



Workers' Participation at Plant Level—An International Comparison—Historical Development, Contemporary Structures, Actor Constellations, Future Options. Stefan Berger, Institute for Social Movements, Ruhr-University Bochum; Ludger Pries, Chair of Sociology/ Organization, Migration, Participation, Ruhr-University Bochum; Manfred Wannöfel, Office of Cooperation Ruhr-University Bochum / Industrial Metal Un, 21.08.2013-23.08.2013.

Reviewed by Joyce Abebrese

Published on H-Soz-u-Kult (November, 2013)

Workers' Participation at Plant Level - An International Comparison - Historical Development, Contemporary Structures, Actor Constellations, Future Options

Between 21st and 23rd of August 2013 the conference "Workers' Participation at Plant Level – An international Comparison – Historical Development, Contemporary Structures, Actor Constellations, Future Options" took place at the Ruhr-University Bochum. The conference was organized by Stefan Berger, Institute for Social Movements, Ruhr-University Bochum, Ludger Pries, Chair of Sociology/Organization, Migration, Participation, Ruhr-University Bochum and Manfred Wannöfel, Office of Cooperation Ruhr-University Bochum /Industrial Metal Union and financed by the Friedrich-Ebert-Foundation, the Hans-Böckler-Foundation, and Volkswagen. The aim of the conference was to bring together internationally renowned scholars from the field of industrial relations to discuss an international, historical perspective on the development of worker participation at the plant level. The most important insights are presented in this summary.

Right at the beginning of the conference it became clear that there is no coherent system of worker participation with one country let alone within a region such as Europe. At the beginning of the conference, STEFAN BERGER (Bochum) presented the great variety of work regimes in Europe. But how can we explain the rise of the multiple models? Berger argued that a multi-factor explanation is necessary to understand the relative success or failure of models of social partnership in Western Europe. These factors include characteristics of the state but

also the political culture and the influence of ideas, values and norms. This question was also picked up by RUSSEL LANSBURY (Sidney). He used the Varieties of Capitalism (VOC) approach and its differentiation between Liberal and Coordinated Market Economies (LMEs and CMEs) to study the auto industry in seven countries: Germany and Sweden (CMEs), Australia and the USA (LMEs) and the Asian Market Economies (AMEs) of China, Japan, and South Korea. Overall the study revealed both consistent differences between the between LMEs, CMEs, and AME as well as 'within variety' diversity in relation to employment practices (in particular in AMEs). Lansbury concluded that workers' collective participation persists where unions retain strong bargaining power, but the influence of Human Resource Management (HRM) increases in both unionized and non-unionized settings.

A different approach to study worker participation at the plant level was presented by LUDGER PRIES (Bochum). But he presented a novel analytical framework for comparing different forms of worker participation. This framework consists of eight basic dimensions, including for example modes of basic regulation for workers' participation, arenas of regulation, shared ideology and cognitive maps, or type of conflict regulation. He highlighted the structural tensions and ambiguities between the different dimensions and exemplified his framework by comparing the People's Republic of China and Germany. In his conclusion, Pries proposed

that new mechanisms are needed to counterbalance the decline in worker participation, for instance new social movements or NGOs could function as external monitors. MANFRED WANNÖFFEL (Bochum) further specified the particular role of social movement for the institutionalization of workers' participation at plant level. He paid particular attention to the role of social conflicts and social practice of conflict solution as a driver for the process of institutionalization within four different cases including Germany, England, USA, and Egypt. Overall, he concluded that despite of significant differences in his examples social movements are increasingly important in supporting conflict resolution strategies at plant level. In line with the earlier presentations, the International Labour Organization (ILO) representative FRANK HOFFER also stressed that social partnership is an increasingly rare phenomenon. National but also international institutional frameworks are needed to implement and stabilize those labour standards.

After having discussed general trends and developments country studies gave in depth insights into the history, present and future of workers' participation. For the UK, PETER ACKERS (Loughborough) described the development of voluntary collective bargaining, statutory forms of worker participation, a dramatic decline in bargaining coverage and union membership and new managerial Employee Involvement (EI) mechanisms. He argued that British social democracy (1945–1979) has failed to create successful politics of production which combines strong trade unions with effective workplace partnership management. In Germany the development was slightly different but work councils face similar problems today. By now solely a minority of plants actually have work councils. RAINER TRINCZEK (Erlangen-Nuremberg) illustrated recent challenges for work councils, such as increased responsibilities, an increasing workload, and new demands of management, which result in new tasks of co-management of the work councils. In addition, structural changes of the workforce led to changes of the clientele of work councils. He showed that other forms of participation like elected bodies of employee interest representation or elected joint committees become introduced instead of worker councils. In contrast to the UK and Germany, Russia took a very different path of development. ELENA GERASIMOVA (Moscow) explained the “buffer”-function of trade unions during the soviet time when union membership was obligatory for every worker. The Labor Code 2001 was the first law to the concept of social partnership. However, different stakeholders had no experience with the

concept and practices of social partnership. She argued that co-determination is only a formal procedure without real opportunities to influence the decisions taken by the enterprises.

The historical developments took again a different path in Italy. MARIA DEL ROSSI (Rome) showed that from 1919 to 1990 there was no social partnership, the power-sharing conception was missing and the basic belief was the “winner-takes-all-approach” at the plant level. Del Rossi explained the low degree of participation at plant level as a result of a backward company culture, political fragmentation, and the absence of legal frameworks for participation at the plant level. Although sharing the general trend of weaker participatory mechanisms with other countries, US workers were hit particularly hard by the financial and economic crisis, even though this does not necessarily mean that they lost their job. ART WHEATON (Ithaca) illustrated with the case of the automobile industry (General Motors and the Ford Motor Company) that the US lost about 43 percent of auto manufacturing jobs from 2003 to 2009, but increased jobs by 28 percent after 2009. He explained this increase in jobs with the significant concession trade unions (UAW) had to make. The case of Brazil was strongly influenced by internationalization and the burden of the military regime. According to JOSÉ RICARDO RAMALHO (Rio de Janeiro), internationalization, in particular in the automotive industry, played a significant role for the development of labour relations and the creation of a modern working class and a trade unionism in Brazil. However, the military coup of 1964 presented a great setback to an intense trade union movement. As a consequence the organization of political resistance was mainly organized within factories. This movement was self-dominated and challenged the dictatorial regime from within the plant. It also served as a catalyst for various other types of social movements. As a consequence, the decisive factor in the Brazilian system of labour relations are the factory committees, which continue to be associated to the history of political resistance. A similar development of a potentially conflictual relationship between worker organized inside the factories and trade unions could be observed in South Korea. MINSOO SONG (Seoul) illustrated that union density in Korea was on its highest in 1999. Since then a downwards trend on a unionization rate of about 10 percent could be observed. The dominant form of worker participation are the Labor Management Councils (LMCs), introduced in 1963. About 10 percent of the LMCs in non-unionized workplaces are “union replacement” type of bodies with function akin of those unions.

LMCs play different roles depending on whether a trade union is present: If a trade union is strong, LMCs are subordinated. If trade unions are weak, LMCs competed with trade unions. If there were no trade unions, LMC took on function of unions in worker interest representation.

In contrast to all other countries, developments in China seem to be exceptionally. BILL TAYLOR (Hong Kong) argued that the central employment relationship in China is one between workers and the state. Independent trade unions do not play a role and the dominant union the ACFTU continues to be a state union despite some recent reform attempts. Thus, workers have little other options than going to the street to demand improvements in working conditions. The rising discontent of workers leads to severe workers unrest which the autocratic state needs to respond to. Nevertheless, workers' participation and empowerment at the shop floor does not play a role as the state does not consider industrial relations as important. India, the biggest competitor of China within the international economy, has not suffered such a long period of dictatorship. Yet the development of workers' participation is strongly influenced by the colonial history of India. PRAVIN SINHA (Delhi) reconstructed the history of worker participation in three phases: before the British colonization, the time during colonization, and after gaining independence in 1947. The time after independence trade unions should bring democracy to the workplace which is still a process of "two steps forward one step backward". The last presentation dealt with the role of shop steward committees and workplace forums in South Africa. Comparable to Brazil or Korea, trade unions saw workplace forums as an attempt for union substitution. According to EDWARD WEBSTER (Johannesburg), the trade union NUMSA consequently introduced the concept of strategic engagement as an alternative. Strategic engagement enabled unions to prevent unilateral structuring of the workplace by management and at the same time find areas of co-operation with management.

The last day of the conference took place at Volkswagen AutoUni Wolfsburg. HORST NEUMANN, Member of the Board of Management of Volkswagen AG, Human Resources and Organization explained the importance of co-determination for the success of the Volkswagen company. In general, Neumann indicated that one can consider worker participation at Volkswagen as a double duality. First, there is a duality in co-determination at the level of work councils and at the level of the supervisory board. Second, there is duality of co-determination be-

tween work councils, which care about factory internal concerns, and trade unions, which engage in negotiating collective agreements. According to Neumann it is important that all four parts effectively complement each other. Neumann also stressed that co-determination is vitally crucial for the companies' success. BERND OSTERLOH, Chairman of the Central Works Council and of the Group Works Council, agreed that co-determination is a core part of VW's corporate culture. He added that the power of trade unions and workers alone is not enough to explain the extent and degree of co-determination at Volkswagen, but that it is also necessary to have the support of management and to have a favourable corporate culture. Osterloh then elaborated on Volkswagen's international strategy for work councils. The work councils in Wolfsburg aim at a close cooperative relationship with work councils in other plants as well as with trade unions. Work councils from different plants and countries are organized and represented by the world work council. Osterloh also talked about country specific differences in the establishment of co-determination. Some countries do not have a tradition or experience with co-determination and thus take much more confrontational approaches. In such cases international support is difficult as work councils have to be built from below. FRANK PATTA (VW Work Council) and WOLFGANG FUETER (Director of the concern staff international) gave concrete examples of everyday practices and challenges of organizing cooperation among work councils at different locations. Both stressed the importance of continuous communication, trust building and mutual learning. The conferences ended Friday afternoon with a visit of the Volkswagen plant.

Overall, the conference gave in depth analytical insights on historical developments, theories, laws and practices of worker participation in different countries. While it became clear that a huge variety of different forms of workers' participation exist across countries, industries, and plants, three general tendencies could be identified. 1. Systems of worker participation are shaped by path dependencies, reflecting long country specific historical developments which are sometimes hard to change. 2. Complementary and harmonious relations between trade unions and work councils cannot be taken for granted. In several countries, trade unions are sceptical or even oppose plant level forms of worker organization. 3. Establishing worker participation from the top (e.g. by the state or corporatist structures) is not very successful. Instead, it has to be constructed bottom-up from below by the workers themselves.

Conference Overview:

Section 1:

Workers' Participation at Plant Level – A Comparative Outline
Institute for Social Movements, Bochum

Stefan Berger (Bochum): Historical Development and Debates in a Comparative Perspective

Russel Lansbury (Sidney): Workers' Collective Participation and Human Resources – Contradiction or Synergy?

Ludger Pries, (Bochum): Current Structures and Actor Constellation of Workers' Participation at Plant Level in a Comparative Perspective

Frank Hoffer: Setting the Rules – Limiting or Creating Policy Space for Collective Representation at Plant Level

Manfred Wannöffel (Bochum): Workers' Participation at Plant Level: Political Debates, Social Movements and Future Options in a Comparative Perspective

Section 2:

Workers' Participation at Plant Level – National Experiences
Institute for Social Movements, Bochum

Peter Ackers (Loughborough): History, Present and Future of Workers' Participation at Plant Level in the UK

Rainer Trinczek (Erlangen-Nuremberg): History, Present and Future of Workers' Participation at Plant Level in Germany

Elena Gerasimova (Moscow): Workers' Participation at local level in Russia: history, problems and developments

Adolfo Pepe / Maria Paola del Rossi (Rome): History, Present and Future of Workers' Participation in Italy

Art Wheaton (Ithaca): Workers' participation in the U.S. Auto Manufacturing Industry

José Ricardo Ramalho (Rio de Janeiro): Workers' participation at Plant Level and Trade Unions in Brazil: economic crisis and new strategies of political action

Jungwoo Kim / Minsoo Song (Seoul): Labour Management Council in Korea: A look at the Past, Contemporary trends and Challenges for the Future

Bill Taylor (Hong Kong): The rise of shop floor industrial relations in China

Pravin Sinha (Delhi): Joint Management Councils: India's Instrument for Workers' Participation at Plant Level (Workers' participation in management – still a dream in India)

Eddy Webster (Johannesburg): The limits and possibilities of participation at plant level: the case of the auto and component sector in South Africa

Section 3:

Challenges and Perspectives for the 21st Century Volkswagen, AutoUni Wolfsburg: Session with Volkswagen Management and Works Council

Horst Neumann (Member of the Board of Management of Volkswagen AG, Human Resources and Organization): Co-Determination – a success factor of Volkswagen Group

Bernd Osterloh (Chairman of the Central Works Council and of the Group Works Council): The Culture of Co-Determination in Volkswagen – History, Present and Future

“No Taxation Without Representation”? The Place of Workers' Participation in Economy and Society in a Comparative Perspective (Stefan Berger / Ludger Pries / Manfred Wannöffel; Final discussion with Volkswagen representatives and shop stewards (amongst others: Frank Patta and Wolfgang Fueter))

If there is additional discussion of this review, you may access it through the network, at:

<http://hsozkult.geschichte.hu-berlin.de/>

Citation: Joyce Abebrese. Review of , *Workers' Participation at Plant Level – An International Comparison – Historical Development, Contemporary Structures, Actor Constellations, Future Options*. H-Soz-u-Kult, H-Net Reviews. November, 2013.

URL: <http://www.h-net.org/reviews/showrev.php?id=40509>

Copyright © 2013 by H-Net, Clio-online, and the author, all rights reserved. This work may be copied and redistributed for non-commercial, educational purposes, if permission is granted by the author and usage right holders. For permission please contact H-SOZ-U-KULT@H-NET.MSU.EDU.