

THE TRADE UNION CHALLENGE OF DEMOCRATIC PARTICIPATION

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Foreword by Jacques Delors to The Trade Union Challenge of Democratic Participation

Social dialogue or industrial relations? Social partners or social actors? Tariff partners or 'both sides of industry'? The existence of such a variety of expressions to describe labour relations is clearly no accident. It illustrates the different perceptions of industrial society and the socio-economic relations which that society had engendered.

It is against this backdrop of never entirely co-operative, never entirely confrontational industrial relations that the importance of recent research conducted by a mixed group of academics and representatives of the European trade unions can be appreciated. Their work tackles head-on the most difficult question facing trade unionists, the defenders of the workers' moral and material interests: to what extent is their task compatible with direct worker participation in the decision-making and profits of the company which employs them?

We are living in a new era. Industrial relations are being refashioned on an interactive basis. Individual creativity is increasingly important, and accumulated knowledge and know-how are being utilised more and more. Links between life at work and life outside work are being increasingly recognised, in part because women are participating far more in company life. All of these changes are bringing about radical upheavals in social relations but without eradicating such age-old problems as conflicts of interest and the dangers of domination. Having redefined the economic bounds of the national economy and the sectors of industry, industrial relations are rediscovering the importance of the company and the workplace. It is at company level that such important issues as flexibility, employability and job security are being tackled. It is clearly at this level that trade unions in particular must devise new forms of employee representation.

Research into democratic representation is meeting this challenge and exploring avenues for the development of different dynamic compromises which should serve as inspiration for a new European definition of industrial relations. This research illustrates particularly clearly that it ought to be possible to establish a set of basic guarantees concerning employment, wages and individual worker access at the heart of the human collectivity of the enterprise, while fully respecting the independence of the various social actors and their specific responsibilities. The ideas thrown up by this research should provide food for thought not only for those who support greater information access and consultation for workers, but also for those who oppose it.

I very much hope that this research will stimulate debate within the trade union movement as it faces the daunting challenges of the new millennium. It is my further wish that its conclusions be carefully addressed by employers. It would be a pity if employer organisations failed to react positively to the prospect of renewed democratic participation in companies merely because they were unable to overcome a narrow view of their interests or because it was perceived as unfashionable to do so.

Jacques Delors

Preface

The aim of this paper is to present the main points of analysis put forward by the authors, Gérard Kester and Henri Pinaud, and to encourage readers to explore the subject of democratic worker participation more fully. The paper describes briefly the state of worker participation in Europe and analyses both the causes and the implications of recent changes in this field, before offering the authors' recommendations for trade union policies for democratic worker participation.

The subject of worker participation is more fully explored in *Trade Unions and Democratic Participation in Europe: A Scenario for the 21st Century* and an earlier edition in French: *Syndicats et Participation Démocratique, Scénario pour le 21^{ème} siècle*¹. These books are based on the analyses of researchers from across Europe of trade union experience of worker participation, the culmination of a collaborative project, which began in 1991, involving trade unions and academic researchers.

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¹ Kester, G and H Pinaud (Eds) (1996): *Trade Unions and Democratic Participation in Europe: A Scenario for the 21st Century*. Avebury Press, Aldershot, England; and Ashgate Publishing Company, Brookfield, USA.
Kester, G et H Pinaud (Eds) (1995): *Syndicats et Participation Démocratique, Scénario pour le 21^{ème} siècle*. L'Harmattan, Paris.

Introduction: A Challenge for the Future

Trade unions have a new role to play in strengthening democracy and supporting social and economic development. In the past, by concentrating on representative participation and conflict, they have allowed employers to take the initiative in defining and establishing 'participation' in the workplace. As a result, new forms of corporate culture, based at least in part on employer-defined participatory practice, have come to dominate workplace organisation and trade unions have deprived themselves of an important means of improving or re-establishing links with workers. At the same time, workers are more acutely aware of the need for greater democracy and transparency. Now is the time to promote democracy at work and within society and revitalise the trade union movement.

A two-track strategy would appear to be the answer - developing both bargaining and participation. The key role of collective bargaining cannot be diminished; rather it could be enhanced and supported by recognition of the pivotal role of trade union organisations in the wider democratic world. As a result of their actions, trade unions would win wide support as a constructive social partner, if they could succeed in linking their role in bargaining to aims of sustainable development, social justice and democratic participation.

In the past, trade unions have proved that they could achieve this. During post-war reconstruction, diverse forms of participation flourished in many European countries. But present institutions of labour relations cannot cope with the issues confronting labour today; their concerns are too rigid and narrowly focused. The internationalisation of ownership and production processes; rapid technological change; social, political and demographic change are creating new kinds of workers and are threatening social stability. Today, new forms of labour relations based on principles of democratic participation are needed to influence the changing workplace and higher levels of decision making.

The review of research findings on the current state of participation in Europe (Chapter 1) provides an overview of evidence of the multiplicity of current participation structures in Western Europe and the complex economic and social problems that they are incapable of solving. In Chapter 2 we present nine principles on which the terms of the debate may be based. Underlying all of these is the notion that participation must go beyond what are normally considered to be workers' issues. Throughout, we make the link between democracy at work and wider issues of social and political democracy. Participation at work has a role to play in demonstrating the value of democracy and in helping to create a culture of democracy. The three scenarios presented in Chapter 3 may serve as points of reference in the debate on the development of European trade union policies and strategies for participation and in discussion of setting up an appropriate formal framework to support democratic participation. The scenario for the 21st century - *Scenario 21* - does not break completely with the past but refers back to essential elements of trade unionism and relates them to the challenges that lie ahead.

Five Main Forms of Participation

In this document we discuss worker participation in terms of five main forms of participation. The first three are forms of representative participation, the fourth is direct participation, which takes different forms, and the fifth is financial participation, which may also take different forms, either through representative or direct participation. These forms of participation are not necessarily mutually exclusive and they are not the only ones possible, but they are those most commonly found in European labour relations today.

Representative Participation

- ☞ **Collective Bargaining:** negotiations between organised workers (mainly trade unions), management and/or employers' bodies on terms of the employment contract and working conditions, and may include issues of the rights of trade unions and workers. Collective bargaining may take place at any level of interaction between the representatives of workers and employers, from the workplace to industry or national level. Trade unions play a dual role in collective bargaining. They stand up against employers whose interests, as in all conflicts of power, are clearly different from their own; and at the same time, they assume the role of an independent opposition, abiding by democratically accepted rules.
- ☞ **Co-management:** found in regional, national or international bodies made up of union and employer representatives, or also including representatives of the state. They can control large budgets, such as for unemployment compensation, social security and vocational training. They can also be a forum for consultation, as in the case of social and economic councils², health and safety committees and the International Labour Organisation (ILO).
- ☞ **Co-determination:** differs from collective bargaining in that it is a democratic institution in itself and worker influence is exerted through special procedures. Co-determination is a process in which workers gain access to decision making via representatives. Thus, they are directly concerned with financial, organisational and work environment problems, from the shop floor to higher levels in the company. The most well known example of co-determination is the German *Mitbestimmung* in which worker and trade union representatives sit on supervisory boards of companies and on shop floor level works councils. Another is in Scandinavia, where there is statutory employee representation on the supervisory board of large corporations, and in Work Environment Committees, Works Councils and Department Councils. In Sweden, there is also a local trade union right of access to information and negotiation with the employer before substantial changes in the company or as may affect an individual.

Some forms of participation fall between co-determination and organisational participation, which we refer here to as participation in management. Health and safety committees are an example. When they are set up to implement policy decisions already taken, they are a form of participation in

² Social and economic councils are bodies (at national, regional or European Union level) where social partners are represented equally with the presence of public (EU) officials; they are regularly consulted by public authorities (or by the European Commission) about future social and economic legislation and policies.

management. But to the extent that they formulate health and safety policy, they are a form of co-determination. The same applies, generally, for works councils and joint production committees.

Direct Participation

Direct participation is participation in decision making at the workplace by individual employees or groups of employees. Although participation in management may also take place through structures of representative participation, direct participation is characterised by participation in management.

- **Participation in Management:** a system in which workers are directly involved in executive management. This is achieved mainly through various workplace participation schemes such as quality circles and "employee participation", for example: autonomous production teams, in which workers are considered partners in production rather than partners in strategic decision making processes. However, to a more limited extent, workers may be directly involved in higher levels of decision making. The following are three aspects of participation in management.
- **Participation in the job:** The amount of discretion exercised by the individual worker will vary according to the organisation of work, technology and management practices. Recently, in moving away from the 'scientific management' of Taylorism³, a growing interest has been shown in decentralised, flexible and frequently team-based forms of work organisation, which necessitate much higher levels of decision making by the individual.
- **Participation in problem solving:** This is a form of participation, generally inspired by Japanese management methods such as quality circles, that tends to be organised through special, targeted groups of workers.
- **Participation in planning and evaluation:** Some employers and trade unions perceive the need to involve all employees in analysing the enterprise's situation, planning for its development and implementing these plans. The aim of such a procedure is to link the strategic decision making with participation in daily work.

Financial Participation

Financial participation takes the form of schemes which give workers, in addition to a fixed wage, a variable portion of income directly linked to profits or some other measure of enterprise performance. This bonus must be specifically linked to enterprise results, and not just expressed as a predetermined proportion of pay. There are two major ways in which employers can distribute the financial results of improved enterprise performance to their employees: profit-sharing or workers' share-ownership, both being generally applicable to whole plants or companies. Profit-sharing bonuses can be distributed on a deferred basis, with sums being invested in enterprise funds or frozen in special accounts for a specific period, or be paid directly in cash. Examples of employee share-ownership include cooperatives (in which all the firm's shares are collectively owned by its workforce), ESOPs (employee share-ownership plans, which involve a loan to an employee benefit

³ Taylorism, named after the person who developed the idea, refers to scientific management, which proposes that manual workers should become expert at performing one specific task within a job and that the whole job should be completed via a series of specialist workers. Only management should be responsible for planning and organising the job.

trust) and employee buy-outs (under which the company's shares are exclusively purchased by its individual workers).

Depending on the kind of control or influence such schemes have over decision making, financial participation may take the form of direct or representative participation.

Chapter 1: Participation in Western Europe

The strength and durability of participation is linked to a complex mixture of policies of the employers, trade unions and the government, and the attitudes of workers, and on their relative social, economic and political strength within each country. Research on direct and representational forms of participation has raised questions concerning the role of the major social actors in participation.

How important is 'participation' to the actions and ideas of employers?

Participation in Management:

Since the 1970s, often assisted by the use of information and communications technology, managers in the private and public sectors have tried various forms of work organisation as a way of adapting to market fluctuations:

- Companies with little or no technical modernisation, tried to introduce dual flexibility: internally through stock management and externally through staff cuts, short term contracts and sub-contracting.
- Other companies invested in the modernisation of production processes and implemented 'lean production' management methods. The number of low-skilled jobs in manufacturing fell but Taylorist principles were reinvented as 'human resource management', a mixture of modernisation of production processes and decentralised operational decision making.
- Some companies tried to make the Taylorist model more flexible by introducing a mixture of modernisation of the production processes, and attempts at decentralising operational decision making, decompartmentalisation and company coherence achieved by persuasive means.

These methods have often contained a strong element of 'employee participation' but their productivist goals are still closely controlled by management. Focusing on the adjustment of work organisation - job redefinition, multi-skilling, quality circles and decentralised profit centres - the effect has been to shift the adjustment to a considerable degree onto short term contracts and sub-contractors.⁴

Despite the language of participation, such techniques are merely an extension of traditional attempts to ensure that the management of an enterprise (public or private) is not influenced by worker representatives. Thus, 'employee participation' schemes have had the effect of hindering trade unions, often leaving them on the defensive. This policy of seeking greater flexibility has also greatly contributed to making jobs and wages insecure and to raising unemployment, with destructive consequences for the whole of society.

⁴ It is significant that employers' have had a European focus on these new management techniques since 1987 through the European Federation of Quality Circles Associations and since 1988 by the European Federation of Quality Management. Trade unions, on the other hand, have not had a correspondingly coordinated response.

Financial Participation:

Although opposed to any binding arrangement, employers' associations have usually supported enterprise-level schemes introduced on a voluntary basis, with the design of the scheme being left to the discretion of the enterprise. Employers usually consider financial participation as an important element of human resources management for the purpose of improving employee motivation and commitment. The income variability resulting from financial participation, which leads to greater stability of profits, is one their principal advantages for employers. They have traditionally argued for the introduction of tax incentives.

Such schemes have generally been more popular with workers than with their trade unions, who remain either indifferent or hostile. This has been one of the greatest challenges of unions fighting privatisation: their membership has been frequently split on the issue.

How have trade unions viewed worker participation?

The policies and initiatives of European trade unions on representative and direct participation have been mixed, mainly according to national traditions and priorities.

Representative Participation:

The basic trade union strategy is the consolidation and strengthening of representative participation both within the enterprise and beyond. They do this through elected trade union representatives and, where applicable, through worker representatives elected to workplace or company councils or committees. Hence, European trade unions intend to continue to try to develop worker participation mainly by increasing the means and powers of bodies of workers representation as well as by maintaining collective bargaining. Several European economies provide examples of recent trends.

Italy: From 1974 onwards, the right to information became increasingly widespread in the public and private sector. After 1976, collective bargaining in different professions gave rise to a growth of the right to information in workers' councils. During the 1980s, large public sector companies set up joint consultative committees operating at different levels. Recent sectoral collective agreements also require permanent bodies with equal worker-employer representation to be set up. These bodies process the vast amounts of information available and undertake joint initiatives to tackle such issues as the job market, training, job classification and health and safety.

France: Legislation in 1982 (mainly inspired by the trade unions), and other laws since then, strengthened company councils and health and safety committees (which have the right to call in experts, to refuse work in dangerous situations and generally oversee a wide area of responsibility including operational budgets). Also stipulated was an obligation for annual negotiations at company level on matters such as wages, hours, work organisation, the work environment and vocational equality; and, the election of worker representatives on the supervisory boards of nationalised companies. From this point an important shift away from national inter-sectoral and sectoral bargaining to company bargaining can be detected.

The Netherlands: Unions generally represent workers' interests through collective bargaining. But it is through works councils, and in particular by developing their bargaining power and increasing the power of worker delegates, that the FNV believes it will win better participatory rights for workers. One of the main goals of union activity is to provide support for elected representatives and improve coordination between sectoral and company negotiation. This has become even more important in recent years as works councils have become potential rivals to the unions at enterprise level. With some exceptions, neither the unions nor elected works councils have the right to elect representatives to the supervisory board, despite trade union demands for this.

Belgium: The participatory rights of workers are limited. The company committee mainly provides information and advice. While management appoints its own nominees to this body, workers' representatives are elected by all workers every four years. Until recently, only representative workers' organisations could nominate representatives. Then in 1987, the National Confederation of Middle Management also won the right to propose candidates, creating an imbalance between management and workers on the committee, as middle management more often side with senior management than the trade unions. Trade unions, not company committees, conclude collective agreements with management. They are therefore well adapted to dealing with decentralised negotiations.

Scandinavia: Since the 1970s workers and/or local unions in Sweden, Norway and Denmark have been allocated one third of all seats on company boards. In Sweden and Norway, where "union clubs" are elected by the workplace members, there is a tendency to replace or supplement detailed negotiations with different forms of project groups or committees, which include union representatives and management.

Germany: The German system of co-determination offers union members an important role in outlining and discussing claims and drawing up company agreements in coordination with sectoral or regional union organisations. Here too, there is no doubt that the German Trade Union Confederation (DGB) regards co-determination as the principal form of worker participation.

United Kingdom: One of the key characteristics of British industrial relations is the central role of collective bargaining in regulating the workplace. For most of the 1980s, collective bargaining and joint consultation remained very much alive in certain industrial sectors and in larger companies, but overall there has been a serious drop in both.

The European Trade Union Confederation (ETUC) places great emphasis on developing European wide social dialogue through collective bargaining and the actions of worker representative bodies. These are particularly relevant in the light of the Directive on European Works Councils in multinational companies.

In several countries, a fall in trade union representation on worker representative bodies has made unions fearful that these bodies are trying to replace trade unions and their role in collective bargaining with employers. In 1990 and 1991, in the elections for works councils in France, more than 50% of the workers' votes were in favour of non-union lists; this has been a clear trend since

the end of the 1970s. In the Netherlands, a third of those elected to works councils were not union members. In Germany, recent elections for the country's social security supervisory council showed a drop in votes for the DGB and a rise in non-union lists. As in France, Belgium and the Netherlands, this decline in union influence is, to some extent, a consequence of what has often been a conflictual relationship between the unions and the elected representatives in companies. More importantly, the overall decline in union influence is due to processes of economic restructuring, deregulation and so on.

Direct Participation:

Direct participation has not been a central concern of many European trade unions. Nor has it represented one of the main areas of confrontation with management. Looking at cases from across Western Europe, we can see the unevenness of trade union policies for direct participation:

France: In the 1980s, at the instigation of some unions and in spite of the vigorous opposition of others, the Socialist government gave workers some rights to direct participation (*le droit d'expression*). These policies followed on from the trade unions' push in the 1970s for greater worker control within a framework of self-government at the level of society (*l'autogestion*). The legal right to workers' participation in deciding the conditions, quality, content and organisation of work was introduced with the aim of radically changing work relations. However, by the time they were introduced in the 1980s, the economic conditions were very different, being marked by rising unemployment and de-unionisation, and much less importance was attached to the work environment.

Scandinavia: The concept of direct participation entered the debate on industrial democracy in 1962. After years of experimentation and research concerning the democratisation of work by systematically redesigning jobs, technology and the organisation of work, the discussion has more recently shifted to the relevance of democratisation programmes designed to improve competitiveness, suggesting a possible powerful alliance between economic needs and human development in working life and society. In Sweden, in particular, many unions have been active in developing new forms of work organisation - decentralisation of decisions on work planning, team work, and the integration of traditional blue and white collar work. Trade unions have constantly emphasised their role in developing these new forms of work organisation.

Germany: In the 1970s Germany's DGB was ideologically opposed to any form of direct worker participation. From the 1980s onwards the trade unions, especially the metal and chemical workers, gradually softened their position until company agreements were signed introducing employer-initiated forms of participatory management (decentralisation of operational decision making, quality circles, decentralised groups) in exchange for benefits such as training and shorter hours. Pilot schemes have been set up in some public services.

The Netherlands: The ideal of worker self-management has been supported by the Dutch trade union movement for years. The FNV advocates a decision making process in which workers have the final say and as far as possible take decisions by themselves. Democratisation of companies and

social ownership are seen as parts of the same process. In November 1990 a policy document, which said that "workers participation is the main reason for and the main goal of the trade union movement" was accepted by the FNV conference. In practice, however, trade union efforts have mainly been directed at representative participation. In fact, recent management initiatives for direct participation are accepted if certain conditions are met.

United Kingdom: Here the idea of direct participation has been closely associated with specific workplace issues, particularly in the redesign of jobs and the introduction of technical change. Within the wider context of 'industrial democracy', the focus has varied mainly according to government economic policy of the day, ranging from support for industrial worker cooperatives to management initiated schemes. Trade union policies on participation have been equally varied but, fearing their own marginalisation, they have tended to oppose direct participation.

Malta: Various forms of direct participation have been introduced since 1971, with the support of the General Workers' Union. The government took a flexible and pragmatic approach and by mid-1979 almost one-third of wage earners in Malta enjoyed some form of formally instituted participation. Trade union education programmes encouraged workers in participation, despite criticism that they were neglecting their defensive role. Although popular and governmental support for participation has weakened, trade unions have taken an adaptive approach and work within current government policies to keep the issue alive.

In other countries, action-oriented policies for worker participation have been far less ambitious, even where provision exists. For example, in Italy participation has only rarely been regarded as a stable institutional factor in industrial relations, despite the constitutional right of workers to participate in the management of companies.

In many countries, the right to participation has been held back by the inertia of Taylorist structures and practices, hostility from within the company, indifference or opposition on the part of some trade union members and elected representatives, and disillusionment on the part of workers in view of the ineffectual application of the law. Added to these factors may be a weak and fragmented trade union movement. Thus the right to direct participation lapses into inactivity.

The position adopted by the ETUC in 1991 should not be underestimated in terms of the potential backing it can give to initiatives for direct participation. In 1991 the ETUC resolved⁵ that "it is of fundamental importance that workers be assured the right to information, to consultation, to negotiation and to participation in European companies and in trans-national companies operating in Europe, especially on issues concerning employment and technological and environmental changes." Furthermore, the ETUC declaration of March 1992 concerning the work environment stated: "Concertation, participation, information and consultation on the part of workers, their trade union representatives or their delegates in the company must be the fundamental principle at every level of health protection in the workplace ... the right of every worker to be informed, to lodge a complaint and to participate in the workplace must be stipulated in writing".

This evidence confirms that the propensity for participation is determined by a unique set of national

⁵ ETUC 7th Congress Resolutions, Preamble, point V (*For an Economic and Political Democracy*), 1991.

characteristics. Although some countries share bargaining systems or specific attitudes towards participation, a policy for worker participation can only be made on the basis of what is possible and what is wanted in each national context, and what is appropriate for each industry or sector.

Financial Participation:

In contrast with employers, trade unions have traditionally opposed financial participation schemes, while they were more popular among workers. Trade unions emphasise that such schemes could increase income inequality between different categories of workers, or between industries or enterprises, and that they entail a redistribution of risk. Opposition from trade unions is also traditionally explained by their fear of losing their traditional bargaining role through the development of a direct partnership between management and workers: financial participation might enable management simply to bypass the unions. Nevertheless, the present position of most trade unions in Europe seems to have become more pragmatic as financial participation has become widespread. In many cases, trade unions realised that their initial strong opposition to those schemes was going against workers' expectations and would have contributed to the decline of trade union membership. In most Central and Eastern European countries, the unions are now playing a major role to promote employee share-ownership in the privatisation process.

Belgium: Fierce opposition from the trade unions, which feared losing their negotiating role, created an unfavourable climate for companies wishing to adopt financial participation schemes. However, despite the rejection of these schemes by some trade unions at the national level, local unions started to play an active role in their implementation at the enterprise level.

Italy: Opposition from shop stewards explains the lack of pure 'profit-sharing' formulae in Italy. The shop stewards expected that arrangements of this type would be manipulated through accounting practices that favoured management. Therefore, they preferred bonuses related to commercial and production indicators.

United Kingdom: One of the main features of financial participation in the United Kingdom is that there is no legal obligation to negotiate financial participation schemes. As a result, these schemes are normally introduced unilaterally by management. Fewer than five per cent of agreements have been negotiated with the trade unions. Some 70 per cent of employees view financial participation schemes in general as being an excellent idea, although the trade unions remain opposed to their development.

France: French legislation provides that all the elements of financial participation agreements (such as the formula, the criteria and information channels) have to be negotiated with workers' representatives. As a result, trade unions at the enterprise level have played an increasing role in determining the financial participation formula most appropriate for the employees.

Direct and representative participation, the crucial relationship:

The interaction between direct participation and representative participation is crucial to the success of worker participation. Direct participation without representative participation could dilute

solidarity and equality among employees; while representative participation without direct participation could lead to bureaucratisation, homogenisation and a split between employee representatives (in works councils and in trade unions) and their members. Direct participation does not replace representative participation. On the contrary, in a number of countries to varying degrees, trade unions, via representative participation, have supported direct participation throughout the past two decades. This is especially the case of the past five or six years in Sweden.

This is elaborated in a later section on Scenario 21, which explores more fully the necessary involvement of trade unions in all forms of workplace participation and in all levels of decision making in industry and with other representative groups throughout society.

How important is the role of the state to participation?

Governments have played a key role in promoting economic democracy. Yet, state support for worker participation has been variable across Europe and has changed over time.

After the Second World War, most western European governments sought to render their economies more democratic by nationalising key industrial and service sectors. Some, either through legislation or the national constitution, established forms of industrial relations which were fair to workers and trade unions.

Financial participation received continuous government support in France from the late 1950s. The law envisages a variety of financial participation schemes (mandatory and voluntary) on cash-based profit-sharing, deferred profit-sharing, employee ownership, with different tax incentives, which have recently been extended. Legislative and fiscal encouragement has been important in the recent development of profit-sharing and ownership in the United Kingdom. However, the arrangements are voluntary rather than mandatory and are supported by all the main political parties. In contrast, financial participation emerged in Italy and Belgium without any public support.

Mainly socialist and social democratic governments also encouraged the development of various forms of direct and representative worker participation, either by working with trade unions or as a result of pressure from them. For example, the Swedish government supported the trade unions by introducing the Co-Determination Act in 1976. In Norway, extreme forms of Taylorist work organisation were banned, while 50% worker participation was introduced in safety and work environment committees. Direct financial support to companies based on worker participation has also been significant: the Malta Drydocks and industrial cooperatives in the United Kingdom. Support for research and participation development projects was provided in countries like Malta, France, Sweden and Norway.

Eventually, however, interest waned and in a less optimistic economic climate support for worker participation began to be withdrawn. Most notably in the United Kingdom, policies for deregulation and attacks on trade unions have undermined democratic worker participation and encouraged the spread of participation in capital. Even where government support for direct participation has historically tended to be strong, as in Norway and Sweden, government commitment has declined.

There is no longer an impetus to bring in legislation to create the conditions for more generalised development of direct participation at work.

At European level, initiatives to encourage the spread of direct participation among workers have not moved beyond limited measures for European Works Councils, and unconfirmed measures for a European joint-stock company and worker participation in profits.

The effect of policies to increase worker participation and to maintain an element of worker control over the organisation of work has been severely limited by the transient nature of politics and governments. The time required to develop and encourage the process of democratic participation is much longer whereas, as has been seen in the United Kingdom in the 1980s, very little time is needed to dismantle it.

What are workers' attitudes to participation?

Across Europe, workers' movements have been a decisive factor in winning union demands for an improved work environment and direct worker participation. During the late 1960s and 1970s they played a role in changing employers' attitudes, encouraging new forms of work organisation and new legislation. Most Western European countries experienced vigorous protests against poor working conditions and unrewarding forms of work organisation that offered no hope for the future:

- In France, most sectors were affected (recall Renault, the banking sector and post and telecommunications). Uprisings were led mostly by poorly qualified blue and white collar workers, notably women and immigrants.
- In Belgium, certain "wildcat" strikes were actively supported by some trade unions and in some cases there were calls for production under self-management.
- In Scandinavia, during the 1970s, a reaction among workers against the lack of participation both in managerial and union structures and rising concern about the work environment led to radical new laws and contributed to the development of co-determination.

But across Europe, these expressions of anger diminished as unemployment rose, the trade union movement lost power and employers heeded at least some of the demands of the 1960s and 1970s. Nevertheless, workers have persisted with their concerns about the work environment and work organisation, as indeed the most recent social conflicts - by hospital staff, social workers, employees of the state owned railways, airlines and long-distance road haulage drivers - especially in France and Belgium, proves.

With a few exceptions, direct participation has so far not been one of the demands made by workers and unions weakened by the threat of unemployment and social exclusion. This fact should be contrasted with studies of several attempts at direct participation, which suggest that it is an underlying need that workers try to satisfy *as soon as conditions make this possible*.

The more worker representatives show an interest in the quality of life in the workplace, the clearer and more obvious the need becomes. In France this has helped prove the theory that the spread of direct participation in the workplace is closely linked to increased union interest in such demands. In

a less conflictual manner, there also appears to be a similar link between increased direct participation and increased interest in committees for health and safety and the work environment. This seems to be the case in Sweden where there is a dynamic relationship between the degree of union interest in work organisation and direct participation and the extent to which each of these affects the other.

Conclusion

Since the 1980s there has been a rising trend of de-unionisation in most countries of Western Europe. This has been accompanied by a steady decline in the number of union representatives sitting on company committees, as in France and Belgium, or on co-determination councils, as in Germany.

Participation, both direct and representative, at company level and beyond, whether trade union or management sponsored, based on collective bargaining, co-determination or financial participation are not all contradictory or incompatible. Indeed, their effect can be cumulative. When applied on a piecemeal basis without reference to long term objectives for social ownership, participation is neither effective nor sustainable. Some forms can undermine the rights of workers and downgrade their working conditions and terms of employment. There is a need for a strategic approach to greater democratic participation.

Trade unions are best placed to take up this challenge by integrating participation's diverse characteristics into a coherent strategy. They need to give direction, provide a forum for discussion, act as a source of information and an arena in which decisions can be made concerning what should be handled on a conflictual basis and what should first be handled on a participatory basis. Such a strategy would provide trade unions with a chance to wrest back their historical control of decision making in all spheres of working life, and to get to grips with all forms of direct and representative participation in an attempt to achieve true democracy at work and in society.

With the danger posed by unchecked liberalism and authoritarian regimes, it is important to resist the idea that democracy, both in workplace and society, is a luxury or an irrelevance. At a time of rising unemployment and social division between the employed and the unemployed, those with permanent contracts and those without, nationals and immigrants, legal and illegal, and full time and part time, democracy is indispensable if we are to succeed in finding any lasting solutions to these problems. Democratic participation must be seen as both a strategy and a goal.

Chapter 2: Nine Elements of a Strategy for Democratic Participation

To focus the debate on the development of democratic participation, we present it in terms of a set of principles⁶. These are of a general nature and do not relate to a specific country, nor to a specific

⁶ These principles are drawn from an earlier analysis of experiences in different parts of Europe and elsewhere. They also draw on the general body of literature on participation and the many comments and suggestions of an earlier draft of this paper made by trade unionists during a pre-colloquium on *Democratic Participation and Trade Unions*, held in Paris in March 1993.

situation. They are merely a basis for a debate on trade union policy and strategy.

1. Democratic participation is a fundamental human right

Research from different countries confirms that when workers are familiarised with effective participation, they associate it with values such as equity, democracy, humanity, solidarity and efficiency. These values, cited by workers regardless of their culture, suggest that participation is more than a desirable aspect of work, many workers see it as a fundamental human need. As a human need, it attracts a human right⁷ to fulfilment.

Yet although democratic participation may be considered a universal human right, not everyone will want to exercise it. Lack of interest among certain groups or categories of workers does not affect this fundamental right, which must be defended for those who *do* want to exercise it. The right to participate is independent of trade union membership. Workers have a right to participate just as they have the right to join a trade union.

2. Democratic participation is not owned by one political ideology

Participation and self-management are seen by many as a remnant of failed state socialism. In Central and Eastern Europe in particular, where forms of worker participation figured prominently, slogans, rhetoric, oppressive bureaucracy, corruption and manipulation turned workers against the idea. Mistrust of participation is encouraged by the promoters of privatisation who present western capitalism as the only way forward. This can be countered by launching worker participation as a principled position in its own right.

Trade unions are also going through a crisis: in Central and Eastern Europe their identity, once tied to the state apparatus, is in question; in Western Europe, they are losing membership and influence. This presents an opportunity for change in which democratic participation can play a strategic part. Furthermore, it is their historic role and their duty to put participation on their agenda and to make proposals for appropriate forms and strategies for its development.

⁷ The Universal Declaration of Human Rights and the European Charter of Fundamental Rights regard participation as a basic right: the right to express oneself and the right to vote are considered to be fundamental components of the integrity and dignity of each human being.

3. The origin of the right to democratic participation is in labour

The principle of participation is not a function of proportional capital ownership, but a right, based on one's labour.

There is an increasing tendency to link participation to capital rather than to labour. Employers encourage financial incentive schemes while denying workers access to decision making. Participation based on capital ownership is rapidly becoming the centre of debate surrounding privatisation in Central and Eastern Europe. In Western Europe, a revival of profit sharing and share holding schemes is taking place. With very few exceptions, this attempt to motivate the workforce does not alter the basic structure of ownership in which employees can only ever own a tiny minority and therefore can never hold decision making power.

This trend must be identified, exposed and challenged. Only then can the principle that the right to participation is based on labour be asserted. It is precisely this right that the trade union movement has taken as its rallying cry for over 150 years.

4. Democratic participation is a dynamic process

The development of meaningful and effective democratic participation can only be maintained if it is an active and continuing process. To avoid stagnation, it must take on new ideas, actions, policies and strategies that increase worker influence. As a dynamic process, the meaning of democratic participation needs to be adapted to new situations.

By establishing institutions of participation, workers can increase their independent and effective influence over decision making at different levels of management in their workplace. Through their national trade unions, this influence may extend to other levels of decision making beyond the workplace.

The dynamics of democratic participation should take into account social and economic changes taking place now and in the foreseeable future. The internationalisation and globalisation of the economy, the dislocation of ownership, the far-reaching changes in work relations (part time work, lean production, increasing cuts in the workforce, and so on) different styles of management, and new systems of information management. All these changes bring with them new challenges for the development of democratic participation. They must be dealt with skilfully and imaginatively.

5. The development of democratic participation requires an appropriate support

Participation is a dynamic process, requiring coordination, organisation and support. It is developed within a broad framework, which includes policy and strategy formulation, the design or redesign of structures and procedures, and the expression of opinions and expectations by workers, their leaders, management, employers, government and others. The search for conditions suitable for the development of participation should take into account its complex processes and inherent tensions. This is particularly true given that conditions for further development are often found in processes beyond the workplace.

In some countries, legal measures have been introduced to encourage the development of democratic participation: notably France, Germany, Greece, the Netherlands, Spain and in Scandinavia. Yet despite these measures, in many countries across Europe specific research and training support for direct and representative participation is non-existent or declining sharply. Documentation centres for participation have been closed, courses have been discontinued and some journals are no longer published. Exceptions to this trend are Sweden, Finland and Norway where considerable resources are being allocated to research and development programmes promoting productivity in combination with direct participation, although research promoting representative participation has been weak in those countries.

Nevertheless, all attempts should be made to create or renew a support base for democratic participation, operating with a jointly agreed agenda of research, education and training, and consultation on the development of policy and action.

6. The trade union movement must reinvest in democratic participation

Trade unions are necessary for the renewal of worker participation. As workers' organisations, trade unions can give participation new direction and shape; acting as brokers and as a bridge, they can represent its objectives and expectations as they are turned into new policies and strategies.

Democratic participation can also help revitalise the trade union movement. In Central and Eastern Europe, where the collapse of orthodox political parties has created a political vacuum, trade unions should ensure that they do not become mere 'bread and butter' unions. In Western Europe the rights to participation that workers have won so far must be defended and expanded away from employers' initiatives. Worker participation can thus be a 'springboard' for trade union renewal.

7. Collective bargaining *or* participation - a false choice

There is a tendency to view collective bargaining and participation as contradictory. It is true that different orientations underlie each: collective bargaining emphasises the worker as the wage labourer and focuses trade union action on the terms of employment, while participation emphasizes the worker as a partner in production who can claim, on the basis of his or her input, an influential place in the whole production process.

However, the relationship between participation and collective bargaining is complementary when trade unions give support to the development of participation, using it as a means for trade union renewal or also as a direct response to workers' expectations about labour relations and their ambitions for participation. Trade unions can take up the challenge of participation, above and beyond their present role at the bargaining table. They can champion this additional form of representation of workers' interests by giving it direction, serving as a platform for debate, developing new perspectives, gathering information and working out a strategy to decide what will be solved through bargaining and what will be handled through participation and coordinating these two spheres of influence.

All this will make the work of the trade unions far more complex, demanding greater flexibility. It is

important that different trade union roles be clearly assigned and specified so that the autonomy of each can be protected and unions can remain effectively accountable to their members for their actions in the different roles they play.

If trade unions see participation as a threat to their bargaining power, they play into the hands of the employer, particularly those who do not hesitate to impose their own forms of participation as a way of undermining trade union power.

8. There can be no democracy without participation

Worker participation is a necessary complement to political democracy. It encourages people to view democratic involvement as a way of life. If collective bargaining is the preferred channel of worker influence, and if employers succeed in their attempts to fully decentralise it, then eventually trade union activity will be concentrated on the survivors of deregulation - those in full time and secure work. If trade union action is focused on such a narrow group and on a limited scope for action, its opponents will find it easier to create disunity by creating different categories of workers and widening the gap between those with jobs and those without.

There is sufficient cause to promote participation in a way that transcends the boundaries of the organised workplace. Associations with other popular movements whose interests are shared by working people can reinforce the movement towards grassroots democratic renewal. Trade unions have an historical role to play in this regeneration of the right to participate democratically. And more widely, through international trade union links, development of policies for participation in Western Europe could have an influence in more politically volatile regions, which are under severe pressure to conform to socially destructive economic policies.

9. Democratic participation: a lever for solidarity

Solidarity is a central concept in trade unionism, taking many different forms and posing ever new challenges. We need to search for forms of participation that take in account the interests of all workers. The democratisation of participation is not a luxury. Development of all forms of participation adapted to specific situations, at every level, from the workshop and department to the company, region, industrial sector and the country as a whole, is imperative in order that lasting solutions be found to the scourges of unemployment and the breakdown of society.

In many ways and under certain conditions, participation is an essential element in creating a productive and also an inclusive work organisation. But participation as an instrument of management may result in, on the one hand, the involvement of a core group of employees: skilled, male nationals, and on the other hand, the marginalisation of other groups of employees. Trade unions concerned with the continuing development of society and of the economy must address the danger of participation as a means of excluding certain groups and instead look to the potential for participation to include a broad base of workers.

Participation, in which less privileged groups can express themselves and exert influence, share the fruits of economic success and above all co-determine their future, promotes solidarity. Such

'organic solidarity' is a major line of defence against social disintegration, rising nationalism, racism and violence.

Solidarity also means a global perspective. A new wave of enthusiasm for developing democratic participation is not only needed in the countries of the European Union. Central and Eastern Europe and the Third World are also undergoing rapid and merciless economic transformations. Trade union influence is weakening and institutions of participation are vanishing. Democratic participation should be developed to defend global solidarity.

Chapter 3: The Decline, Consolidation or Growth of Democratic Participation

The previous chapter presented democratic participation in a general context in order to pave the way for debate on trade union policy and strategy for the future of democratic participation. Now, to start the debate, we set out three scenarios for democratic participation. They represent broad policy outlines based on an analysis of experiences in a number of European countries, as described in Chapter 1, and on a set of general assumptions, as discussed in Chapter 2.

These scenarios are not models, but projections of possible trends. They are presented in simplified and general terms, recognising that conditions vary in each country and according to sector and industry, commercial and financial frameworks, and trade union traditions and structures.

The Bread and Butter Scenario

Unions concentrate almost exclusively on negotiating the terms of employment through collective bargaining. Collective bargaining is likely to become less effective in the long term if unions do not actively seek to develop other forms of participation.

Some trade unions have reservations about co-determination and other forms of worker participation. With collective bargaining as their main form of action, trade unions neither oppose nor seek to influence employer and management-initiated "participation" schemes. Collective bargaining is likely to become increasingly less effective because:

- a) its scope will be increasingly limited as employers continue to develop and expand their own forms of participation. Bodies of elected worker representatives, such as works councils, run the risk of being increasingly controlled by non-unionised employees who are more susceptible to employer pressure. Work environment issues will be increasingly discussed in fora generated by participation in management. Financial participation will give employers the opportunity to deal much more directly with workers. This may mean that employers will begin to offer workers a framework for discussing financial and remunerative matters, rendering trade union bargaining redundant.
- b) as employers increasingly negotiate directly with workers on the work environment and financial incentives, and respond directly to their other concerns, trade unions will find it harder to win support for industrial action from workers and the general public.

If trade unions do not acknowledge and embrace existing and new forms of participation but only concern themselves with collective bargaining and related forms of action and protest, they will become increasingly stigmatised as trouble-makers and are likely to find themselves rapidly losing support and membership.

The Consolidation Scenario

The essence of the Consolidation Scenario is combining collective bargaining and co-determination at company level. Existing forms of co-determination will eventually lose their effectiveness if trade unions do not play a more active role in them and strengthening links between co-determination and managerial and financial participation.

Co-determination will continue to be an area of contention between trade unions and management. Employers will continue to try to bring co-determination under their control. They may succeed to the extent that managerial and financial participation create a corporate culture in work organisation. Therefore, co-determination could become a form of representation to which trade unions have no access. The success of a works council in the Netherlands in concluding a non-union collective agreement with their employer illustrates the extent of the potential de-unionisation of co-determination. More widely, the proportion of elected trade union officials on workers councils continues to decline.

A reduced trade union role in co-determination is unlikely to be in the interests of industrial democracy. It was trade union pressure and power that originally led to a widening of the scope for co-determination. But as co-determination increasingly falls under management control it risks becoming primarily a forum for information and consultation, thereby assigning trade unions to the same fate as the Bread and Butter Scenario. If employers and management continue to dominate this domain, they will make renewed attempts to reach agreements with workers on matters regarding the work environment and financial incentives while not ceding any of their managerial authority.

The danger of corporatism in this case cannot be over-emphasised. If the trade union movement does not take a lead in developing all five major forms of participation at different levels and uniting different categories of workers, then the gulf between the employed and the unemployed will widen. Within the category of the employed there will be further divisions as employers succeed in their attempts at dividing workers with financial participation.

It is also in the interests of employers and management to encourage financial and managerial participation and co-determination because they provide an opportunity for setting up institutionalised channels between management and employees. As these channels and links develop, trade union power, concentrated on collective bargaining, will diminish. This may lead to a weakening of employment contracts. If this is the case, unions will have no alternative but to respond by fighting for forms of participation of their own choice and trying to win back the confidence of the workers.

Scenario 21: The Growth of Democratic Participation

The basis of Scenario 21 is the development and spread of co-determination and active union involvement in all forms of workplace participation, including participation in

management and financial participation.

If this scenario is played out, the following trends are to be expected:

1. Collective bargaining will flourish because the area it covers can be better defined and coordinated with other forms of participation.
2. Co-determination will be better able to defend the interests of the workers if it is actively supported by trade unions. Research suggests that active trade union support increases the scope and extent of co-determination. Training, education, advice and encouragement are vital aspects of trade union involvement.
3. Management and financial participation would better reflect the individual and collective interests of the workers if such schemes were actively supported and coordinated by trade unions. This is especially true if these forms of participation could be combined with co-determination and collective bargaining. This would provide a comprehensive framework in which workers' interests could be represented. It would ensure policy continuity and a better balance between individual and collective interests and between the interests of the privileged and the under-privileged. The democratisation of management and financial participation would elevate these incentive schemes to a higher and broader level. This is unlikely to happen without explicit trade union support.
4. Trade union involvement in all forms of participation would make it possible to balance individual, group and collective interests and thus promote social justice and social cohesion. This new form of solidarity would be even more effective if trade unions were to give workers training and broad support in areas of research and coordination.

Trade unions are able to present a strong and united front in tripartite bodies and when negotiating policy with industry and government. Such co-determination opens up the possibility of raising participation to higher levels of decision making in the company and in industry.

5. Different forms of participation (collective bargaining, co-determination, co-management, participation in management and financial participation) are neither mutually contradictory nor incompatible. On the contrary, their effect can be cumulative and together they can be a dynamic force. Thus, trade unions may enjoy a comprehensive hold over labour issues and all forms of labour participation.
6. Ultimately, Scenario 21 is a scenario of greater democracy and empowerment for workers. It seeks to link the issues of the shopfloor and the enterprise to industry level and on to local and regional, national, European and global challenges. It offers the possibility for trade unions to promote a democratic culture of solidarity in which workers fight for their own rights and the rights of others by building and using solid democratic institutions in the world of work and the wider economy.

Some steps have already been taken towards reaching democratic agreements, for instance through bipartite and multipartite agreements with consumer groups, environmentalists, anti-racist and women's organisations. It is in these areas that we find the major challenges of the future and they

can only be dealt with by imaginative tactics and strategies.

Source: Kester, G et H Pinaud (Eds) (1996): *Trade Unions and Democratic Participation in Europe: A Scenario for the 21st Century*. Avebury Press, Aldershot, England; and Ashgate Publishing Company, Brookfield, USA.

Conditions for Scenario 21

The sustained spread of democratic participation is only possible under appropriate conditions. The two most important conditions are: a coherent national and international trade union participation policy, and a framework which would provide facilities for research, information, education, training, publications, consultancy, legal advice. It is the role of trade unions to begin to devise this strategy.

Several major issues deserve attention. First, the absence of a declared trade union policy on participation just as employers are taking the initiative in participation, unhindered by union counter-proposals. Trade unions need to take a firm stance on this issue. In addition to formulating short, medium, and long term objectives, trade unions must also outline the means and conditions required for achieving these objectives.

The absence of any trade union policy is particularly noticeable at international level. The internationalisation of the economy implies an internationalisation of labour relations. The information and consultation procedures enshrined in the EU's present social policy are totally inadequate as tools of labour influence. Several courses of action must be taken at European level:

- a) recognition is required of a number of fundamental principles of democratic participation. These will form the basis of a social policy. They include not only the right to information and consultation but also to the right to participation in decision making on all matters which directly or indirectly affect workers, both the employed and the unemployed, in the workplace and at regional, national and international level.
- b) while winning recognition of the right to participation, this right must be sufficiently flexible to ensure that its application in particular countries is feasible given the local social, political, and economic conditions. There should be no models, what we need are trailblazers for participation. Once an accepted set of principles exists, trade unions in countries where conditions are suitable would take the lead, devise an appropriate strategy and encourage others to join them. This is a far better way than adopting a single model based on the lowest common denominator.
- c) given the internationalisation of the economy, a framework for democratic participation must be developed to allow workers, through their trade unions, to influence economic and social policy of Europe and beyond.

This raises the obvious question: how can a trade union movement that is already experiencing hard times, deal with national and international policy issues as well as the problems of its own workplace? Clearly the only solution is to ensure that the development of democratic participation at all levels is harmonised and that a complementarity and inter-dependency between these levels is achieved. Furthermore, the workers must be convinced of the utility of democratic participation. Only positive results will convince them.

Practical support for democratic participation

A trade union policy in favour of participation is not all that is needed for positive results. Democracy is a learning process and a dynamic phenomenon which requires a permanent support structure to monitor and evaluate. It is of primary importance that the process of implementation be reinforced, in society and in the economy. Although democracy in the workplace is one of the most fundamental aspects of a democratic and cohesive society, it has tended to be weak, badly coordinated and often arbitrary, rather than systematic and lasting.

Research and evaluation are indispensable for the development of democratic participation. Frameworks need to be created in which workers can regularly express their experiences, permitting them to explain what they would like to implement in order to improve participation and widen its scope, thus creating continuous feedback. This is imperative if monitoring is to verify the extent to which stated objectives have been actually achieved, and allowing adjustments to be made.

A comprehensive education and training policy would enable workers to play a full part in democratic participation. It would concentrate on raising awareness of participation as well as understanding its dynamics, potential and links between participation at different levels of industry and society. Steering clear of dogma, it should be well-informed discussion of policy choices and methods of implementation.

Long term cooperation between trade unions and researchers is needed to produce an integrated programme of research, education, information, training and assistance with policy formulation. Yet, most trade unions do not have substantial research departments, and certainly not large enough to respond to the needs proposed here. If the trade union movement wishes to be the leader again in democratic participation, it should establish bilateral relationships with universities and independent research institutes, working together on a programme of research, education and training, and consultation on the development of policy and action.

Sustained support for democratic participation: The role of research and education

Implementation of Scenario 21 requires the constant and systematic support of research and education. A key element of this support is research that feeds back its findings for implementation in the continuing development of democratic worker participation in a changing and globalising world. Education methods must be transformative in nature so that workers learn the skills of enquiry and analysis necessary for meaningful participation, and materials must be kept alive by new input from research results. Therefore, the link between researchers, educationalists and trade unionists must remain constant but also dynamic.

Researchers have a pivotal role to play in this configuration and so a first step would be to create a system of permanent evaluation by researchers of the various forms of participation that exist throughout the private and public sectors. Their responsibilities could be set out according to three major forms of field research: 1, research into company-level democratic participation so that the relationship between the main forms of participation can be evaluated; 2, research at regional or national level to allow an evaluation of innovative trade union action; and, 3, international research to

examine possibilities for promoting participation at international and global level.

Bearing in mind specific national contexts, three principles can be identified by which to focus the research methodology: 1, trade union priorities must be considered; 2, research projects should be decided jointly by research and trade union counterparts, their respective roles having been clearly set out and understood in the context of mutual respect; and, 3, optimum utility research, including help with formulating trade union policy and strategy, comprehensive distribution of research results, adapted for trade union education and training programmes, and the maintenance of a central data base and documentation centre.

The danger of a fragmented research effort is present without adequate measures for regulating and coordinating the work. Organisational coordination, in the form of networks of academic researchers, would provide frameworks for mutual support and reference. Thematic coordination would improve organisational coordination and facilitate evaluation and exploitation of research results at sectoral, national and European level. Independent scientific and trade union committees to evaluate the quality of the research and its usefulness for trade unions and societies would lend legitimacy and provide added coherence to the project. Moreover, research must take a long term perspective.

University researchers with a trade union perspective have a unique part to play in enabling a better understanding of the processes which lead to the growth of democratic expression. Their research, covering a wide range of social, economic and political areas, is reflected in their teaching activities: in the subject and design of the courses they choose and in the supervision and encouragement they give to students and other researchers. Most students go on to assume responsible positions in society - many of their students will become the employers and managers of tomorrow - and some become leaders; therefore, university teachers are in a position to influence the future decision makers of government, industry and commerce, and of social and political movements. Universities are also teaching future teachers, who in their turn will take up this vital position of influence. But overall, a high standard of research and teaching of trade union subjects at university helps raise general awareness and acceptance of trade union positions.

Trade unionists may gain directly through professional training and education in subjects relevant to their role in participation, and by acquiring a better understanding of the changing role of trade unions. Trade unions also contribute to universities through their contribution to research programmes: by working with a trade union perspective, research is focused on the processes of change rather on the *status quo*. Revealing the causes and the nature of these changes through 'action research' with trade unions is essential to understanding contemporary society and industry, and how democracy is formed and expressed.

Education is instrumental in making the most of research output. However, in many cases this vital link between research and education has not been forged due to lack of full cooperation between universities and trade unions. Some of this is out of their hands: most unions cannot afford to fund research and state-funded university research is directed to the employers' side of industry. There are also many political and institutional obstacles preventing unions from participating in the exchange

of company information. Beyond these, is the traditional gulf that exists between workers and academics and, in some cases, a lack of willingness, under present economic and political conditions, to accept researchers as competent and objective partners. And overall, there is a lack of national policies to encourage the development of collaborative research.

However, recognising the rapid rate of change occurring in society, industry and the workplace, cooperation between universities and trade unions is now considered more urgent than ever. Collective bargaining has gone beyond traditional areas of concern and unions are assuming ever greater responsibilities. Therefore, it is deeply disturbing that the level of funding for collaborative trade union-university research is generally inadequate and in some cases getting worse. In most countries, state funding has been cut, if not removed, and where provision is made by special trusts and foundations, research has tended to ignore participation except as it relates to productivity. A review of collaborative research programmes across Western Europe would show a great diversity in terms of focus and purpose, and only a few really addressing the core issue of democratic participation.

Universities are increasingly turning towards human resource management and away from traditional subjects such as labour relations, trade unionism and worker participation. This trend may have long term consequences for democratic participation at all levels, as students of the future are taught about labour solely from the perspective of capital. Universities and research institutes have a duty to reverse this trend and trade unions have a duty to support them in this endeavour.

Conclusion

Full employment, social guarantees and equal rights for all must replace deregulation. Therefore, development of democratic participation must reflect the interests of trade union members and non-members alike, the employed and the unemployed, the young and the socially excluded. In this, trade unions may find themselves faced with a paradox, as far as membership is concerned. In the struggle to halt falling membership, priority must be given to improving their direct links with workers in the workplace and dealing with concrete bargaining issues. Further involvement in co-determination at national level and policy agreements at international level will not in themselves produce a sharp increase in union membership. Scenario 21 is, therefore, an investment for the future. However, democratic participation is also a means of revitalising trade unionism.

If trade unions continue to concentrate their energy into bargaining, employers will continue to try to impose their own forms of participation. Equally, if trade unions do not engage in the development of democratic participation, their effectiveness and their policy making role will diminish. The Bread and Butter Scenario and the Consolidation Scenario are two possible patterns based on a lack of direct trade union involvement in deciding participation policy. What could emerge from them is a split in the representation of workers' interests into union representation and management representation, a situation that would be exploited by employers to further split an already fragmented workforce. As a consequence of increased financial participation, collective forms of representation and collective bargaining would be replaced by self-representation and the creation of even more ways of dividing workers.

This greater fragmentation of the workforce would contribute to social disintegration, the beginnings of which we are already witnessing. On the one hand would be the productively employed, enjoying material benefits as a result of corporatist schemes and hence requiring less and less trade union support. On the other hand would be the marginalised workers with few or no material benefits and the unemployed. Trade unions would be increasingly isolated, as they are forced to deal more and more with only the negative effects of deregulation and individualised labour relations. Their policy-creating role would have been removed. This inability to be pro-active would lead to further falls in union membership, power and influence.

How can this be avoided? Trade unions are limited by practical constraints, and this must be recognised - there is no room for Utopia in our liberal market economy. However, blind acceptance of such constraints limits the potential development of democratic participation. Imagination and innovation are needed, but so is openness and a willingness to enter into this debate. Trade unions are in a strategic position to take up the challenge of democratic participation by drawing up a comprehensive and coherent policy and devising appropriate strategies. Trade unionists need to ask where they are going and how their present structure and policies contribute to solving the problems described earlier: an internationalised economy, fragmented workforce, social disintegration and new management techniques that are displacing conventional trade union activity.

Scenario 21 is not an extension of the two scenarios in which the power of collective bargaining represents the sole foundation of trade union action. Rather, it is a new response to a rapidly changing world affecting the labour market, and the structure and nature of employment. This includes related issues such as the environment, quality of life, socially useful production and continuing adult education. We have presented these three scenarios so that the debate can begin and so that strategies can be drawn up for the achievement of greater democratic participation.