Participation: from association to co-management - 150 years of reflection

Dominique Méda

Electronic version

URL: <https://journals.openedition.org/rdctss/1750>

DOI: 10.4000/rdctss.1750

ISSN: 2262-9815

Publisher

Centre de droit comparé du travail et de la sécurité sociale

Printed version

Date of publication: 1 December 2018

Number of pages: 66-77

ISSN: 2117-4350

Electronic reference

Dominique Méda, "Participation: from association to co-management - 150 years of reflection", *Revue de droit comparé du travail et de la sécurité sociale* [Online], 4 | 2018, Online since 01 November 2021, connection on 15 November 2021. URL: <http://journals.openedition.org/rdctss/1750> ; DOI: <https://doi.org/10.4000/rdctss.1750>

Revue de droit comparé du travail et de la sécurité sociale est mise à disposition selon les termes de la Licence Creative Commons Attribution - Pas d'Utilisation Commerciale - Pas de Modification 4.0 International.

PARTICIPATION: FROM ASSOCIATION TO CO-MANAGEMENT - 150 YEARS OF REFLECTION

ABSTRACT

The nineteenth century saw the birth and unfolding of a very rich current of thought which put at the heart of its reflection the possibility for the workers to self-organise and escape the deleterious competition and adopted the association as a regulating ideal in the form of "associated producers". If the theoretical justifications for participation remain entirely relevant today, the ways to achieve a form of operationalisation are still diverse and need further work.

KEY WORDS: *Workers' Cooperatives, Association, Firm, State, Workplace Democracy, Participation.*

RÉSUMÉ

Le XIXème siècle a vu naître et se déployer un courant de pensée très riche qui a mis au cœur de sa réflexion la possibilité pour les ouvriers de s'auto-organiser et d'échapper à la concurrence délétaire et a adopté l'association comme idéal régulateur sous la forme des « producteurs associés ». Si les justifications théoriques de la participation restent pleinement d'actualité, les voies pour parvenir à une forme d'opérationnalisation sont encore diverses et à travailler.

MOTS-CLÉS : *Participation, démocratisation de l'économie, association, salariat, coopératives.*

The nineteenth century saw the birth and unfolding of a very rich current of thought which put at the heart of its reflection the possibility for workers to self-organise and escape the deleterious effects of competition and adopted the association as a regulating ideal in the form of “associated producers”. Throughout the 20th century, this ideal of workers’ participation in the determination of the conditions in which they would perform their work regularly reappeared, adapting its concrete arrangement to various economic and political contexts. If the theoretical justifications for participation remain entirely relevant today, the ways to achieve a form of operationalisation are still diverse and need work. Until the 1970s, the notion of participation was tied to that of association (I); then it became a vector of democratisation of the company (II); finally, today, it takes on a variety of forms (III).

I - UNTIL THE FIRST QUARTER OF THE 20TH CENTURY, AND EVEN INTO THE 1970S, EMANCIPATION IN TERMS OF LABOUR WAS CONFUSED WITH PARTICIPATION WHICH WAS IDENTIFIED WITH ASSOCIATION

Until the first quarter of the 20th century at least - if it was not until the 1970s - participation constituted the core of emancipation, conceived in the form of association. This was nevertheless distinct from “participationism”.

The 19th century was both the century when work took on a new meaning, when the Industrial Revolution took place, with its horrendous working conditions (as described in the Villermé report and writings by Buret or Sismonde de Sismondi) and when there was a considerable output of utopias about labour.

There is, moreover, a strong link between the development of abstract work, the abominable nature of the working conditions and the content of the utopias produced during the same period, as Habermas¹ suggests: “the classical social theorists from Marx to Weber agreed that the structure of bourgeois society was stamped by abstract labour, by the type of labour for payment that is regulated by market forces, valorised in capitalistic form and organised in the form of business enterprise. Because the form of this abstract labour displayed such power to penetrate all spheres and put its stamp on them, utopian expectations too could be directed toward the sphere of production, in short, to the emancipation of labour from alien control. The utopias of the early socialists took concrete form in the image of the phalanstery, a labour-based social organisation of free and equal producers. The communal form of life of workers in free association was supposed to arise from the proper organisation of production itself. (...) For all his critique of early socialism, Marx too, in the first part of the *German Ideology*, was pursuing the same utopian idea of a society based on social labour”. It is as if the appalling working conditions had produced a specific utopia, that of “associated producers”: it is as if the association had been conceived as a kind of antidote.

1 J. Habermas, *Ecrits Politiques*, Les Editions du Cerf, coll. Passages, 1990, p. 109-110.

Two of the great producers if not of utopias, at least of alternative systems, Pierre-Joseph Proudhon and Louis Blanc, thus placed the association at the centre of their reflections: this is understood at once as association in production (and the profits made from it) and association in the ownership of the instruments of labour. For both of these authors, labour and production are indeed in essence collective, and the institutions must therefore be reformed accordingly. Louis Blanc proposed to "convert industry from the reign of competition to the reign of association" and to generalise "the ownership of the instruments of labour".² The social workshops he hoped to see develop would be organised as cooperatives, which would join in federations and elect their directors.

The Association in question is the worker association, which is intended to be created by workers and to serve the emancipation of the workers. As François Espagne, former secretary general of the General Confederation of SCOPs (cooperative production companies) says, this type of worker production association differs from other associations not only by the indication of its economic activity, but also by the idea that the most important task that the workers must accomplish is to take control of their own work. "It is therefore not simply a matter of taking control of the capital to guarantee the right to a fair remuneration of labour. The company must be organised according to a system of work relationships that will allow wage employment to be eliminated, both as a mode of remuneration and as a relationship of dependency".³

From then on effectively, participation is conceived of as the antithesis of wage employment. The latter is considered as an unworthy condition. Its elimination is not only a logical consequence of the right to work. "It is a demand that has its origin in the very experience of the world of organised labour (...). The association demanded, proposed and sung about in 1848 was no doubt first and foremost the right to rebuild the collective organisations destroyed since 1791, to thwart the strictly individualistic conception of social relations contained in the Civil Code, to give not only the workers common institutions of representation, defence and succour, but also the self-governed collective undertakings a legal framework distinct from that of the capitalistic type of company, to organise around these institutions and undertakings the federative networks necessary to protect them and allow them to develop. But this is also a conception of the social order. For a long time, cooperatives were formed under the name of associations, but the initial concept of the association extended beyond that of the cooperative in the specialised and technical sense in which it is understood today. It was the name of a project that was more ambitious at once in its scope (applying to areas that today are covered by specialised institutions involved in cooperation, trade unionism, mutual societies and politics) and in intensity (with a "total" or "totalising" vocation - if not "totalitarian", as some accused it of being, in particular in *L'Atelier* - to organise communitarian forms of ownership and life)".⁴

Both Blanc and Proudhon express a requirement for collective ownership and management. The association is considered as participation in ownership and management: "In cases in which production requires great division of labor, and a considerable collective force, it is necessary to form an association among the workers in this industry; because without that, they would remain related as subordinates and superiors, and there would

2 L. Blanc, *Révolution Française. Histoire de dix ans 1830-1840* (1844), vol. 2, Société typographique belge Ad. Wahlen et Cie, p. 353.

3 Fr. Espagne, «Les coopératives ouvrières de production entre utopies fondatrices et idéologies concurrentes», 2000, p. 9.

4 Fr. Espagne, *ibid.*, p 9-10.

ensue two industrial castes of masters and wage-workers, which is repugnant to a free and democratic society" (...) "The industry to be carried on, the work to be accomplished, are the common and undivided property of all those who take part therein: the granting of franchises for mines and railroads to companies of stockholders, who plunder the bodies and souls of the wage-workers, is a betrayal of power, a violation of the rights of the public, an outrage upon human dignity and personality..."⁵ In the society dreamed of by Proudhon, instead of the worker being hired to carry out just one of the eighteen operations involved in making a pin (allusion to Adam Smith's famous pin factory), he belongs to an industrial society in which he can take charge of all the operations in turn: "by this means, the common work would become for each producer a composite and serial work (...). Nothing would be done without the participation of all: it would be a miniature of democratic government, for which France has been struggling for fifty years".⁶

At the time, a debate was raging between different conceptions of the association: after praising the associationist utopia (in his *Toast to the Revolution*, he wrote: "Revolution of 1848, what do you call yourself? - I am the right to work. - What is your flag? - Association"), Proudhon criticised the type of association advocated by Louis Blanc, as placing too much emphasis on State intervention. In 1853, in his *Manuel du spéculateur à la bourse*, he pointed out that the question facing the workers is whether labour can finance businesses and whether their ownership and management can become collective: "If the answers are affirmative, a new world opens up to humanity; if they are negative, the proletariat will know it. As God and the Church advise, there is no hope for them in this base world".⁸ In the same text, he proposes an industrial democracy divided into workers' associations and consumers' associations, grouped together in mutualist assemblies which would culminate in an "industrial federation" and urges: "extend the principle of mutuality that unites the workers of each group to all the Workers' Associations as a unit..."⁹

In 1893, Jaurès in turn explicitly reiterated this wish to see companies managed democratically like society, insisting on the huge contradiction that exists between the power given to all citizens and the status of wage earners: "You have made the Republic and it is to your honour; you have made it unassailable, but in doing so you have created between the political order and the economic order in our country an intolerable contradiction (...). In the political order, the Nation is sovereign (...). Through universal suffrage, through national sovereignty, which finds its definitive and logical expression in the Republic, you have made every citizen, including wage labourers, an assembly of kings (...). But at the very moment when the wage labourer is sovereign in the political order, in the economic order he is reduced to a sort of serfdom (...). He is prey to every hazard, every form of servitude, and at any time, this king of the political order can be thrown onto the street".¹⁰

5 P.-J. Proudhon, *Idée générale de la Révolution au dix-neuvième siècle*, Garnier frères, 1851, Sixième étude, p 253.

6 P.-J. Proudhon, *De la création de l'ordre dans l'humanité ou Principes d'organisation politique*, Paris, Librairie de Prévot, 1843, p. 407

7 P.-J. Proudhon, *Toast à la Révolution*, http://monde-nouveau.net/IMG/pdf/Toast_a_la_revolution.pdf

8 P.-J. Proudhon, *Manuel du spéculateur à la bourse*, Cinquième édition, Paris, Librairie De Garnier Frères, 1857, p.475.

9 P.-J. Proudhon, *Manuel du spéculateur à la bourse*, *ibid*, p. 482.

10 Jean Jaurès, speech in the National Assembly, session of 21 November 1893, <http://www2.assemblee-nationale.fr/decouvrir-l-assemblee/histoire/1914-1918/hommage-a-jean-jaurès/le-tribun/republique-et-socialisme>

In 1910, during the debates on the first French Labour Code, the association subsisted as an ideal, as is demonstrated in a very fine text by Adéodat Boissard, *Contrat de travail et salariat, une introduction philosophique, économique et juridique à l'étude des conventions relatives au travail dans le régime du salariat*.¹¹ Boissard identifies three standard types of distribution of the product between those who participated in creating it between: family communism (products created in common by a certain group of men are consumed collectively, in a group); the conventional regime of unequal sharing, still called the capitalist regime, in which "some of the producers assume the biggest risks in the common enterprise", but on the other hand keep for themselves any benefits of the production. They take for themselves absolute ownership of the net profits whereas others accept as remuneration for their contribution fixed, periodic and flat-rate allowances. And it is, Boissard explains, because most often it is those who provide the cash capital who assume the risks that we call this the "capitalist" regime; and finally, the regime of proportional or associationist sharing, in which the various collaborators in an economic production agree on the absolute and complete sharing, in as close a proportion as possible to the part played by each contributor in the production, of all the results of that production, whether that is a loss or a profit. This regime, the author says, is applied more or less completely in production cooperatives.

Boissard compares the stages of political evolution and economic evolution to conclude: "political evolution has outstripped economic evolution in our modern societies, in the sense that the third system of economic distribution: the associationist regime, has only ever been practised on a very small scale, in the form of very localised experiments, whilst the democratic principle seems to inspire the political Constitutions of contemporary States to an ever greater extent. What is certain is that we are currently, from the economic point of view in a monarchical regime tending towards constitutionalism".¹²

His book includes a long analysis of the advantages and disadvantages of wage employment (the conventional regime of unequal sharing) which leads Boissard to consider that this regime has many drawbacks and that the associationist regime is by far preferable to the others, but that it must not be forgotten that the road to achieving it will be a long one. And along this road, a solution presents itself that could appear to provide a possible transition between wage employment and associationism, which Boissard call "participationist" and which he vigorously denounces both in the body of the text¹³ and in the last appendix to his book, which he has entitled: "against participationism".¹⁴

By participationism, Boissard means first of all participation in the profits. This solution which consists of employees participating in the business's good results is, in his opinion, illogical and dangerous. Illogical first. Indeed, if we accept that employees participate in the good results of the business, they will want to control the share that they obtain, and want to calculate their real share and complain about the way the results have been obtained: "how could we prevent the employees sharing in the profits moving on very quickly from this right to complain to claiming a right of interference in the management of business,

11 A. Boissard, *Contrat de travail et salariat : introduction philosophique, économique et juridique à l'étude des conventions relatives au travail dans le régime du salariat*, Paris, Bloud et Cie éditeurs, 1910.

12 A. Boissard, *Contrat de travail et salariat : introduction philosophique, économique et juridique à l'étude des conventions relatives au travail dans le régime du salariat*, op.cit., p. 8.

13 *Ibid.*, p. 92.

14 *Ibid.*, p. 312.

to a participation not only in the profits, but in the authority and creative initiative behind those profits?"¹⁵

Participation in the profits, continues Boissard, is therefore inseparable, in fact as well as logically, from participation in management and authority. Complete participation in the profits thus merges with production cooperation. And if a certain, narrowly limited participation in the profits excludes the employees from any right of oversight, so as not to have to refuse them afterwards the right to complain and to interfere in the management of the business, then this participation is no longer anything more than a mode of liberality on the part of the employer, arbitrary as all such processes are, which it would certainly be necessary to refrain from condemning in a general and absolute way, "but which is no better and is probably less good and more dangerous than other forms of employer liberality, because it is more complicated and less sincere, in that it takes on a fallacious appearance as an attempt to transform wage employment."¹⁶

As well as being illogical, this type of participation is also dangerous, for it inflicts on the worker, on the remuneration of his labour, the negative impacts of decisions in which he has no say and has not participated. In the production cooperative, the financial results are shared, as are the responsibilities of decision-making: decisions are taken collectively. But in the case of a simple participation in the profits, the decisions remain in the hands of the employer. The danger of participation in the profit is that it transfers part of the workers' remuneration from the "overheads" account - which consists of the stable, indispensable, irreducible expenses in a company balance sheet - to the "profit and loss" account, which consists, as Boissard explains, of items that are "variable, random, constantly influenced by the inequalities of the employer's know-how, the surprises of competition and the price fluctuations of the economic market".¹⁷ Hence the risk of a see-saw effect leading to a reduction in the wages item, for a risky result on the profits side and therefore a real risk of wages falling. The same risk is likely to occur in the case of participation in company income or a share in industrial property. It is therefore impossible to associate the worker in the risks of a given enterprise; not only for a portion of the day-to-day remuneration of his labour, - as with participation in the profits - but for a portion, or even all - potentially - of his saving held in shares. And here, the risk could consist not only of the worker's savings capital failing to increase, but also of its complete loss if the company were to go under.

Employee participation in the capital is vigorously denounced by Boissard: "it is claimed that the worker is being given access to the capital, not by means of the capitalists willingly giving up a part of their share, or by violent appropriation on the part of the workers, but by purchasing said shares in the capital, on the stock market, in nice shiny cash! Who will be providing the workers with the cash for these purchases? -Will it be the members of parliament?"¹⁸ The real problem is that the status of wage labourers and that of capitalists are totally contradictory, their interests absolutely alien to each other. The real risk is that the employee would put his interests as a capitalist before his interests as a wage labourer and would dissociate himself from his comrades. This process is therefore harmful to all the workers. It is not the way to begin to transform wage employment. Participationism is contrary to genuine participation.

15 *Ibid.*, p. 93.

16 *Ibid.*, p.93.

17 A. Boissard, *Contrat de travail et salariat : introduction philosophique, économique et juridique à l'étude des conventions relatives au travail dans le régime du salariat*, op.cit., p. 315.

18 *Ibid.*, p. 321.

II - FROM PARTICIPATION-ASSOCIATION TO THE DEMOCRATISATION OF THE WORKPLACE

The wish to see wage employment replaced by participation in the form of the association expressed throughout the 19th century and in the first half of the 20th century was not fulfilled: wage employment, an unworthy and despised condition, has turned into a deeply desirable situation because it is stable and synonymous with new rights.¹⁹ A large part of what social reformers were demanding has been implemented, thanks to collective bargaining agreement, to the rights guaranteed by the Labour Code, to the introduction of the welfare state and to international conventions. These developments have rendered criticism of wage employment less justified whilst alternative forms of organisation were found to be either numerically weak or unable to compete with wage employment in its capitalist form. Take, for example, the experiment with socialist self-management in Yugoslavia, first in 1950 when Tito passed a law under which all State enterprises were now to be managed by workers' collectives while following the State's economic plan (production targets continued to be set by the State); then, in 1965, when the workers were allowed to choose the manager and companies were supposed to self-finance and call upon banks and international capital, if necessary. The failure of the Yugoslav experiment twenty years before the fall of the Berlin Wall contributed to a considerable decline in the ideology of participation-association, at a time when, in the rest of Europe, wage employment was continuing to assert itself, including, as was the case in France from 1967 onwards, by guaranteeing workers a participation in the "fruits of the expansion of businesses", i.e. profit-sharing.

In a way, Gorz's book *Farewell to the Working Class*, which caused a scandal among the left in the 1980s²⁰ finally sealed the break with the utopia of participation-association; In it Gorz pointed out that collective ownership does not miraculously transform work into an autonomous activity and that wage employment or the subordination of the worker to the employer are not the main explanation for the heteronomy of labour, the explanation actually being to do with changes in the organisation of production, which is becoming ever more specialised and divided.

And yet the aspiration to more participation has remained intact, as has the theoretical justification for its necessity: in 1985, in the United States, home of deregulation and the theory of shareholder value, political theorist Robert Dahl justified, philosophically, in *A Preface to economic democracy*,²¹ the democratisation of the company and the economy.

Like Jaurès in 1893 and Boissard in 1910, Dahl began his book with a reminder that while democracy is the norm in the state, at least in the advanced industrial nations, authoritarianism prevails in the economy. Most employees, Dahl goes on, are subject to managers they did not elect and to rules in which they had little or no say. They are subordinates, a role manifestly at odds with the ideal of the democratic citizen. Given the contradictions between our commitment to the democratic ideal and the theory and practice of hierarchy in our daily lives, Dahl believes it is necessary to re-establish symmetry between polity and economy through the democratic transformation of work. Self-management of enterprises, he argues, is better than all the other systems and employees have a moral right to have their voice taken into account in the workplace.

19 R. Castel, *Les métamorphoses de la question sociale*, Fayard, 1995.

20 A. Gorz, *Adieux au prolétariat*, Galilée, 1980.

21 R. A. Dahl, *A Preface to Economic Democracy*, University of California Press, 1985.

Dahl therefore uses two main arguments: there is a moral right to democratic participation; this system is the best (consequentialist argument). Concerning the moral right, Dahl indicates that the equal sharing of power in enterprises (or equal access to power) is a right for all those who are subject to binding rules: if democracy is justified in governing the State then it must also be justified in governing economic enterprises. There is an absolute parallel between the citizen and the employee. The employee is subject, like the citizen, to binding rules, which he is compelled to obey. He must therefore take part in making these rules, and have a say.

In the debate between Dahl and Robert Mayer,²² the latter defends the theory that politics and firms are different types of associations in which the entitlements of subjects are distinct. According to him, subjection to power is acquired in different ways by citizen and employees; employees *therefore do not have a moral claim* to a democratic voice. The central argument concerns the degree of compulsion exercised by company rules; they are not binding in the same way as laws. Workers are not compelled to obey managerial decisions like citizens are obliged to obey the law. According to Mayer, they have the choice. The State has a monopoly over legitimate means of violence, whereas the firm does not. The firm's decisions are not sufficiently binding to justify a right to a democratic voice and the democratic sharing of power. As the submission is voluntary, this is not a case where the rules are so binding that it is necessary to take part in the government. Unlike citizens, employees have an option, a choice; it is at their discretion; they choose to submit to an authoritarian rule. Therefore it is not an injustice.

In his response in 2001,²³ Dahl reiterates and clarifies his argument that if citizens have a moral right to participate in governing a state, then they have a comparable right to participate in governing the firm for which they work. In both cases, this right is contingent upon two assumptions: a moral judgment that the fundamental interests of all persons are entitled to equal consideration and a practical judgment that in general adults are qualified to participate. He reproaches Mayer for reasoning like classical economists and acting as if employees joining a hierarchically controlled company were doing so freely and voluntarily, as if this were a contract between equals, as if entering a company were like joining a club, without any dimension of obligation or coercion. Dahl explains that this is wrong. It might be true if there were a perpetual state of full employment. But no-one can claim that accepting a job at McDonald's is a perfectly free choice. Choosing to work or not work or to join such and such a firm is a freedom that some individuals enjoy, but not the great majority. People have to work to live and most often they do not choose their employer, or at least not when unemployment is high. Most people take for granted that they must work, that so they must work for an employer and therefore submit themselves to the employer's power. Certain employees have resources that give them bargaining power (qualifications for example), but many have no resources to bring to bear.

This argumentation implies nothing when it comes to the choice of the concrete arrangements for participation: Dahl explains in the conclusion to his article that he has become doubtful about whether worker-owned cooperatives would provide a solution to the problem. Indeed, he observes that employees do not want to take control of firms. Moreover, in the new knowledge-based economy, efficiency requires that employees with

22 R. Mayer, "Robert Dahl and the Right to Workplace Democracy", *The Review of Politics*, vol. 63, 2001, n° 2, p. 221-247.

23 R. D., "A Right to Workplace Democracy? Response to Robert Mayer, *The Review of Politics*, 2001, vol. 63, n° 2, p. 249-253.

scarce skills participate in decisions. To improve the flow of ideas and information, a firm's governance may need to become flatter, less hierarchical, more cooperative. This quasi-democratisation among a firm's most valued employees may constitute a demand to extend internal democracy to less privileged workers. Dahl therefore seems to be suggesting that this democratisation could take place within the capitalist firm and wage employment, almost out of necessity.

III - WHAT FORMS OF PARTICIPATION TODAY: THEORY AND PRACTICE?

Today we have a range of arguments in favour of workplace democracy and the participation of employees in decision-making.

Among the arguments most often raised in opposition to such participation, we often find that of property rights. The idea is that the company cannot be considered as a democratic place and its employees cannot participate in decision-making because only the shareholders own the company: in his discussion with Dahl, Mayer already acknowledged that property rights and workplace democracy are quite able to "peacefully coexist". Indeed, ownership of the assets does not mean commanding others' labour. Ownership does not give a moral right to command others' labour and the democratic organisation of a company does not give the workers the right to use others' property without reference to them. In an economic democracy, owners could keep their property and employees their participation (their voice) and their interactions would be settled by contract. It is true that capital would be the hirer of the labour, but the owners would be free not to devote their capital a productive use. Mayer makes it clear that democratising the economy therefore in no way implies the expropriation of the owners.

More recently, jurist Jean-Philippe Robé has demonstrated that it is profoundly inaccurate to say that the enterprise is the property of their shareholders.²⁴ First of all, Robé points out that the enterprise is an organisation that has no existence in law whereas the company (*société*) is a legal person authorised to operate in the legal system as an owner, signing contracts and being capable of taking legal action before the courts. Secondly, the shareholders are not the owners of enterprises: they are the owners of the shares issued by commercial companies used to structure enterprises. The top managers (*dirigeants*) are not representatives of the shareholders; they are company officers (*mandataires sociaux*), literally representatives (*mandataires*) of the company itself. Finally, there is no obligation to maximise profits contained in company law. "For large enterprises to be possible, different legal devices have gradually been invented under whose terms shareholders are contributors of capital (on the primary stock market) or risk takers (on the secondary market), but they are not the owners of the assets used in the production of goods or services produced or supplied by the enterprise, nor are they co-contractors in the contracts with the different participants in the enterprise."²⁵

There is another argument that is regularly put forward to counter the need for employee participation and the democratisation of the enterprise: that of *effectiveness*. It is claimed that employee participation would risk damaging effectiveness as it would extend consultation times and therefore the enterprise's response times and would also

24 See for example, J.-Ph. Robé, «L'entreprise en droit», *Droit et société*, 1995, n° 29. La médiation. p. 117-136.

25 <http://globalization-jp-robe.over-blog.com/article-pour-en-finir-avec-milton-friedman-106148344.html>

be inconsistent with the need for confidentiality that applies to certain strategic decisions. Such an argument, apart from the fact that today we have studies that prove that there is a link between employee participation and the company's performance as the term is conventionally understood, neglects the too restrictive nature of enterprise performance as it is traditionally measured. More and more voices are now insisting on the need for companies to take into account (in all the senses of the word) the effects of their actions on their employees, but also on their social and ecological environment, which amounts to giving effectiveness a wider meaning than before, in particular by applying different forms of accounting and indicators.²⁶ Traditional accounts, whether micro or macro, corporate accounts or national accounts, are today incapable of playing their role of alerting to the damage to the natural and social heritage done when improvements made in production.

This being the case, a third argument, a positive one this time, can be used to support the need for increased participation by employees or their representatives in the major decisions and the management of the company: this is the need to involve what these days are called the company's stakeholders in its "governance" and also, no doubt, in the *definition of the production*. It could in fact be thought, although of course this is a hypothesis that would need to be empirically tested and validated, that production decided democratically, not only by the company's employees, but also by consumers and more generally all the citizens concerned would be more likely to meet the social and environmental criteria than production driven purely by the profit motive. This is what is suggested by Olin Wright in *Envisioning Real Utopias*,²⁷ when he cites, in particular, the planning proposals or participatory economics advocated by Michael Albert, where the "necessary" production is determined by collectives of workers and consumers. Production is not decided by capitalist interests or by the State, but collectively.

Among all the arguments that Landemore and Ferreras listed,²⁸ the argument of *justice*, previously developed by Ferreras²⁹ is obviously one of the most important: workers, she argues, want to be treated like citizens in all circumstances, and in particular at work. If the nature of work is political, it is because the individual experiences work "of the just (or the unjust) within the frame of reference of the collective": their expectations are expressed in terms of justice.

The theory therefore seems to go along with those who continue to hope for a real increase in worker participation in production organisations. But once that is admitted, what are the concrete routes to achieving it, the paths that would allow these expectations to become reality? I would like – without claiming that this attempt at a typology is exhaustive or representative – to present four types of paths or groupings.

A first path is the one proposed by authors presenting works that claim to democratise organisations, considerably increase worker participation and even liberate them by reinventing the organisations. The two works most representative of this trend and the ones that have had the most media coverage are those of Frédéric Laloux³⁰ and Isaac Getz.³¹

26 J. Richard, *Comptabilité et développement durable*, Paris, Economica, 2012; D. Méda, *La mystique de la croissance. Comment s'en libérer*, Flammarion, 2013.

27 E. Olin Wright, *Utopies réelles*, La Découverte, 2017.

28 H. Landemore, I. Ferreras, "In Defense of Workplace Democracy. Towards a Justification of the Firm-State Analogy", *Political Theory*, 2015, vol. 44, p. 1-29.

29 I. Ferreras, *Critique politique du travail*, Presses de Science Po, 2007.

30 F. Laloux, *Réinventer Organizations*. Vers des communautés de travail inspirées, Diateino, 2015.

31 I. Getz, *L'entreprise libérée*, Fayard, 2017.

Working on organisations is of course crucial, but the solutions proposed, on the one hand, look very like those that were already implemented some thirty years ago (under the name of semi-autonomous work teams) and, on the other hand, do not appear to be radically “democratic”. What do the innovations proposed consist of? It is about listening to employees, enabling them to have a voice, holding meetings where everyone can speak out, eliminating middle management, organising referendums and generally flattening organisations and making them as non-hierarchical as possible. The clichés that go with these ideas vary from comfortable *open spaces* to games and break rooms that have turned into virtual social centres to AGMs where the head of the company’s voice seems to have the same weight as anyone else’s. It should be emphasised, however, that in this type of reinvention, it is never about discussing major strategic orientations and the way value is captured is never challenged. The participation is actually reduced to aspects that may well be important, but are not strategic to the life of the company.

Another pathway is that of the *cooperative*. Here the example that is inevitably brandished is Mondragon, the largest cooperative group in Europe, encompassing 261 companies, employing almost 75,000 workers worldwide and generating total revenues of €12 billion, where participation is guaranteed in common ownership and strategic decision-making, with all the necessary ingredients: deliberation, general meetings, adherence to the one person-one vote principle, and so on. It is one of the examples highlighted by Olin Wright in his book *Envisioning Real Utopias*. Some studies have emphasised the difficulties cooperatives have in developing in a capitalist environment: Olin Wright proposes that the alternatives be deployed in the interstices in capitalist society, thanks to a process of interstitial transformations (which seek to build alternatives for emancipation in the niches and on the margins of capitalist society). One could wonder whether the development of cooperatives would find more fertile ground in a more digital society that perhaps requires less capital. But this is not the case, and the dual issue of the availability of credit and the return on capital invested remains central today. Although certain researchers maintain that Mondragon very successfully withstood the 2008 crisis precisely because of its internal organisation, others see in it an illustration of “cooperative degeneration”: “the group took the full brunt of the 2008 crisis, which put its member cooperatives in difficulties, and which especially led to the collapse of the giant Fagor Electrodomésticos, which employed 1,865 employee-members. The collapse of this cooperative, the direct heir of the pioneer cooperative, Ulgor, emblem of Mondragon cooperativism, was, some say, a symbolic blow to the group and the impetus for an in-depth re-examination of its cooperative project and development strategy (Ortega Sunsundegi and Uriarte Zabala, 2015³²).³³ Since the 1970s, according to the writer of this note, a certain number of researchers have emphasised the difficulties cooperatives have in coexisting with the neo-liberal capitalist system. Their model of democratic governance, the principle of profit-sharing, the workers’ ownership of the means of production, clash head on with the foundations of the capitalist economy in which they have to operate and develop. Pressure from their environment induces them to conform to the patterns of thinking and behaviour of the hegemonic model. This phenomenon, for which the term “cooperative degeneration” has been coined, concerns a tendency for cooperatives to “normalise” and their failure to sustain an alternative and

32 Ortega Sunsundegi and Uriarte Zabala, “Retos y dilemas del cooperativismo de Mondragón tras la crisis de Fagor Electrodomésticos”, *Cuadernos de Lanki*, 2015, p. 30.

33 M. Grégoire, «Ce que le groupe Mondragón nous dit sur la ‘dégénérescence coopérative’ dans les grandes coopératives», September 2017, <http://smartbe.be/fr/comprendre/publications/education-permanente/ce-que-le-groupe-mondragon-nous-dit-sur-la-degenerescence-cooperative-dans-les-grandes-cooperatives/>

democratic political project in a hostile environment. “Whilst the technocracy loses sight of the political projects and gives itself pay rises, the “basic” members distance themselves from the governance structures, becoming passive and less militant. This drift is particularly visible in the governance bodies. The General Meeting, which is supposed to debate and vote on the organisation’s major political orientations, is often confined to a role of validating decisions already taken by managers. Likewise, the Board of Directors, which is supposed to translate the orientations passed by the General Meeting into action plans is more and more often short-circuited in its task by the managers. Its elected members often exercise their office on top of a “day job” and lack the time to get the training they need and understand the issues facing the cooperative”.³⁴ And along the way, the cooperative conforms more and more to the traditional capitalist business model, developing a “neoliberal cooperative system” for itself.³⁵

A third option is co-management and co-determination as they exist, for example, in Scandinavia or Germany and which are very well described in *Les chances d’une codétermination à la française*.³⁶ This is a model with multiple variants, which are developed and radical to varying degrees and remain different from the fourth and final option, that proposed by Isabelle Ferreras under the name of “bicameralism”.³⁷ The papers that follow look at the different perspectives more closely.

34 *Ibid.*

35 Ortega Sunundegi and Uriarte Zabala, «Retos y dilemas del cooperativismo de Mondragón tras la crisis de Fagor Electrodomésticos», *op.cit.*, sp.p. 25; M. Grégoire, «Ce que le groupe Mondragón nous dit sur la ‘dégénérescence coopérative’ dans les grandes coopératives», *op. cit.*

36 J.-L. Beffa, Ch. Clerc, *Les chances d’une codétermination à la française*, Prisme, 2013, n° 6.

37 I. Ferreras, *Critique politique du travail*, Les Presses de Science Po, 2007. By the same author, *Gouverner le capitalisme ? Pour le bicamérisme économique*, PUF, 2012.

DOMINIQUE MÉDA

Professor of sociology, Director of the Irisso, Paris-Dauphine University/PSL

Research topics: Work, Employment, Social Policy, Wealth Indicators.

Publications:

~ D. Méda and P. Vendramin, *Réinventer le travail*, PUF, 2013.

~ M. Bigi, O. Cousin, L. Sibaud, D. Méda, and M. Wieviorka, *Le travail au XXIème siècle. Des salariés en quête de reconnaissance*, Robert Laffont, 2015.