA ISKUSTVA U UČESTVOVANJU RADNIKA  
U UPRAVLJANJU PREDUZEĆEM 1969—1974

Lars Erik KARLSSON

Rezime

U toku poslednjih deset godina u Švedskoj je poraslo interesovanje za demokratizaciju preduzeća. Političke partije leve i centra neprestano nastoje da promene unutrašnju strukturu preduzeća i javnih službi. Međutim težnja ka demokratizaciji ne predstavlja samo konfrontaciju različitih vrednosti i ideologija. Ona predstavlja izvesno rešenje za neslaganja koja nastaju usled neprestanog insistiranja na povećanju produktivnosti rada, s jedne strane i teškoće u regrutovanju radne snage za strogo racionalnu i kapitaliziranu privredu, s druge strane.

Prema tome demokratizacija preduzeća je u saglasnosti sa težnjom kako radničkog pokreta, tako i šefova privrednih preduzeća. Egzistencija švedske privrede uveliko zavisi od njene sposobnosti da se prilagodi novim društvenim zahtevima, a da ne dozvoli slabljenje kvalifikacione strukture radne snage.

Cilj ovog rada je da izloži mere koje je švedska privreda preduzela da bi se demokratizovala i da, upućujući na jedan prosti model, analizira rezultate koji su u tom pravcu postignuti. Analiza dovodi do zaključka da se o demokratizaciji preduzeća ili o radničkom samoupravljanju može govoriti samo kad radnici kontrolišu sve nivoe donošenja odluka i omogućava izvođenje zaključaka na sledeća pitanja u vezi sa značenjem i sprovođenjem demokratizacije u privredi:

1. Kakve su posledice radničke kontrole na ciljeve kao što su ekonomska efikasnost, zadovoljstvo u radu i mogućnost »nalaženja sebe« različitih profila radnika i službenika?

2. Ako cilj demokratizacije predstavlja potpuno radničko samoupravljanje, na kom nivou hijerarhije donošenja odluka treba otpočeti sa promenama? Da li za početak treba izabrati radionicu, najviše privredne sfere ili možda sredinu — sistem planiranja i tehnologiju?

3. Koji su najvažniji (najefikasniji) činioci promena u procesu transformacije u pravcu radničkog samoupravljanja? Da li su to sindikati, uprava preduzeća ili vlasti spolja?

4. Kakve organizacione, obrazovne i tehnološke mere treba poduzeti da bi demokratizacija bila stvarna a ne samo formalna?

Švedska iskustva pokazuju da se na ova pitanja mogu dati sledeći odgovori:

Ad 1. Demokratizacija preduzeća ima pozitivan uticaj na produktivnost i opšta dostignuća preduzeća. U nekoliko slučajeva, produktivnost izražena kao vrednost proizvoda po jedinici troškova povećala se u toku samo jedne (probne) godine za 10—30%.



U samoupravnom preduzeću, radnik ima veće zadovoljstvo u radu nego u preduzeću u kome je on najamni radnik. Putem intervjua i testova utvrđeno je da u ovakvom preduzeću radnik »nalazi sebe«, da je mnogo manje »tuđinac«. U preduzeću Arvika, u 1974. godini, oko 60% radnika odgovorilo je da im rad znači mnogo više nego sredstvo za dobijanje novca kojim se traži zadovoljenje van preduzeća. (U istom tom preduzeću, tri godine ranije, ovaj procent je iznosio 25%).

Ad 2. Većina projekata demokratizacije koji su sprovedeni u velikim preduzećima dali su radnicima mogućnost donošenja odluka na tri ili četiri najniža nivoa odlučivanja. U manjim preduzećima ovo učešće još više je ograničeno. Ova činjenica može se objasniti nedostatkom ideološke svesti kod radnika i jakim uticajem društva. U svakom slučaju nivo radionice ne omogućava brzu i efikasnu demokratizaciju ako mu nisu prethodile promene u odnosima snaga na višim nivoima. Međutim, ovo nas ne sme dovesti do zaključka da se demokratizacija u radionici može zameniti slanjem radničkih predstavnika u upravna tela. Opšta strategija demokratizacije zahteva delovanje na oba ova nivoa.

Ad 3. U nekim slučajevima, lokalne uprave ili konsultanti bili su važan činilac u procesu objašnjavanja uspeha eksperimenata u demokratizaciji. Ali ne smemo se osloniti na sporadične slučajeve dobre volje.

Osnovne sindikalne organizacije su važni instrumenti promena. Sindikati još uvek uživaju poverenje članstva i vrlo često su u stanju da utiču na ponašanje radnika. Ali, pre nego što se preduzmu radikalni koraci ka demokratizaciji preduzeća, potrebno je proširiti vidike mnogih lokalnih i viših sindikalnih funkcionera. Takođe je potrebno proširiti pravne propise koji sada ne dozvoljavaju sindikatima da pregovaraju o svim pitanjima koja se tiču članstva. Političari i sindikalni funkcioneri mogu pomoći da se mnoga prava prenesu sa vlasnika na radne kolektive.

Na početku demokratizacije pojavila se još jedna kategorija instrumenata demokratizacije — eksperti za demokratizaciju. Ovi su, međutim, vrlo brzo »konzumirani«. Čim su utvrdili da su određene institucije ili jedinice određenih institucija stvarno zainteresovane za sprovođenje demokratizacije, rukovodioci su se postarali da ih stave na crnu listu ili da ih otpuste. Organizovan je otpor protiv onih koji prete egzistenciji postojeće strukture snaga.

Ad 4. Što se tiče problema organizovanja demokratskog preduzeća, sasvim je jasno da radnici treba da učestvuju na svim nivoima upravljanja preduzeća. Uspostavljanje predstavničkih tela je potreban ali ne i dovoljan uslov demokratizacije, s obzirom da oni ne dovode do promene hijerarhije upravljanja. Strukturna promena se može postići samo ako se decentralizuju kako izvori informacija i znanja tako i izvori formalne snage. Potpuno razvijena demokratizacija preduzeća mora biti zasnovana na potpunom razvoju ljudskih resursa, a ovo nameće veću koncentraciju na problem obrazovanja.

Da bi se alienacija, koja stvara fizičku i mentalnu iscrpljenost, savladala, potrebno je uložiti kako ekonomske tako i prosvetiteljske napore.

Nove odnose snaga treba kodifikovati pomoću odgovarajućih propisa. Kad se ostvari prelaz sa kapitalističkog na samoupravno preduzeće, potrebno je stvoriti pravne norme koje će regulisati odnose preduzeća prema radnicima, prema vlasnicima kapitala i prema potrošačima. Potrebno je stvoriti statute koji će predviđati sve postupke demokratizovanog preduzeća. Treba, takođe, definisati ulogu sindikata, odbora, skupština i specijalista. Da bi se izbegao elitizam treba doneti propise o organizaciji rada, obrazovanju, raspodeli dohotka, radnoj okolini. Prava žalbe treba takođe definisati.

Probni period demokratizacije privrede u Švedskoj (1969—74) u velikoj meri je probudio zainteresovanost zajednice za probleme u vezi sa uticajem radnika u društvu. On je radnim ljudima takođe pokazao da ne treba da biraju između porasta životnog standarda i demokratizacije na radnom mestu. Eksperimenti su jasno dokazali da alternativu predstavlja oslabavanje radnog čoveka i latentnih proizvodnih snaga, na jednoj strani, i očuvanja zastarelih formi organizovanja preduzeća i klasnih razlika, na drugoj. Borba za demokratizaciju preduzeća, prema tome, predstavlja borbu za doskora zanemarivane ljudske vrednosti radnog života i borbu za uspostavljanje viših oblika ekonomske organizacije.

---