

SOCIAL DEMOCRACY AND DEVELOPMENT: THE HUMANITARIAN AND UTILITARIAN ASPECTS OF WORKERS' RIGHTS AND PARTICIPATION

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*“A perfect State cannot exist without a due
supply of the means of life.”*

ARISTOTLE

INTRODUCTION

Social democracy is understood to be a system of Government which respects and promotes human rights, and pursues policies that, among other things, aim at the achievement of social justice which relates to the “freedom from need” for the basic necessities of life: *food, housing, medical care, and education*.

In a civilised society, freedom from need becomes or should become as important as the freedoms of speech and worship, assembly and association. It is thought to be essential therefore, to try and free people from basic needs, and to achieve social justice through the provision of social services and the improvement of the quality of life, because as *Aristotle* wrote nearly 2400 years ago, “... a State exists for the sake of *good* life, and not for the sake of life only.”

Experience indicates however, that the costs of social welfare should not overburden the national economy and stifle the contribution of private incentive and enterprise, for social democracy thrives on a mixed economic endeavour. It is thus prudent to strike a balance between the requirements of social protection and the need to promote private and public enterprise, whose combined success is a prerequisite to economic and social development.

In the post-colonial period of the emerging new Nations, and the first decades of the post WWII period in the developed countries of Europe and North America, national Governments concentrated their efforts in reconstruction and development with considerable emphasis on social protection and the improvement of working conditions. Their efforts and achievements, went some considerable way in meeting peoples' basic needs and aspirations for social justice. However, the economic crises of the late 1970's and 1980's which brought about the acute trade competition for

survival, affected adversely social protection trends. It was a period of anti-social welfare rhetoric and action precipitated by the neo-liberal or neo-conservative philosophy of Governments and business managements, whose objectives—for the sake of questionable economies and efficiency—was the near-destruction of the Welfare State and the encroaching of established workers' rights.¹ In the final analysis though, those kinds of policies created many more problems than some of the temporary economic problems they may have helped to solve, and eventually were condemned at varying degrees by the electorate in Western Europe,² Canada and Japan because those policies had contributed to increased unemployment, poverty, crime and overall social deterioration.

It should be noted that the Communist regimes of Eastern Europe collapsed not only because of economic inefficiencies but also because of their disregard for some basic human rights. However, a dangerous vacuum developed in social protection when the first post-Communist Governments failed to realise that the freedom from need was still as important as other human rights and freedoms. It was no surprise therefore, that in the majority of cases, the electorate in Eastern Europe (Poland, Ukraine, Slovakia, Lithuania, Rumania and Hungary) brought to power in recent years neo-socialist political parties, which have promised to proceed with reforms but at a slower pace and with adequate measures for social protection.

THE REQUIREMENTS OF TRUE DEMOCRACY

Aristotle wrote in the 4th Century B.C. that “a Government is not a democracy in which free men who are few in number rule over many who are not free” or in a situation where the majority who are rich, do not allow the remaining minority “who are poor but in all other respects their equals, a share of the Government.”³

Thus Aristotle introduced the proposition that a true democracy is pluralistic in nature, and it excludes the dictatorship of a minority or a majority (social, religious or other). In modern times two striking examples come to mind, those of South Africa and the United States. In the first case, a white minority ruled for a long time and until recently, over the black majority who were not free. In the second case, the white majority did not allow for a long time and until the 1960's, the poor black minority a share of the Government. It is also true that in the latter case, a substantial minority of whites did not enjoy “freedom from need” before Franklin D. Roosevelt's Administration introduced the social reforms of the New Deal in the late 1930's.

In Europe, Canada, Australia and a number of developing countries in Africa, Asia and Latin America, efforts were made by socialist democratic movements to design and implement policies aimed at the creation of a

socially just State which included workers' rights and welfare. They were not always successful, but a balanced historical analysis of their record indicates that a considerable progress has been made toward a better world due to the efforts and accomplishments of the socialist, labour or social democratic parties and Governments.

Ideologically, some trade unions and their socialist democratic supporters have always believed that the ethical demands for social justice in a true democracy, were calling for the abolition of exploitation of workers and consumers, the removal of repression and class distinction, and for democracy in the economic system. These ethical demands have by no means disappeared in the post World War II period of relative prosperity. In the eve of the year 2000, much more than ever before, the search for the solution of such problems is dominated by realistic thinking and practical economic and political considerations.⁴

THE INFLUENCE OF SOCIALIST DEMOCRATIC IDEALS

Trade unions in partnership with social democratic or labour parties have maintained that, in spite of the social progress achieved since the end of the last World War, the prevailing economic system has deprived the working people of a fair share in the distribution of the product of labour as well as a humane working environment. They believe also that society as a whole has been 'deluded' by the prevention of more permanent prosperity and a better quality of life, which has resulted from the non-effective and inappropriate utilization of existing resources of production. They have reached the conclusion, therefore, that they should no longer limit their objectives to questions of distribution, but extend their efforts to the area of production. Their aim is an organization of the economy which permanently utilizes to the full all the productive forces and existing institutions for the aim of maximum production planned according to the urgency of social goals.

However, the organization of the economy that socialist democratic parties or the Governments they have formed or in those that they have participated, does not include the abolition of private enterprise. At varying degrees, the emphasis of trade union pressure and legislative action in the economy has been for influence rather than control, for the "socialization of management" rather than the "socialization of ownership", as for example in Austria, the Federal Republic of Germany (West Germany), Luxembourg, the Netherlands, the Scandinavian countries and Finland. Extensive nationalization of utilities and basic industries and services is the exception rather than the rule.

The plan of democratic socialists for economic reform – in contrast to the communist controlled socialism – is a realistic, rather than a doctrinaire, socialist economic system. They regard some public ownership as a vital part

of their policies and more specifically, they consider public ownership of a selected few monopolies and basic industries as essential for effective socio-economic planning, "but they accept the existence of a 'mixed economy' with both public and private sector, and are prepared to argue the case for extensions for public ownership in a practical undogmatic way."⁵

The post WWII formed Socialist International – representing most of the socialist democratic parties of the World – in its 1951 redefinition of the Aims and Tasks of Democratic Socialism, gave general recognition to the change in method by which workers were to secure the full fruits of their industry and the most equitable distribution thereof that may be possible. "In place of the 'common ownership of the means of production, distribution and exchange', the International recognized that socialist planning is compatible with the existence of private ownership in important fields including those of small middle-sized industries." Furthermore, the Socialist International opened the door for democratic participation at all levels of the decision-making process, by stating that, "socialist planning does not mean that all economic decisions are placed in the hands of the Government or central authorities. Economic power should be decentralized wherever this is compatible with the aims of planning."⁶

Experience shows, in fact, that outside of France and Italy where their sizeable Communist parties had dominated in the past the major trade union organizations, pressures for further substantial extensions of public ownership and central government control, come usually from left-wing political minorities and some militant trade unions led by doctrinaire socialist intellectuals, not from the majority of trade unions or the leadership and the majority rank and file of the established social democratic and labour parties.

THE DEVELOPMENT OF PRAGMATIC PARTICIPATION

An examination of social democratic party programmes and those of related trade union organizations, indicates that what has been proposed or attempted since the early 1950's through participation or socialized management, is power-sharing not a complete shift in power. What has been established in certain countries and attempted in others, is not workers' control as envisaged by the left-wing socialists as Elmer Altvater, who considered, for instance, co-determination in West Germany desirable, but only as a first step on the road to a complete take-over of industry by the workers.⁷ On the other hand, Klaus Bohr, the former German Labour Attaché in Ottawa, summarized as follows, the practice of determination in relation to private enterprise: "co-determination is a modified and streamlined form of free enterprise and institutionalized labour-management dialogue."⁸ Another German expert, F. Deppe, has come to the conclusion that co-determination has increasingly become a constitutional ideal of

equality between 'capital and labour' within a democracy based upon private property.⁹ The Bohr statement and the Deppe conclusion explain, in a way, that participation in West Germany does not mean the take-over of industry by workers or, in other words, a complete power shift. In fact, co-determination in this country is a system through which workers' representatives share managerial power with the representatives of the owners of the enterprise. However, it must be understood that power-sharing, in this context, presupposes a certain power shift in the board of directors where the owners can no longer exercise absolute power, especially in decisions that affect the working life of employees.

The general feeling for workers—including the majority of those who support socialist parties and the "mixed economy"—is that in most cases, the issue is no longer that ownership of the enterprise but its management, because it is the decisions of the latter that affect their working lives. The major interest, therefore, is for effective participation in the decision-making process of management, irrespective of the type of ownership. More specifically, workers are interested in decisions which affect them, the working environment and everything connected with it. As the former President of the German Trade Union Federation (DGB), Ludwig Rosenberg has explained, "co-determination is necessary and essential under both capitalist and socialist systems. It is just as wrong to assert that co-determination cannot be effective under the capitalist system as it is to say that it is superfluous under the socialist system..."¹⁰ Social tensions are unavoidable under any economic system. The interests of a concern do not necessarily always coincide with those of its employees."¹¹ If one is to judge from the changes that occurred in Eastern Europe, Rosenberg's assertion that the main issue for workers is not the *ownership* of the enterprise but its *management*, acquires considerable merit. In the case of worker or trade union owned enterprises too, there had been complaints over working conditions and the lack of effective participation in the management of such enterprises, as for example Yugoslavia, where worker shop-floor dissatisfaction prompted the introduction of substantial renovations in the system during the 1970's, which have resulted eventually in a more effective and satisfying participation;¹² and in Israel, where the workers of enterprises owned by the Confederation of Labour—known as Histadrut—had been complaining about the managerial system of those enterprises, because it "did not provide the fundamental basis for broadening the area of participation and for maintaining participation on a sound footing."¹³

The Rosenberg assertion is further strengthened by the fact that the improvement of working conditions as well as productivity performance in basic Austrian industries¹⁴—most of which are public enterprises—has not come about as a result of their nationalization, but because of successful

tripartite co-operation and effective participation of workers' representatives in the management of both the private and public sectors of the economy. On the other hand, in Britain, "however successful the nationalization of basic industries has been in technical and economic terms, it has not satisfied the desire for a wider and more democratic distribution of authority; not built up any real measure of participation by those engaged in them, in managerial decisions, and their execution."¹⁵

THE HUMANITARIAN AND UTILITARIAN AIMS OF WORKERS' PARTICIPATION AND IMPROVEMENTS IN THE WORKING ENVIRONMENT

It has been suggested that workers' participation reduced to its simplest form "is merely a question of how to secure a bigger say for the workers in the determination of the conditions governing their every-day lives."¹⁶ Although this is true concerning the initial intention, the actual practice of any form of participation indicates a broader application of its benefits. Experience has shown for instance, that successful participation presupposes a situation in which the many related but separate interests that exist within an enterprise have been maintained in some kind of equilibrium and in harmony with the interests of society as a whole.

In the process of maintaining the equilibrium of the separate interests within an undertaking, the recognized ideological and utilitarian aims of participation must be fully or partly satisfied. Ideological aims in this context reflect a scale of ethical and cultural values while utilitarian aims reflects a scale of functional values, i.e. maximization of profits with appropriate increases in workers' remuneration.¹⁷

More specifically, the aims of participation which apply to Western and to a certain extent the developing countries, are the following:

In the category of ideological or humanitarian aims,

- (a) humanising work, i.e. ensuring the human dignity of the worker by making him/her feel that he/she is not a mere part of the machine, but a participant in decisions affecting his/her work and working environment.
- (b) promoting industrial democracy, i.e. limiting the absolute authority of employers by granting the workers a share in the management of industry and improving thus labour relations, and
- (c) familiarising the workers with the various aspects of the enterprise and thus facilitating their social promotion.

In the category of utilitarian aims,

- (a) raising the productivity of labour and production by increasing the workers' material interests in the results of their work and making them feel more responsible for it, i.e. reinforcing their work incentives.

- (b) avoiding industrial conflicts and preserving social equilibrium by working out decisions affecting the workers in collaboration with their representatives, and
- (c) helping to adjust the industrial relations system to changes: this is important in new advance branches of industry or in declining industries.

In fact the contribution of Works' Councils and other more advanced forms of workers' participation to the improvement of the working environment and productivity performance, are fairly well documented in the 1977 and in 1987 IDE (Industrial Democracy in Europe) research projects and the consequent published reports.¹⁸ Furthermore, a considerable number of country studies and the conclusions of some related international conferences, including the 4th ILO European Regional Conference of 1987, which dealt with productivity, indicate that there is a relationship between the improvement of the working environment (and labour relations) with the improvement of productivity. On the basis of the conclusions of an international survey, published by the Greek Productivity Centre (1988), further research was undertaken in Greek industry for the purpose of testing those findings.

The Greek study pointed out that although it is difficult—if not impossible—to measure the exact contribution of an improved working environment to productivity, it is significant that the parties concerned perceive it to be an important contributory factor. In some cases, they measured the cost to production of workers' adverse behaviour and action which resulted from unsatisfactory working conditions, i.e., absenteeism, labour turnover, work stoppages, poor workmanship, and sabotage—and they have found them to be substantial and decisive.¹⁹

In the final analysis, it may be said that increased productivity is an important factor in socio-economic development, and there is no doubt that the improvement of labour-management relations, the working environment, and training can make a positive contribution toward that end. Such desirable improvements, however, cannot be made without the support of workers, which in turn, depends on the progress that can be made in appropriate education and training, industrial democracy procedures, and the raising of working and living standards.

INTERNATIONAL ACTION

Despite the hostility of various conservative groups against the international promotion of human rights—which includes workers' rights for collective representation, participation and the improvement of working conditions—trade unions and progressive political movements have pressed and secured after many decades of struggle, the support of the United Nations, the International Labour Organization, and more recently in Europe, the Commission of the European Union.

The U.N. Universal Declaration of Human Rights (1948), and especially those Articles that refer to workers' rights which include peoples' right for decent working and living conditions, has had some considerable influence on the policies of individual national Governments, both in the developed and the the developing countries, in the post WWII period. Furthermore, there is no doubt that, in spite of occasional conservative counter-attacks by business organizations and some Governments, within and without the ILO, the contribution of this organization to the improvements of labour standards and social conditons has been more than considerable. There are in fact three important factors which contributed to the ILO's relative success, (a) its tripartite nature and long experience since the end of WWI, (b) the supporting influence of the United Nations and especially its efforts for the adherence of member states to the Charter of Human Rights, and (c) the technical assistance projects in the developing countries for the improvement of working and living conditions.

As the influence of socialist democratic movements became an important contributory factor to the promotion and establishment of all human rights in many parts of the world, it was no surprise that the same kind of political and trade union forces, played an important part in the introduction and adoption of the European Community's Charter of Fundamental Social Rights or the "Social Charter". The Social Charter lists the following twelve as the major areas to be addressed:

- freedom of movement
- employment and remuneration
- improvement of living and working conditions
- social protection
- freedom of association
- vocational training
- equal treatment for men and women
- information, consultation and participation of workers
- health protection
- protection of children and adolescents
- elderly persons; and
- disabled persons

It is interesting to note that after lengthy negotiations which intensified from May to December 1989, the Charter was signed by all member states except the UK at the Strasbourg summit in December 1989. Further work at EC level in the social field was similarly approved at the Maastricht summit in December 1991 (again, with the UK conservative Government dissenting). The European Commission is busy in the effort to transfer the Charter's general objectives into E.U. policy, via the implementation of the Social Action Programme.

CONCLUSIONS

The following broad conclusions may be drawn from the preceding analysis of the relevant social philosophy and related international experiences:

- in a “real democracy” the State cares for its citizens with all means available, and allows them to participate in the decision-making process;
- social democracy has gone a long way in meeting the requirements of human rights and “freedom from need” for the basic necessities of life;
- considerable progress has been made in the area of workers’ rights, including workers’ participation and the improvement of working conditions;
- workers’ participation and the improvement of the working environment, may meet not only their humanitarian aims but also their utilitarian ones through increased labour productivity;
- in the current international economic crisis, social deterioration, and the emergence of new dictatorships, the best hope for the future lies perhaps in concerted international efforts that promote a balanced development with social protection and personal freedoms.

In the final analysis, it may be considered that any agreed international action for the promotion of human rights which includes workers’ rights for participation and the improvement of working conditions, should be extended to include the right of all people to acquire the basic necessities of life.

The formulation and implementation of appropriate policies, however, should take into consideration individual countries, conditions and economic constraints, because an unrealistic social programme that overburdens the economy will eventually bankrupt the system, and deprive people from the very social services and benefits it intended to provide.

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Notes

1. See also Kuttner, R., 1984, p. 267
2. The return of socialist governments in Greece and Sweden, and the emergence again of the socialists as the dominant group after the June 1994 elections for the European Parliament.
3. Aristotle, *POLITICS* – Book IV, Chapter 4.
4. See Radice, 1965.
5. Radice, 1965, p. 45.
6. *Aims and Tasks of Democratic Socialism*”, Socialist International, London, 1951. See also Crossman, R.H.S., (Ed.), *New Fabian Essays*, Dent, London, 1970.
7. Webster, B., *Personnel Management*, Nov. 1975, p. 21.
8. Fourteenth Annual Engineers’ Day, Airline Motor Hotel, Thunder Bay, Ontario, Nov. 21, 1975 (As reported in the *Chronicle-Journal of Thunder Bay* on Nov. 22, 1975).
9. Deppe, F., *Kritik der Mitbestimmung*, Suhrkamp, Frankfurt, 1973.
10. Rosenberg, Ludwig, “Co-determination, Socialism and Education” in *The Labour Gazette*, Ottawa, March, 1977.
11. *Ibid.*
12. ILO *Labour-Management Relations*, Series No. 48, “Workers’ Participation in Decisions within Undertakings”, Geneva, 1976. See also Whitehorn, Alan, “Yugoslav Workers’ Self-Management: A Blueprint for Industrial Democracy?” in the *Canadian Slavonic Papers*, Sept. 1978. It should be noted also that further reforms were introduced in the new Yugoslavia in the early 1990’s, but it will take a few more years for their proper assessment.
13. “Workers’ Participation in Management in Israel”, *Workers’ Participation in Management; Country Studies Series No. 6*, International Institute for Labour Studies, Bulletin No. 7, Geneva, June 1970.
14. Suppanz, H. and Robinson, D., *Prices and Incomes Policy: The Austrian Experience*, O.E.C.D., Paris, 1972 pp. 23-44.
15. Albu, Austin, “The Organization of Industry” in *New Fabian Essays*, Dent, London, 1970, p. 121
16. Kersten, Otto, in Christer Asplund’s *Some Aspects of Workers’ Participation* I.C.F.T.U., Brussels, 1972.
17. “Glossary of Workers’ Participation”, International Educational Materials Exchange, I.I.L.S., Geneva, 1972.
18. See Wilpert, B. “Participation and its Consequences in Industry”, *IIRA Fifth World Congress*, Paris 3-7, 1979, and Heller, F. “A Comparative Study of Organizational Democracy, ” *Man and Work on the Threshold of the Third Millenium*, International Conference, Bratislava, Jan. 30-Feb. 1, 1990.
19. Jecchinis, C. and Papavassilou, M., *Communication to the 8th World Congress of the International Industrial Relations Association*, Brussels, 1989.

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