

Worker participation: a trojan horse?

In recent editions of *Labour Bulletin*, Judy Maller and Martin Nicol debated union responses to ESOPS and worker participation. Here YUNUS MOHAMED joins the debate, arguing that Maller's analysis is superficial. He asserts that both Nicol and Maller are too rigid in their approach to strategy, and argues for a flexible approach based on clear analysis.

The debate between Maller and Nicol has raised some interesting and important issues. South African management is following in the footsteps of their European, American, and Japanese counterparts, in seeking to use participation schemes to cure their ailing industries.

This in turn has posed new problems for unions, because these schemes are often implemented without consultation. Thus it is important for unionists to be aware of the issues involved and to be vigilant against any strategy that is aimed at undermining trade union action and organisation.

It is within this context that I would

like to raise some of the issues involved in the debate. It is important to situate the debate within its correct context. The issues are not about ESOPs (Employee Share Ownership Schemes - shares for workers) versus a living wage campaign, neither are they about socialism via participation versus socialism via militant trade union action.

The real issues are about managements' drive towards increasing productivity and control on the shop-floor, erosion of worker rights and the enforcement of corporate dictatorial powers, undermining of trade union organisation and the creation of a docile and 'responsible' worker. Most



Exploitation on the shopfloor - no 'joint creation' between capital and labour

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importantly the debate highlights the necessity for democratic structures within trade unions to be able to withstand and fight these initiatives.

Use value and exchange value

Maller begins her theoretical analysis by drawing from the work of Cressey and MacInnes, who differentiate between the use value and exchange value of a commodity within capitalist production. In doing so she assumes that the capitalist relation is neutral in that it is not only capital that employs labour, but labour also 'employs' capital.

Firstly, on a superficial level, workers have no control over the products

or 'use values' produced and are not consulted in the creation of these products. Therefore it cannot be said that they "employ" capital by utilising the machinery and equipment (Maller, 1989: 100)¹. ARMSCOR employs 22 000 black workers. Surely these workers do not see themselves as "utilising the machinery and equipment" in "creating use values"? Workers would not voluntarily create "use values" which are weapons for their own subjugation.

Secondly, the capitalist labour process has developed historically. Capitalists production could only become dominant once many people had been forced off the land so that they owned nothing but their ability to labour. In South Africa this was ac-

completed through taxation and the Land Act, in England through the enclosures. Workers who ask for employment at the gates of capitalist enterprises do so out of necessity and not desire. It is wrong then to assume that they "employ" capital. Furthermore, it is not simply a matter of co-operation or coercion as Maller argues. There is a more complex relation between co-operation and coercion, which has been shaped historically by the uneven nature of capitalist development, and by class struggle. This has resulted in different combinations of coercion and co-operation in different firms and different historical periods.

Thirdly, Maller is correct in saying that workers do contribute towards shaping conditions and organisation of work. But this is not because the capitalist labour process is neutral and contradictory. In other words, the conditions and organisation of work are not a "joint creation" of workers and capitalists. They are determined by class struggle, in which there are gains and setbacks for worker. Management may introduce repressive or seemingly conciliatory policies on the shopfloor. This will depend, amongst other things, on the strengths and weaknesses of trade unions and other working class organisations, who find that they have to constantly defend any gains made.

Fourthly, Maller argues that the capitalist labour process is "internally contradictory". However, what she does not discuss or point out is that it is *exploitative* as well, thus making

her argument no different from liberal economists. The most basic concept in Marx's theory of value is the concept of unpaid labour time, which is the source of all wealth in capitalist societies. By discussing use value and exchange value without considering exploitation, Maller's argument is rendered superficial. Following from this, it is wrong to argue that workers "employ" capital, or that the capitalist relation is a "joint creation". All these arguments hide the reality of exploitation and create the impression of a contradictory but neutral relation between capital and labour.

Productivity

The absence of the concept of exploitation from her analysis emerges even more clearly in her discussion on productivity. According to Maller "an increase in productivity can mean that more goods are produced at the same cost, so prices go down" (ibid: 102). Looking at the price instead of the value of goods opens her arguments to serious problems. What she should have argued instead is that increasing productivity leads to a *decrease in the value of labour power* which in turn reduces the *value of the commodity*. This results in more goods available for consumption, the effects of which can increase the workers standard of living. Thus the generalisation of mass production techniques such as fordism on a world scale have meant better living standards for workers. This however does not mean unions promoted fordism. Unions have chal-

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lenged it and will continue to challenge it.

Her analysis is thus unable to show that increasing the productivity of the worker *means increasing the exploitation* of the worker. Increasing the number of products per hour, for example, result in a greater proportion of unpaid labour time. What Maller's argument does is to reduce the relationship between people to a relationship between things.

In other words, for her an increase in productivity leads to a decrease in prices whereas in reality increases in productivity means greater exploitation of the workers and more surplus generated for the capitalists. Productivity increases can benefit workers, but it is within the context of exploitation and the outcome of class struggle. A closer examination of the relation

between productivity and the price of goods reveals a more complex situation. Although critical of Nicol for his simplicity, Maller herself has nevertheless simplified a complex issue.

A number of other problems can be raised with regard to Maller's argument. An important one is that there does not necessarily exist a causal relation between the number of goods produced and the price of goods. Certainly within neo-classical economics increasing supply would reduce the price of goods. Commodity prices are however not necessarily determined by market forces. Price manipulation through monopoly control and the withholding of commodities are old tactics of the bourgeoisie. Productivity increases in the production of consumption goods would supposedly



Productivity increases don't necessarily benefit workers

Photo: Chris Ledochowski/Afrapix

be most beneficial to the working class. Yet it is a well-known fact that surplus products are often dumped into the sea or hoarded rather than distributed at lower prices. Take for example the contradiction of grain mountains in Europe with mass starvation occurring in places like Ethiopia, Sudan, Mozambique, to name but a few.

There are other areas of production where increases in productivity, no matter how great, would not benefit the working class at all. To bring back the ARMSCOR example, increasing armaments production does not directly benefit the working class in any way. Neither does increasing the production of gold or Mercedes Benz cars benefit the workers. Increasing the productivity of workers in the building and construction industry does not lead to more homes for the working class but rather bigger buildings for Anglo American.

Productivity increases may sometimes lead to job losses, especially within a limited or reduced market. Take for example, a company which sells 10 commodities a day, and it needs 10 workers to produce those 10 commodities. If, through productivity increases 5 workers can now produce 10 commodities, and at the same time the company does not want to increase production to 20 commodities, 5 workers will then be retrenched.

Furthermore productivity increases do not necessarily mean higher wages for workers. The statistics of the gold mining industry in South Africa for example, will show that wage in-

creases do not necessarily follow or coincide with productivity increases. An increase in productivity can be an important factor in wage bargaining, but on its own does not lead to higher wages. Wage increase in most cases are the result of worker struggles against management and not because of the benevolence of capitalists whose industries have experienced increased productivity.

Productivity and how it relates to worker struggles and the labour process is too wide a subject to be discussed in depth here. I have merely pointed to some of the complexities involved. In doing so I have emphasised the necessity to avoid crude simplifications and a methodology that merely glosses over the surface of reality.

Flexibility and worker participation

Despite Maller's comment that "Nicol appears to confuse participation and share ownership" (ibid: 98), in *ESOPS Fables* as well as in the subsequent debate, the issue of ESOPs has been raised as part of a wider strategy of worker participation. Both Maller and Nicol make the mistake of not distinguishing between the financial participation of workers - which involves owning shares - and other worker participation schemes which involve the re-organisation of work on the shopfloor.

Nevertheless, it is the latter which is emphasised in this paper since this has been the underlying feature of the debate thus far. Within this context,

Maller has argued that "capital may create a flexible working environment to encourage workers to use their own brain power and creativity" (p100). These seductive views of management which Maller has assimilated are far removed from reality.

The research of various academics² has shown that the underlying features of fordism have not changed. The assembly line still represents the dominant form of commodity production. Although there is an increase in team working, the assembly line remains the same with workers confined to specific work areas doing the same work. Team work involves only a slight variation from fordist rigidity.

This brings to question the extent of re-skilling. With the introduction of new technology workers do generally learn new skills, especially if it involves learning how to operate new equipment. With Quality Circles and other participation schemes, workers also gain skills in problem solving and associated areas. But this is limited in scope since workers are not learning skills which make them independent from or indispensable to the firm.

Similarly one can also argue that there exists a limit to de-skilling. Some intricate assembly line work are almost impossible to de-skill or automate. Thus where management cannot automate, it makes sense for management to reorganise work in a way where workers are not motivated against the work, but in a way which enhances their motivation towards work. One of the crises areas of fordism has been management's inability

to continually increase production without provoking work stoppages or strike action.

Increasing productivity, improving worker co-operation, challenging union power, and other traditional forms of control, are undoubtedly the prime motivators for management to introduce these schemes. These however, do not transcend the shopfloor; management at no stage foregoes ultimate control over production. Behind these cloaks there is no fundamental shift in the distribution of wealth and power. Ownership and control of production remain in the hands of management. Workers do gain new skills, but with the associated trappings of work intensification.

Roads to socialism

Maller also argues that these strategies of increasing workers participation "provide a vision how work could be organised differently in a transformed society" (p101). But Satoshi Kamata shows that worker participation in Japan is geared to intensify production on a shopfloor with new unions. Visions of socialism can only come from a destruction of the capitalist relations and not from within the capitalist relation.

Both Maller and Nicol also make the mistake of debating "roads to socialism" within the context of trade union struggles. Trade unions are limited organisations which do not organise beyond the shopfloor. Their struggles are confined to the interests of their members alone. Being an or-

organisation which merely expresses the class relation, they do not challenge this relation. Roads to socialism can only be debated from within wider political organisations and not trade unions. I do not wish to undermine the political role of trade unions but merely point out that in the struggle for socialism they are inherently limited

strategies, including political statements against management control. In other words, it reinforces the difference between management and workers, and the need for trade unions to be independent of management control. Such responses stem from the view that management strategies are not based on altruistic principles, but



and therefore cannot act as vehicles for socialism.

Trade union responses

This brings us to the question of trade union responses so far. One needs to distinguish between the instinctive or offensive responses of unions and the more strategic or defensive ones. The former are natural responses against all management

rather on profit motives.

Strategic responses, on the other hand, usually follow managements' implementation of a programme. Unions then try to force management to negotiate on the issue with the aim of bargaining the best possible terms for their constituents. Strategic responses demand high levels of consultation between union leaders and the workers they represent.

The difference between the two

types of responses comes out clearly in NUMSA's case. See for example Adrienne Bird's talk on ESOPs where she concludes: "The aim is to benefit a few at the expense of the majority. Organised labour has no alternative but to fight these schemes" (Bird: 50). This is the offensive response. On the other hand NUMSA's lengthy negotiation with Samcor over the implementation of ESOPs (Maller 1988: 23), is the defensive or strategic response. What one sees is an example of the interplay between the offensive and defensive strategies of trade unions.

For Nicol, the offensive response is the only correct response for trade unions to take. Nicol adopts a fatalistic attitude which is ahistorical. It undermines the achievements of workers through shopfloor struggle since it assumes that managements' strategies will obtain their desired effects. Maller on the other hand seems to undermine the offensive response because she sees it reflecting an unwillingness to exploit the contradictions of the labour process.

But it is important and necessary to see the difference between the two responses and the context within which they arise, rather than emphasise one in place of the other.

Given the wide range of schemes adopted by management, and the fact that each scheme is individually designed, it is difficult to prescribe specific strategies for unions to adopt. Unions will define for themselves what actions to take as a result of their specific situations. What needs to be

done is to expose these initiatives of management for what they are; unions must then determine their strategies according to the desires of their members and the extent of managements' offensive.

From the examples of Samcor and Anglo American as presented by Judy Maller, the only concrete advice one can offer to unions is that they pay heed to democratic procedures, develop democratic structures and defend the principle of collectivity. ☆

Footnotes

1. All quotes, unless otherwise indicated, are from Maller, 1988.
2. See bibliography, especially Pollert.

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