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Rosemary Reglar
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TOWARDS EMPOWERMENT IN LIBERAL DEMOCRATIC SOCIETY:

THE DEVELOPMENTAL CONSEQUENCES OF CONSULTATIVE MANAGEMENT IN THE WORKPLACE



A thesis submitted in fulfillment of the requirements
for the award of the degree

Doctor of Philosophy

from

UNIVERSITY OF WOLLONGONG

by

ROSEMARY REGLAR
B.A. (Hons.) Flinders University

Department History and Politics
1995

I certify that this thesis does not incorporate without acknowledgment any material previously submitted for a degree or diploma in any University; and that to the best of my knowledge and belief it does not contain any material previously published or written by another person except where due reference is made in the text.

Rosemary Reglar

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LIST OF ABBREVIATIONS

ACOSS	Australian Council of Social Security
ACTU	Australian Council of Trade Unions
ALP	Australian Labor Party
AMC	Australian Manufacturing Council
AMWU	Australian Metal Workers Union
ATEU	Australian Telecommunication Employees Union
AUSTRADE	Australian Trade Commission
AWIRS	Australian Workplace Industrial Relations Survey
BOS	Basic Oxygenated Steelmaking
BCA	Business Council of Australia
BHP	Broken Hill Propriety Company Limited
CAI	Confederation of Australia Industry
CC	Consultative Committee
DEET	Department of Employment, Education and Training
DEIR	Department of Employment and Industrial Relations
DLI	Department of Labour and Industry
EEC	European Economic Community
EPAC	Economic Planning Advisory Committee
ETM	elaborately transformed manufactures
ETU	Electrical Trades Union
FIA	Federated Ironworkers Association
FIMEE	Federation Industrial Manufacturers and Electrical Engineers.
GATT	General Agreement on Tariff and Trade
GBE	government business enterprise
GDP	gross domestic product
HRM	Human Resource Manager
HRO	Human Resource Officer
IAC	Industries Assistance Commission
IC	Industry Commission
NESB	non-English speaking background
NEPSC	National Employee Participation Steering Committee
NSW	New South Wales
OECD	Organisation for Economic Cooperation and Development
OEM	original equipment makers
OH&S	Occupational Health and Safety
PIMS	Production Improvement Management Services
PSA	Public Service Association
QCC	Qantas Consultative Council
QWL	quality of work life
R and D	Research and Development
SCDEP	South Coast Development Employment Project
SES	socio-economic status
SIA	Steel Industry Authority
SIDA	Steel Industry Development Agreement
SIA	Steel Industry Agreement

SPPD	Slab and Plate Products Division
STS	sociotechnical systems
TAFE	Technical and Further Education
TCC	Telecom Consultative Council
TCF	textiles, clothing and footwear
TOP	Total Operation Performance
TPM	Total Production Maintenance
TQC	Total Quality Control
TQM	Total Quality Management
TUTA	Trade Union Teaching Authority

ABSTRACT

The focus of this thesis is empowerment in contemporary liberal democratic society. It concerns the potential for empowerment through the developmental consequences of employee participation in consultative management. As such it is an expansion of Carole Pateman's thesis that by democratising the authority structure in the workplace, employees will develop a 'democratic personality' characterised by a sense of political efficacy and competence.

To test Pateman's claims I study the developmental consequences of employee participation in consultative management. From slow beginnings in the 1970s, some Australian enterprises adopted consultative management as part of a new workplace culture towards the end of the 1980s. Two contrasting enterprises at the cutting edge of this development, namely BHP's Port Kembla Steelworks and a small heavy engineering business WGE are chosen for the study. An analysis of the data drawn from a questionnaire survey, non-participant observation and semi-focused interviews indicates the prerequisites for participation extant in both enterprises and suggests support for Pateman's thesis. The developmental consequences of workplace participation are demonstrated in the learning of intersocial skills and enhanced senses of personal and political efficacy. The developmental consequences are more evident for committee delegates, hitherto unused to discretion in the workplace, than for staff representatives and for those participating in both workplace committees and in voluntary associations outside the workplace. Such suggests additional support for Pateman's claims.

But a participatory democracy with its communitarian politics of a substantive concept of the good described by Pateman is at odds with a liberal democratic framework where individual rights and interests are prioritised. Thus it might be expected that the positive developments for worker empowerment might not transcend the workplace boundaries and moreover, might even be negated by the counteracting values of economic rationalism, which characterises the contemporary liberal democratic society. A consideration of such issues cannot simply be inferred from empirical or behavioural studies alone, as at the heart of the problem lies a clash of ontologies. I draw on contemporary theorists Rawls, Skinner, Taylor, Walzer, Gould and Mouffe in order to address these issues and to show how the importance of the individual as a bearer of rights and interests is not necessarily lost when assuming the role of the participant in the public sphere.

INTRODUCTION

This thesis was prompted by a sense of disquiet about empowerment in a liberal democratic society. The fall of the Berlin wall and the collapse of the Soviet Union heralded a celebration of liberalism and democracy which reinvoked the spectres of the 1950s in celebrating capitalism and democracy. But what is meant by democracy in the 1990s? Was it a case of back to the future? What was being celebrated when triumphalists talked of democracy's victory? In recent years we saw elections characterised by disinterest or apathy and antagonism. In Australia the ALP gained office once with around 40 per cent of the first preference vote, in the United States a majority of citizens simply failed to vote and in the United Kingdom nearly three out of five people voted against the government in successive elections. Furthermore, modern democratic theory appears still to revolve around a twenty five year old division between two opposing traditions: the revisionists' narrow account of democracy based on a negative concept of freedom, developed in the 1930s and celebrated in the 1950s; and Pateman's 1960s view of positive liberty and a developmental account of participatory democracy. The gulf between the two accounts appears irreconcilable. Can empowerment be found in either account?

The revisionists assume democracy to be a procedure, where output, rather than input is the measure of its success. Output is measured by the degree it conforms to the basic democratic principles of universal suffrage, majority rule and free, periodic elections. And so long as the output of the democratic process satisfies the needs of the people, the elected representatives are accountable to their constituents and the rights of freedom of expression, conscience and privacy are assured, then democracy

is achieved. Input is restricted to participation in choosing political elites.¹ Other than this, there is no role for citizen participation, for political decision making is the business of governments. Citizen apathy, indicative of citizen contentment and a means of stability for the democratic system, is preferred.² In this elite view of democracy, apathy is a case of ordinary citizens, finding themselves redundant in the public sphere, retiring to the private sphere of family and business.³ The result is elite rule by default. The elite view of democracy assumes that individuals are maximising consumers: a view that emerged with the capitalist market society.⁴ It is a view that becomes persuasive in the current political economic culture of economic rationalism underpinned as it is by an ontology of *homo economicus* and market principles where price is claimed to be reliant on freely choosing individuals maximising their marginal utility.

Participatory democratic theorists⁵ or developmental democrats⁶ reject this narrow descriptive democracy⁷ because by denying citizens a

¹Schumpeter exemplifies this view of democracy. See J.A. Schumpeter, *Capitalism, Socialism, and Democracy* (London: Geo. Allen and Unwin, 1943). Schumpeter argues that democracy is 'that institutional arrangement for arriving at political decisions in which individuals acquire the power to decide by means of a competitive struggle for the people's vote (*ibid*, p. 269).

²Bernard Berelson, 'Democratic Theory and Public Opinion' *Public Opinion Quarterly* Vol. 16, No. 3, (1954), pp. 313–30, G. Sartori *Democratic Theory* (Detroit: Wayne State University Press, 1962) and Robert Dahl, *Preface to Democratic Theory* (University of Chicago Press, 1956).

³By business in the private sphere, I mean the small family owned and managed business.

⁴Macpherson, C.B., *Democratic Theory: Essays in Retrieval* (Oxford: Clarendon Press, 1973), Essay 1.

⁵Participatory democracy may be defined by its Latin and Greek origins. The Latin *partis* (part) and *capere* (to take) and the Greek *demos* (people) and *kratein* (to rule) suggests 'taking part in rule by the people. See Terrence Cook and Patrick Morgan (eds), *Participatory Democracy* (San Francisco: Canfield Press, 1971), p. 2. Participatory democracy may be described as participation in decision making by those who are directly affected by the decision to be made. For a strong critique of participatory democracy see J.R. Lucas, *Democracy and Participation* (Harmondsworth: Penguin Books, 1976).

⁶The term 'developmental democracy' is coined by Macpherson and Held. See C.B. Macpherson, *The Real World of Democracy* (Oxford: Oxford University Press, 1980) and

participatory role in the public space, citizens are not only denied control over their lives but are denied the potentially empowering consequences of participation. Their opposing view is that participation is an empowering virtue in itself because of the developmental consequences. Participation in collectively making decisions in small organisations, they argue, develops desirable character traits and participatory relevant skills required for participation at higher and national levels of government. Active participation in community and work organisations leads individuals to develop a responsible character and an active, non-servile 'democratic' or non-authoritarian personality structures and to broaden their horizons through an appreciation of the opinions, beliefs and values of others. From participation emerges 'enlightened preferences'⁸ and other-regarding individuals, mindful of the common good. And by participating in making decisions that effect them, individuals gain a sense of freedom.⁹

In contrast to revisionists' fears that participation is destabilising, developmental democrats believe participation has an integrative function, because it leads to a willing acceptance of group decisions, enhances group harmony, develops a sense of cooperation and a sense of community. The latter is an integral part of participatory democratic theory¹⁰ because a sense

David Held, *Models of Democracy* (Cambridge: Polity Press, 1987), Chapter three, pp. 72–102.

⁷There are theorists who offer a theoretical rather than a descriptive analysis of elitism: Michel, Mosca and Pareto for example. See Norman Wintrop and David Lovell, 'Varieties of Conservative Theory' in Norman Wintrop (ed.), *Liberal Democratic Theory and its Critics* (London: Croom Helm, 1983), pp. 143–52.

⁸Jane J. Mansbridge, *Beyond Adversary Democracy* (New York: Basic Books, 1980).

⁹Carl Cohen, *Democracy* (Athens, Ga.: University of Georgia Press, 1971), chapter 16, pp. 4–6 and John Ladd, 'The Ethics of Participation' in J.R. Pennock and J.W. Chapman (eds), *Participation in Politics* Nomos XVI (New York: Lieber-Atherton, 1975), pp. 98–135.

¹⁰Benjamin Barber, *Strong Democracy: Participatory Politics for a New Age* (Berkeley: University of California Press, 1984), Carole Pateman, *Participation and Democratic Theory* (Cambridge: Cambridge University Press, 1970), C.B. Macpherson, *The Life and Times of Liberal Democracy* (Oxford: Oxford University Press, 1977) and Graham Maddox, *Australian Democracy in Theory and Practice* second edition (Melbourne: Longman Cheshire, 1991), p. 89.

of community is not only an outcome but a prerequisite for participation. Development of one's capacities must involve others and the operation of participatory democracy requires a sense of community. The developmental consequences of participation are potentially empowering, because with self-management comes a confidence in one's new found capacity of self-managing and overall ability, which in turn develops and enhances the 'democratic character'. Such a process is self reinforcing, giving rise to further participation and yet more developmental consequences. In other words, 'we learn to participate by participating and feelings of political efficacy are more likely to develop in a participatory environment'.¹¹

The complexities of a modern society, the division of labour and government together with demographic and geographic considerations makes some form of representative government necessary. While some participatory theorists have attempted to address the issue of time and complexity,¹² citizens cannot realistically directly participate in government, at least at the national level. And there may even be something to be said in support of the non-participant and part-time activist; the 'half virtuous man'.¹³ If everyone participated all the time, the virtue and zeal would be suffocating. And perhaps the apathetic should be left alone 'to devote themselves to their garden, their music, or whatever their passion may be', because 'the best parts of the best [people] are those with which parliament has nothing to do'.¹⁴ But participation in the public space does not only mean parliamentary participation. There is the opportunity for self-

¹¹Pateman, *op cit*, p. 105.

¹²John Burnheim, *Is Democracy Possible? The alternative to Electoral Politics* (Cambridge: Polity Press, 1985) and Robert Dahl, *Democracy and its Critics* (New Haven and London: Yale University Press, 1989).

¹³Michael Walzer, *Radical Principles* (New York: Basic Books Inc., 1980), p. 33.

¹⁴Morris Jones, 'In Defence of Apathy: Some Doubts on the Duty to Vote', *Political Studies* Vol. 11, No. 1 (1954), p. 36.

development through participation in the public space of local government, voluntary associations, social movements and the workplace.

On the one hand, I find the revisionists' stated view unsatisfactory, because its reliance on the apathy of the majority dis-empowers, in particular, those of lower economic status. It is a view, however, that is persuasive in a society informed by economic rationalist tenets, because both revisionist democracy and economic rationalism are underpinned by a strong individualist view of particular competing concepts of the good. On the other hand, I am attracted to Pateman's participatory theory of democracy which offers empowerment through the developmental consequences of participation in substate organisations. But this view of democracy, underpinned as it is by a substantive concept of the good is incommensurate with an individualism that in its extreme form of economic rationalism rejects the existence of society.¹⁵

Moreover, an argument for participation in substate organisations is in effect a pluralist position, because the developmental consequences of participation in one organisation has a mushrooming effect on associational life. Yet, pluralism, its protagonists claim, is a behaviouralist view of democracy and it is a view of democracy that Pateman attacks on the grounds that it is revisionist. In order for there to be empowerment through participation in the workplace and other substate organisations, the meaning and adequacy of such participation must be explored. And the potentially suffocating elements of a strong form of participation need to be addressed along with the authoritarian overtones of a strong substantive concept of the common good.

¹⁵Margaret Thatcher is a leading protagonist of this position. For a discussion of the economic rationalists' view of society see A. Kingdom, *No Such Thing as Society? Individualism and Community* (Buckingham: Open University Press, 1992).

I shall argue that the debate between Pateman and the pluralists has some common ground. The thrust of Pateman's argument is not to create a super state with suffocating levels of participation or an overpowering concept of the good. In my view she seeks a decentring of power by enhancing participation and empowering the individual. And she rejects the conception that the state and the individual are necessarily at odds. Such a rejection can also be found in those pluralists who also seek to strengthen the role of individuals through the decentring of power in a polyarchy and the maintenance of a weak common good through the processes of forming compromise and consensus. Later developments of American pluralism by Dahl and Lindblom arise from their recognition of the asymmetry caused by corporate power. Hence they seek economic democracy and deny the neutral position of the state. Such developments serve to amplify tendencies inherent in Dahl's and Lindblom's original position. If pluralism inherently has more in common with Pateman's position than original protagonists claim, this only serves to strengthen arguments for empowerment through workplace participation.

Pateman and Empowerment through Workplace Participation

These considerations lead to an examination of Carole Pateman's thesis, that employee participation in decision making in the workplace will result in enhanced senses of political efficacy and competency.¹⁶ The consequences of such development is the potential for persons to gain greater control over their lives.

In chapter one I examine Pateman's thesis, which is based on a close analysis of three participatory theorists J. J. Rousseau, J. S. Mill and G. D. H. Cole, and on the limited empirical evidence available at the time. She

¹⁶Pateman, *op cit.*

argues that by democratising industrial authority structures, workers will be required to develop precisely those skills and resources necessary for participation in political life beyond the workplace. That is, workplace democracy would result in workers developing the same skills that research on political efficacy has shown to be necessary for political participation in the larger society.¹⁷ Pateman calls these skills or psychological changes, the sense of political efficacy and political competence, which she describes as the feeling of self-worth, personal effectiveness and confidence in one's ability to deal with the world. She assumes these skills to be the 'operational interpretation of the psychological benefits referred to by the participatory theorists'.¹⁸ In sum, a 'democratic personality' and the means for empowerment are developed as a consequence of participation .

Pateman argues that developmental consequences are not unique to participation in the workplace, but can occur with participation in any institution in society. She advocates the eventual democratisation of all institutions,¹⁹ but she argues that an important area in a participatory society is the workplace. This is because many individuals spend a large part of their life at work. It is a meaningful environment in which to make decisions affecting one's life. And she argues, that by taking the meaning of political in its wider sense, the workplace is a political institution in its own right, making it a good training area for political efficacy. To this we can add Jocelyn Pixley's thesis that in the Australian political economic climate,

¹⁷The link between political efficacy and political activity is supported by Lane and Key. See R. Lane, *Political Life* (Glencoe, Ill.: The Free Press, 1959) and V.O. Key, *Public Opinion and American Democracy* (New York: Alfred A. Knopf, 1961).

¹⁸Pateman, *op cit*, pp. 45–6.

¹⁹*ibid*, p. 108.

employment is a condition for citizenship.²⁰ Contrary to libertarian and post-industrial positions, her evidence is that those who are excluded from work become powerless and experience a life with less meaning than those who are included. Moreover, even if there were an alternative to waged labour (a guaranteed income) she doubts that the unemployed would be drawn 'into political activism and work activities more rewarding than conventional employment'.²¹ She argues, following Polanyi, that because society is subordinate to the capitalist economy, the modern social reality is affected by paid work, so its transformation cannot be achieved through being excluded.²² Paid work strengthens people's capacity, as full citizens, for involvement in social movements aimed at social transformation.

Paid work is also part of self-formulation, a way of 'winning one's "permanence" in the world and making the world "one's own":²³ a way to learn to respect the world other than the self and therefore also to respect oneself.²⁴ Pixley argues that even some of the negative and unfree aspects of work are at least potentially self-formative and liberating. Empirical studies would appear to support this view. Contrary to the utilitarian position that it is human nature to avoid pain and pursue pleasure and we undertake work because we are forced to as a means to satisfy material needs, studies have shown the great majority want to work and feel a need to work *per se*,

²⁰Pateman, too, recognises paid employment as a key to citizenship. See Carole Pateman, 'The Patriarchal Welfare State: women and democracy' in A. Gutmann (ed.), *Democracy and the Welfare State* (New Jersey: Princeton University Press, 1988), pp. 238–9.

²¹Jocelyn Pixley, *Citizenship and Employment: Investigating Post-Industrial Options* (Cambridge: University Press, 1993), p. 4.

²²*ibid*, p. 269.

²³*ibid*, p. 271.

²⁴*ibid*, p. 273.

even when the work is dull and meaningless.²⁵ This is probably one reason why people tend to respond positively when asked if they find their work satisfying. It is suggested that work satisfies psychological needs and plays an important role in the formation of self-esteem, identity and a sense of order.²⁶ Even Marx when stressing the alienating and destructive aspects of most forms of work accepted that individuals did not have a natural aversion to work and that meaningful work was a means for self-realisation. If work is a process of self-formulation and satisfies basic human needs, it follows that worker control is an important issue.

In her view of the centrality of work in making sense and meaning of one's life, Pixley has moved far beyond the view of work as manipulation and instrumental. Similarly, she views work as having a central role in making leisure a time of empowerment. While leisure-time is obviously necessary for socio-political participation or 'involvement in social movements', it must be autonomous 'free-time', non-necessary activity,²⁷ not heteronomous leisure per force of a situation of unemployment. For Pixley, leisure is valued only in contrast to work. 'Leisure hours are a complement to work hours not a substitute for them'.²⁸ Not only is leisure inhibited by the condition of worklessness but the type of work one does qualifies leisure; a view supported by the literature research in chapter three. The more fulfilling and satisfying the work, she argues, the more useful and

²⁵Sean Sayers, 'The Need to Work: a Perspective from Philosophy' in R.E. Pahl (ed.), *On Work* (Oxford: Basil Blackwell, 1988), p. 723.

²⁶See M. Jahoda, *Employment and Unemployment* (Cambridge: 1982), Department of Health, Education and Welfare Report, *Work in America* (Cambridge, Mass: M.I.T. Press, 1973) and J. Hayes and P. Nutman, *Understanding the Unemployed* (London: Tavistock Publications, 1981).

²⁷A. Gorz, *Paths to Paradise: On the Liberation from Work* (London: Pluto Press, 1985), p. 35.

²⁸Jahoda, *Employment and Unemployment*, *op cit*, p. 24. This is contra Gorz's position who argues leisure is a desirable substitute for work, because he views work as a coercive necessity.

pleasurable is the leisure time.²⁹ Her argument is supported by Jahoda's findings that unemployed people decrease their leisure activities, 'their attendance of clubs and voluntary organisations, their use of the free library, their reading'.³⁰ It seems the psychological input required for meaningful leisure-time cannot be sustained unless one is working.³¹

If the workplace is a political institution as Pateman argues and if the individual as *homo faber* makes work central to the lives of most people,³² and employment in mainstream work is a prerequisite of socio-political empowerment, then workplace participation would seem the appropriate place to start, particularly when work is viewed as a self-formative activity in itself.

Philosophical Issues Raised by Pateman's Thesis

In order to test Pateman's thesis of the developmental consequences of workplace participation, I took the sense of political efficacy and competency to mean, in observable behavioural terms, involvement in the socio-political life of the community. Rather than determine whether people are 'politically active' in the narrow sense of the word I set out to demonstrate a link between the behavioural and personal developments gained through workplace participation to the more casual interactions of voluntary associations: that is to demonstrate a link with activity in a non-

²⁹Pixley, *op cit*, p. 275.

³⁰M. Jahoda, 'The Impact of Unemployment in the 1930s and the 1970s', *Bulletin of the British Psychological Society* Vol. 32 (January, 1979), p. 309.

³¹Sayers, *op cit*, p. 731.

³²This is not to claim that some people find the satisfactions of the active and social exercise of their creative powers outside work. For some, the job is merely the means to a livelihood. Furthermore, this is not to claim that many women who choose to be full-time child and home carers do not derive fulfillment and a sense of self-worth from this unpaid employment. Pateman recognises, moreover, that a 'fulltime housewife' might find opportunities to participate at the local government level (Pateman, *op cit*, p. 109).

apathetic community. Pateman considerably underplays the role associations play in articulating workplace participation with participation in politics at state level. In chapter one I examine the three theorists, Mill, Rousseau and Cole, that Pateman uses in support of her argument for the developmental consequences of workplace participation and I point to the associational elements of Mill, Rousseau and Cole's theories. In chapter two I explore contemporary democratic theory that pertains to empowerment in both the workplace and voluntary associations.

Pateman does not explicitly state a theory which links workplace participation with personal developments essential to the development of a democratic character and an enhanced sense of political efficacy. In chapter two I explore theoretical explanations of how such personal and behavioural developments are related to participating and show how workplace participation can be linked organisationally to the development of community. I find Arendt's, Taylor's and Walzer's discursive concept of community and 'sense of the other' is crucial to developing a theory of how workplace participation can lead to greater worker empowerment, a democratic character and enhanced senses of citizenship and political efficacy. According to Arendt it is through the *vita activa*, that is speech and action, participation with others in the public sphere, that one gains an identity and self-worth. Taylor argues that the self is constituted by interaction with others. Through interactive discourse individuals learn of the good and gain their identity by relating to that good. Walzer argues that meaning springs from social interaction. For Walzer, the good is defined according to social, cultural and traditional practices in the community. Thus in the process of participation, whether it be in the workplace or other other substate organisations, there is sharing of understandings and meanings. By participating, people not only develop their own potential but develop a sense of the value of others and the community. Hence, the

developmental consequences of workplace participation can be linked organisationally to the development of community.

This leads to a further issue raised by Pateman's thesis. Because the participatory theorists view of democracy is underpinned by a substantive concept of the good it is incommensurate with a liberal democratic society underpinned by individual and competing goods. This is particularly so in the current political economic environment of economic rationalism. In order for the developmental consequences of participation in the workplace to empower individuals in the community beyond the workplace it is necessary to reconcile this ontological clash. In chapter two I show that the ontological division between the two opposing theories of democracy, that of the revisionists and that of the participatory theorists, are not as sharply drawn as their protagonists claim. I show that the pluralism Pateman opposes on the grounds that it is democratic revisionism, is not as individualistic as it is characteristically described. This is because the pluralism that Pateman opposes has republican origins, reflected in the requirement for consensus and a weak concept of the good namely, toleration, public spiritedness and procedure. Moreover, I demonstrate Pateman's own classical theorists Rousseau and Mill and the guild socialist Cole reconcile pluralism with a substantive concept of the good. English pluralism and the socialist pluralist Poulantzas combine philosophical pluralist leanings, associational life and a prescriptive view of the good. Furthermore, contemporary theorists Rawls, Walzer, Taylor, Gould and Mouffe posit a pluralist individual in a communitarian ontology. I argue that Rawls, Walzer, Taylor and Mouffe have ontological foundations for combining a weak view of community with liberal freedoms. Gould, on the other hand strengthens the individual. Her ontology of individuals constituted in relations enables her to view actions and agency of individuals in a context of capitalist social relations.

Practical Issues Raised by Pateman's Thesis

In arguing for the developmental consequences of employee participation for life outside the workplace, Pateman does not convincingly make the link between participation in the workplace and participation in political life. Her concern is with the development of the individual's politically relevant attitudes within the workplace. The link between such attitudes and political participation outside the work place is largely assumed.³³ At the time of her analysis there was very little empirical evidence concerning such a linkage and '... [she did] not have sufficient information on a participatory system ... to test some of the arguments of the participatory theory of democracy satisfactorily'.³⁴ Much of her argument relies on dubious claims of the Yugoslav participatory system, which had the workplace at its base. She also fails to describe the extent to which the authority structure must be democratised for a sense of political efficacy and political competence to develop, arguing that any degree of participation is beneficial. She quotes empirical studies in support and concludes that 'even in the smallest possible doses' the psychological effect resulting from participating in decision making or believing that one is participating is so strong that even pseudo-participation has an effect.³⁵

Pateman's paucity of supporting empirical evidence raises questions about her claims. Chapter three reviews behavioural studies of the impact of more autonomous forms of workplace organisation. The studies support Pateman's thesis by showing how psychological and behavioural changes

³³J. Maxwell Elden, 'Political Efficacy at Work: The Connection between More Autonomous Forms of Workplace Organisation and a More Participatory Politics', *American Political Science Review* Vol. 75 (1981), p. 44.

³⁴Pateman, *op cit*, pp. 106-07.

³⁵*ibid*, p. 73.

suggestive of a 'democratic character' follow the introduction of greater workplace autonomy. There is only one major study directly concerned with proving Pateman's thesis. In 1978 Elden studied 200 waged employees working in semi-autonomous work groups. His study showed the developmental consequences inside and outside the workplace in behavioural terms.³⁶ While the results of Elden's study of the consequences of greater autonomy in the workplace are not at odds with Pateman's thesis, they are nevertheless inconclusive due to his restricted methodology. One objective of my thesis is to test Pateman's claims and to develop the work begun by Elden. This objective involves determining if two main propositions can be sustained: first, that a linkage exists between psychological and behavioural changes and participation in the workplace and second that a link exists between workplace participation and participation in socio-political life outside the workplace.

Consultative Management as the Subject of Pateman's Thesis

This raises questions about which model of workplace participation to use in order to test Pateman's thesis. My study of the various models of participation showed that a consultative structure involving consultative councils or committees is a very common form of employee participation both in Australia and overseas. It falls short of some people's expectations about other supposedly more democratised workplaces such as worker share ownership schemes and workers' cooperatives such as those advocated by elements of the New Left in the 1960s. But I shall argue that such share schemes and cooperatives may not be empowering or desirable let alone achievable, given existing capitalist relations of production. In fact all but one model of employee participation, discussed in chapter three, do not

³⁶J. Maxwell Elden, *Democracy at Work for a More Participatory Society* PhD Dissertation (Stanford University, 1978).

have equality of power in the decision making process and thus cannot be described as fully democratised. Because of the problems outlined above with other models and because it is the preferred model of the current Australian Government and the Australian Council of Trade Unions (ACTU) and therefore the most relevant, I chose consultative management as the most appropriate form of employee participation for my study.

The term employee participation is used throughout the thesis to be consistent with federal government terminology and as the best description of employees having opportunities to influence the decisions that affect them, their work and their work environment.³⁷ Supporters of Post-fordism may claim the consultative approach to employee participation signifies the post-Fordist 'new age of democracy'.³⁸ But in using the term employee participation, I emphasise there is no equivalence between it and workplace democracy.³⁹ Democracy involves the distribution of power or control over the decision making process, whereas participation means involvement in decision making but not necessarily a change in power

³⁷National Employee Participation Steering Committee, *Employee Participation—a Broad View* (Canberra: AGPS, 1979), p. 3.

³⁸J. Mathews, *Age of Democracy: The Politics of Post-Fordism* (Melbourne: Oxford Press, 1989) and A. Lipietz, *Towards a New Economic Order: Postfordism Ecology and Democracy* (Cambridge: Polity Press, 1991).

³⁹The literature abounds with attempts to define workplace democracy. Davis and Lansbury define it as involving the significant influence of workers in the important decisions that affect their lives at work. See E. Davis and R. Lansbury 'Democracy and Control in the Workplace: An Introduction' in E.M. Davis and R.D. Lansbury (eds), *Democracy and Control in the Workplace* (Melbourne: Longman Cheshire, 1986), p. 23. Vaughan argues that because democracy is an ultimate criterion it cannot be applied selectively. Democracy must extend to the top level of the enterprise for industrial democracy to exist. Thus, Vaughan does not see measures such as employee participation restricted to decisions concerning work environment and work organisation or to representation on the board of management as genuine democratic decision making. See Edward Vaughan, 'Industrial Democracy in Australia: Some Day Still Far Away' in Davis and Lansbury, *op cit*, pp. 42–5. Crombie argues for replacing the noun workplace democracy with the verb democratising the workplace, seeing democracy as an ongoing process. While structures are important in democratising the workplace it is employee participation that is essential to the process. See Alastair Crombie, 'Industrial Democracy in Australia 1972–1992: Profiting from Our Experiences' in Department of Employment and Industrial Relations, *Industrial Democracy and Employee Participation, Seminar Proceedings, Melbourne 17 August, 1984* (Canberra: AGPS, 1984), pp. 48 and 55.

distribution or control.⁴⁰ Employee participation involves employees having the opportunity to participate in the decisions that effect their work, work environment and their capacities in the form of information, skills and confidence to take further advantage of that opportunity.

Employee participation in the consultative structure is not, as I shall argue throughout the thesis, participation in the democratic sense that employees are self-determinant in making decisions that effect their work and working environment, but participation in the sense that employees play a part in the decision making process.

The Development of Consultative Management in Australia

The latter part of chapter three describes the slow development of employee participation in Australia. It describes a muted enthusiasm for workplace democracy in the 1970s which failed to develop further. It was not until the break-up of the Australian settlement values of protectionism, arbitration, preference for the male 'breadwinner' and Taylorist's concepts of workplace organisation that workplace democracy was again on the political economic agenda. Chapter four describes the events during the first decade of ALP government that lead to a more open political economic culture in Australia which prompted the restructuring of industry, unions and the award system. This in turn led to the adoption in some industries of a new workplace culture characterised by organisational tools such as Total Quality Control and by consultative management. The changes occurred under an umbrella of two opposing philosophies, namely consensus, exemplified by the Accord at the macro-level and consultative management at the shop-

⁴⁰Ramsay argues that employee participation means sharing but not necessarily sharing in power. It could be sharing information or profits. Such sharing could result in a sense of belonging and a deferential attitude to control from above, which is hardly a description of democracy. See Harvie Ramsay, 'Industrial Democracy and the Question of Control' in Davis and Lansbury, *op cit*, p. 53.

floor level, and the doctrine of economic rationalism. The changes created tensions both at the national, sectoral and shop-floor level. Industry and award restructuring, education reforms and the new workplace culture created additional tensions at the shop-floor level. The tensions and the potential for empowerment of the primary workforce are discussed and illustrated by shop-floor examples.

The implementation of consultative management by one of the nation's show industries, BHP's Port Kembla Steelworks (the Steelworks) and a small heavy engineering firm at the 'cutting edge' of new work practices, WGE Pty Ltd. (WGE), is described in chapter five. At both enterprises employees are consulted about and provide input for decisions to be made by management. At WGE waged employees are consulted directly at a general meeting, where decisions are made by secret ballot and according to the super-majoritarian principle. At the Steelworks waged employees participate in a representative system of Consultative Committees where decisions are made by consensus. I analyse the shift from a position where labour and capital were opposed at the end of the 1970s to one, by the end of the 1980s, where at the Steelworks unions are a part of a formal agreement with management and at WGE the workers make investment decisions with management. The consultative management structure in these enterprises is described together with the implications of majority rule and consensus for employee empowerment.

I demonstrate in chapter five, that although employee participation is limited in a consultative structure it is nevertheless more than mere tokenism or pseudo-participation, because it is part of a strategy of renewal for enterprise survival. Employee participation in the consultative structure found at the Steelworks and WGE is therefore, in Pateman's terms, more than adequate to test developmental consequences. If developmental consequences are suggested in this limited form of employee participation

and assuming that the extent of development rises with the extent of participation, it will augur well for Pateman's thesis and the potential for employee empowerment.

Pateman's Claims Tested

Chapter six tests some of Pateman's claims and some of Elden's major claims. Like Pateman and unlike Elden, I do not attempt to analyse the extent to which the workplaces are democratised. For reasons which become clear in chapter two I am, like Pateman, sceptical of trying to set out indices of democratisation. Instead, my objective in chapter six is to provide indices of a participatory workplace environment and culture and then to find suggestions of developmental consequences. Thus the preconditions for participation are explored, namely education, information sharing, teamwork, job satisfaction, opportunities for decision making and management support for employee participation, together with the desire for participation and expectations about and perceptions of influence in the decision making process. If participation has developmental consequences then preconditions such as job satisfaction, teamwork and the desire to participate must also be the effects of participating. That is, some factors are both prerequisites for participation and indices of participation.

In studying the effects of participation in consultative management in the community I examine the participants' psychological and behavioural changes and attitudes concerning voluntary associations and the family. Because Elden's major study examines Pateman's thesis in a comparable albeit different setting, it acts in part as a guide for my methodology, which includes a questionnaire survey, individual interviews of key personnel and union officials, semi-focused group interviews and non-participant observations of workplace meetings. Elden's work also gives the study a comparative element and significant supporting evidence. Because of the

considerable differences in industrial and political culture, political institutions and workplaces in Australia and the United States, Elden's methodology required adaptation and modifications to suit the local setting.

The responses of 167 waged and salaried employees participating in consultative management at WGE and six workplaces in the Ironmaking Department of the Steelworks are analysed. While supporting Pateman's argument for the developmental consequences of workplace participation, my research findings also suggest the importance of participation in the public sphere for political activity. The evidence also accords with my arguments about the self reinforcing process of participating and the linkages between the workplace, public life and citizenship discussed in chapter two. My study indicates multiple voluntary association membership and suggests that those who are members of voluntary associations are more likely to participate in workplace committees. This politicisation process has important implications for democratic transformation in the 1990s, where unemployment, the casualisation and the feminisation of work have changed the central place of work in society.⁴¹ We do not know, however, if the findings concerning involvement in voluntary associations is reliant on the fact of employment as Pixley has argued, as such would require further study beyond the scope of this thesis. More importantly, with regard to reconciling opposing views of democracy, the data indicates the pluralist implications of Pateman's thesis.

⁴¹In 1983, Pateman admitted the changes in economic and social circumstances, in particular the vast numbers of unemployed and the emergence of the feminist movement, that have occurred since writing her book in the late 1960s, makes the democratic transformation of the advanced liberal-capitalist society a more complex proposition. See Carole Pateman, 'Some Reflections on Participation and Democratic Theory' in Colin Crouch and Frank Heller (eds), *International Yearbook of Organisational Democracy and Political Processes: For the Study of Participation, Cooperation and Power* Volume I (Chichester: John Wiley and Sons, 1983), pp. 107-20.

Moving Beyond Pateman

In chapter seven I analyse the results of my study in the light of the major claims of Pateman's participatory democratic theory. I show how later developments in participatory theory highlight the untouched areas in Pateman's work. For example, how participation in the workplace translates to an enhanced sense of political efficacy in the broader public arena. I also show how my results qualify the more intense pessimism of some of the republican theorists of secular decline. The ontological basis of a degree of fusion between pluralism and participatory democracy is also highlighted by taking into account the findings of my study. Because of these linkages between pluralism and participatory theory I highlight the importance of recent developments of pluralist and republican conceptions of democracy.

CHAPTER ONE

CLASSICAL DEMOCRATIC THEORY AND THE DEVELOPMENTAL CONSEQUENCES OF PARTICIPATION

Carole Pateman is a leading protagonist of participation as an essential component of developmental democratic thought.²¹ In *Participation and Democratic Theory* (1970),²² she attacks the political science wisdom of that time, namely the position of the democratic revisionists who claimed classical democratic theory was not only undesirable but impossible to implement in modern liberal democracies. The revisionists that Pateman criticises are Berelson, Dahl, Sartori and Eckstein whose work she claims springs from Schumpeter's 'modern realistic' account of democracy as a political method where participation is limited to electing representatives. The revisionists emphasised the requirement for stability of the political system. They argued that the apathy and lack of interest in politics of the majority observed by behaviouralists, played a vital role in maintaining stability. This was because the authoritarian personality found, particularly amongst those of low socio-economic status, was contrary to the democratic norms held by the classical theorists. Any increase in participation of the majority beyond taking part in elections, the revisionists argued, would upset the democratic method.

²¹David Held, *Models of Democracy* (Cambridge: Polity Press, 1987), pp. 258–61. Others who can be described as participatory democratic theorists include Jane J. Mansbridge and C.B. Macpherson (see in particular C.B. Macpherson, *The Life and Times of Liberal Democracy* Oxford: Oxford University Press, 1977, pp. 98–107). For a short critique of Pateman's participatory democracy position see William N. Nelson, *On Justifying Democracy* (London: Routledge and Kegan Paul, 1980), pp. 48–51 and Carol Gould, *Rethinking Democracy* (Cambridge: Cambridge University Press, 1988), pp. 20–1.

²²Carol Pateman, *Participation and Democratic Theory* (Cambridge: Cambridge University Press, 1970).

Pateman argues the revisionists failed to appreciate the role of participation in the classical democratic theories and why such a high value was placed upon it. That is, they missed the developmental consequences of participation; that of enhancing the democratic character which would counter the authoritarian personality so feared by the revisionists and that of fostering integration. Such consequences of participation were stabilising rather than destabilising. Moreover, Pateman argues, revisionists were wrong to attack classical theory as a single theory of democracy and wrong to claim that all classical theorists not only advocated participation but also advocated it at the highest level of government. It is also wrong to say that none prescribed how participation would be operationalised in modern society. Pateman claims that the classical theorists have been misrepresented; they had not advocated participatory democracy in the way that the revisionists claimed. Only some classical theorists argued for participatory democracy, namely Rousseau and John Stuart Mill, while others, like Locke and Burke, argued for a partial non-democratic form of participation as a protective measure. Yet others, like the utilitarian theorists Bentham and James Mill,²³ advocated mass participation via elected representatives as a means to thwart corrupt government. Moreover, to Pateman, while the classical theorists such as Rousseau and John Stuart Mill argued for participatory democracy, their view of participation differed from the revisionists' account of the concept; that is the maximum participation of all the people at a national level. Rather, these participatory democratic theorists, as Pateman regards them, held a concept of participatory democracy at a small city-state level in the case of Rousseau, and at the workplace and local government level, in the case of

²³Ball argues that James Mill adopted some of Bentham's ideas to his own purpose, combining Benthamism and Plato. See Terence Ball, *Reappraising Political Theory: Revisionist Studies in the History of Political Thought* (Oxford: Clarendon Press, 1993), pp. 140–42 and chapter 7.

Mill. In sum, Pateman argues the revisionists' claim that classical democratic theory was unworkable, unrealistic and destabilising was based on a false premise.

Pateman corrects the debate by re-examining the ideas of those theorists whom she calls participatory democratic theorists. Her objective is to defend a form of participatory democracy, based on participation in the workplace, along lines similar to J.J. Rousseau and J.S. Mill and the functionally organised society advocated by the early twentieth century guild-socialist G.D.H. Cole. And she seeks to defend participatory democracy on the basis of its educative and developmental consequences. She supports participatory democracy in the workplace on the grounds that the workplace is an important and influential area of one's life. Moreover, because within the workplace there is an authoritative value allocation, the workplace is a political institution in its own right. She argues that participation in making decisions that affect one's life and environment in such a meaningful, though be it non-governmental way, provides education for the development of a democratic personality characterised by a sense of political efficacy and a sense of political competency. Pateman finds empirical support for the developmental consequences of workplace participation in the limited work available at the time and empirical support for the possibility of workplace democracy in a limited number of democratised workplaces in England and a somewhat idealised account of the Yugoslavian experience of a participatory society. Rather than rehash Pateman's path-breaking ground, my intention is briefly to state Pateman's account of the participatory theorists. I shall then expand on areas I find deficient in Pateman's account, as remedying such are important to support my case for participation in the workplace.

My examination of Pateman's three theorists highlights the importance not only of workplace participation but also of associational life

and community in the development of the democratic character and consequent empowerment. Such importance is supported by my empirical findings in chapter six. Because Pateman's concern is workplace participation, in order to explain the importance of associational life with regard to developmental consequences I need to examine other theories of participation. Hence, in chapter two I discuss revisionist pluralist theory in more detail and contrast it with English and socialist pluralism, communitarian republicanism and New Left theories of participation. It is the purpose of this chapter to examine Pateman's participatory theorists, Rousseau, Mill and Cole.

I Jean-Jacques Rousseau

Drawing on Rousseau's *Social Contract*,²⁴ Pateman argues citizen participation in making decisions in accordance with the general will was the *leitmotif* of Rousseau's political system. With political participation came education in political efficacy, self-development, freedom in the sense of control over one's life and a sense of community. Pateman emphasises the educative aspect of Rousseau's participation, seeing it as the 'central function of participation in Rousseau's theory, ... using education in the wide sense'.²⁵ According to Rousseau, participation developed responsible, individual social and political action. Individuals participating in decision making learned that they must consider matters wider than their own immediate interests. This taught individuals to be public citizens as well as private persons, to the extent that eventually the demands of the public and private sphere ceased to be in conflict. According to Pateman's reading of Rousseau, the experience of participation developed qualities of political

²⁴J.-J. Rousseau, *The Social Contract* translated by M. Cranston (Harmondsworth: Penguin Books, 1968).

²⁵Pateman, *op cit*, p. 24.

efficacy and competency, dormant in individuals. And with continuous participation, citizens became more efficacious in decision making.²⁶ Thus, participation was not only self-sustaining, but also had an integrative and stabilising function through the operation of the general will in a condition of citizen interdependence.

Rousseau's system required the existence of nearly equal citizens, where 'no citizen shall be rich enough to buy another and none so poor as to be forced to sell himself' and politically and socially independent individuals based on their property ownership.²⁷ These equal and independent citizens were also interdependent, relying and cooperating with one another. A political assembly of independent and inter-dependent citizens meant no one need vote for any policy that is 'not as much to his advantage as to the advantage of any other'. By submitting oneself to the same conditions which one imposes on others, 'each' pertains to oneself, so that in voting for all, one is voting for oneself and the only policy that will be acceptable to all is the one where benefits and burdens are equally shared. Moreover, as the structural position of each was equal and all were able to hold property, then interdependence and cooperation were the product of a free choice.

In this situation of near equality the general will would prevail, guiding citizens to make decisions and laws in the general interest. Rousseau's concept of the general will was not the sum of individual wills. Rather, it was a will created by a consensus of the general assembly of

²⁶*ibid*, p. 25.

²⁷Unlike Locke, a defence of private property was not central to Rousseau's political theory. In *The Social Contract* he did, however, refer to property as a right even more sacred than liberty itself. This point is made by Alan Ryan, in his 'Rousseau and Progress', *Property and Political Theory* (Oxford: Basil Blackwell, 1984), p. 49. Presumably Rousseau's defence of property in this instance was on the basis that independence and equality required modest property ownership. Tilling one's own small agricultural plot was also seen by Rousseau as a means of 'reconstituting the self as an undivided unity' (*ibid*, pp. 50–1).

individuals participating in a condition of near equality of social location, independence and interdependence. The general will was always just, because it tended to the common interest. And the common interest was discovered by the cooperative effort of all. Thus laws were not produced by individuals *per se* but were recognised by the general will as already existing within itself.²⁸ Participation thus served an integrative function, forcing a cooperative effort to find laws in the best interests of all and an acceptance of these laws made collectively by participating individual.²⁹

Decision making under the guidance of the general will 'forced citizens to be free', because unless each individual was forced through the participatory process into socially responsible action, then there could be no just laws that individuals could prescribe to themselves.³⁰ Citizens were also free in the sense of living under laws of their own making and having control over making the decisions that effected them. The notion of forcing citizens to be free has led to accusations of Rousseau's totalitarianism,³¹ because Rousseau did not hold a negative concept of freedom compatible with some classical liberal notions of democracy. Instead, as Pateman points out, implicit in Rousseau's participation is a positive notion of freedom. In

²⁸Sartori has a different account of Rousseau's general will. Sartori argues that Rousseau meant law as a fundamental, ancient and almost immutable supreme Law. It was tantamount to a concept of natural law, except rather than residing in nature, the Law resided in the general will. According to Sartori, the Law was acknowledged and safeguarded by the will, rather than created by it. See G. Sartori *Democratic Theory* (Connecticut: Greenwood, Press, 1962), p. 294. If this interpretation of Rousseau's Law is correct then, to my mind, individuals are not submitting themselves to laws prescribed by themselves, but merely submitted to law already present.

²⁹Pateman, *op cit*, p. 27.

³⁰*ibid*, pp. 25-6.

³¹J.L. Talmon, *The Origins of Totalitarian Democracy* (London: Secker and Warburg, 1952) and Benjamin Barber, *Strong Democracy: Participation for a New Age* (Berkley: University of California, 1984). See Ball, *op cit*, for a discussion of this.

fact she claims that he is an unequivocal advocate of positive freedom.³² This is because in Rousseau's political theory, citizens actively acquired the freedom to develop in society in contrast to the natural-law liberals who advocated a contractual passive citizen freedom 'from' society; that is freedom from the threat of other competitive individuals in society, bent on invading each other's rights. Contra natural law liberals, freedom was not a right derived from nature, because in Rousseau's innocent state of nature there was no cause of conflict.³³

In Rousseau's state of nature individuals were solitary and non-communicative creatures, human only potentially. It was only 'in and through society' that individual human nature and the faculties of reason, moral responsibility, language and competitiveness were realised and actualised.³⁴ Thus, far from the negative freedom 'from' society of the liberal-state-of-nature tradition, Rousseau's freedom was realised in and through society. This meant that individuals were 'liberated by liberating society, that [the individual's] freedom was not an area which "excluded" others, but was achieved with the "positive" implication of freedom for all: ...'³⁵ Freedom was created from actively participating in society; just as the individual self was not given by God or fixed by nature but was constructed by society.³⁶

³²Pateman, *op cit*, p. 26 footnote 2. For a discussion on negative and positive freedom see Isaiah Berlin, 'Two Concepts of Liberty' in *Four Essays on Liberty* (Oxford: Oxford University Press, 1958) and Carol Gould, *Rethinking Democracy* (Cambridge: Cambridge University Press, 1988), pp. 35–60.

³³Rousseau held several views on the state of nature. In his concept of an innocent state of nature Rousseau did not attribute the origin of evil to some presumed original sin by man, but to society.

³⁴Ryan, *op cit*, p. 50 and Lucio Colletti *From Rousseau to Lenin* translated by John Merrington and Judith White (London: NLB, 1972), p. 151.

³⁵Colletti, *op cit*, pp. 151–52.

³⁶Ryan, *op cit*, p. 50.

Ryan argues, however, that as individuals were constructed by society they could also reconstruct society.³⁷ Rousseau had a pessimistic account of the corrupting influence of society on our souls,³⁸ but if what individuals were was the result of their living together in society, then social and political arrangements were optional and social change had enormous potential. If the present coercive and corrupting form of society were destroyed and replaced by 'the free form of political and ethical community', then individuals' whole perspective of their existence would be profoundly and radically transformed.³⁹ Politics was Rousseau's instrument of 'salvation'.⁴⁰ Unlike the natural-law liberals, morality did not govern politics but rather politics was the solution to the moral problem. Morality arose from the civil community, not from the state of nature as liberals before him claimed.⁴¹ For Rousseau, the moral education of the citizen advocated in *The Social Contract* lay in participation in public life.⁴² Thus freedom and the moral development of citizens emanates in their active participation in society, congruent with the concept of positive freedom that Pateman finds implicit in Rousseau.

Active participation also enhanced the feeling among individual citizens that they were part of their community, particularly so when they enjoyed it in a situation of near equality. Through the participatory experience they became attached to their society, through the integrative

³⁷*ibid*, p. 53.

³⁸*ibid*, p. 51 and Susan Moller-Okin, *op cit*, pp. 107ff. And for the source see J.-J. Rousseau, *Emile*, Translated by B. Foxley (London: Everyman's Library, 1911).

³⁹Cassirer cited in Colletti, *op cit*, p. 146.

⁴⁰Colletti, *op cit*, p. 146.

⁴¹Rousseau was most critical of Locke's purely formal and 'negative' concept of society, where 'the happiness of one is the unhappiness of another' (from the *Geneva Manuscript* cited in Colletti, *op cit*, p. 172).

⁴²Rousseau, *Ecrits politiques*, cited in *ibid*, pp. 147–48.

function of participation mentioned above, through the development of other regarding psychological orientations and through the cooperative effort to find just laws: all of which engendered a sense of community. Community was important to Rousseau, although his ideal community rested on the social basis of small independent farmers who were politically virtuous and militarily courageous. In other words, Rousseau's concept of community was Machiavelli's community of the Roman Republic.⁴³ While Pateman finds community ensues from Rousseau's account of participation, she fails to stress the Machiavellian underpinnings of Rousseau's concept of community and indeed of citizen participation and citizen virtue. Rousseau's notion of freedom was tied to the Roman republican ideas concerning civic duty. In Rousseau's view, an individual's freedom was preserved by 'do[ing] something for their country'.⁴⁴ For Rousseau, participation meant more than control over making one's laws, it also meant duty and obligation.⁴⁵ Thus, the positive freedom that Pateman finds in Rousseau's political theory takes on an extra dimension.

The application of Rousseau's developmental theory of participation to substate organisations at first appears problematic. Rousseau's critics claim that he rejected any organisation that might stand between the individual and the general will. Due to his fear of the power of particular interests and his suspicions of the support these would gain in social institutions, they assert Rousseau would abolish all intermediary associations. If this were true, Rousseau's participatory theory could not form the basis for workplace participation that Pateman requires. Nor could

⁴³See Niccolo Machiavelli, *The Discourses* (Harmondsworth: Penguin Books, 1970), pp. 102–4.

⁴⁴Ryan, *op cit*, p. 68.

⁴⁵Quentin Skinner, 'Machiavelli on the Maintenance of Liberty', *Politics* Vol. 18, No. 2 (November, 1983), pp. 3–13.

it underpin a participatory society based on any form of substate organisations. It is true Rousseau believed that in order for the general will to prevail 'there should be no partial society within the State and that the citizen should think his own thoughts'.⁴⁶ He did fear that a society of organised groups, rather than individuals, might mean that a particular, rather than the general will would prevail. But, like republicans after him, it was parties, factions and monopolies that Rousseau abhorred.⁴⁷ He accepted that voluntary associations, united by some common interest, would inevitably occur in society:⁴⁸ a reasonable proposition given that the first voluntary associations grew out of individuals' perception of common interests of a limited and temporary sort in the state of nature.⁴⁹ And following Machiavelli, he accepted that while some organisations were harmful to a republic there were some that were advantageous.⁵⁰ So long as intermediary associations were as numerous as possible in order to equalise their influence, their interests were not at odds with the public interest and they were not attached to faction or party, then the 'general will shall be always enlightened, and ... the people shall in no way deceive itself'.⁵¹ In other words, for Rousseau, such groups would be acceptable so long as the participatory process of associations worked along the same lines as that of individuals. That is, groups were as numerous and as equal as possible and

⁴⁶Rousseau, *The Social Contract* translated by G.D.H. Cole (New York: E.P. Dutton, 1950), Book II, ch. 3, p. 27.

⁴⁷In this Rousseau was in agreement with much of eighteenth-century thought. In particular, the Federalists Washington, Madison and John Adams feared party and faction.

⁴⁸Pateman, *op cit*, p. 24.

⁴⁹See Rousseau's, *Discourse on the Origin and Foundation of Inequality among Men*.

⁵⁰Maure L. Goldschmidt, 'Rousseau on Intermediate Associations' in J.R. Pennock and J.W. Chapman (eds), *Voluntary Associations* Nomos XI (New York: Atherton Press, 1969), pp. 121-22.

⁵¹*Social Contract*, *op cit*, Book II, ch. 3, pp. 27-8.

the general will prevailed between them, so that no group gained at the expense of the rest.⁵²

Ehrlich believes that while Rousseau argued against factionalism and parties, he distinguished between those associations that were harmful, because they paralysed the general will, and those which were functional.⁵³ Rousseau's acceptance of group life is found in specific support for the voluntary associations or circles in Geneva society. These were groups of twelve to fifteen people of the same sex who organised as clubs for purposes of amusement, exercise and discourse.⁵⁴ These circles helped to preserve republican morals among citizens and combined 'everything which [could] contribute to making friends, citizens, and soldiers out of the same men, and, in consequence, everything which [was] most appropriate to a free people'.⁵⁵ Rousseau also supported the *ad hoc* organisations that arose in Poland to uphold the independence of the State, regarding their existence as essential to the health of the Polish State.⁵⁶

Ehrlich also finds in Rousseau "'organisational recommendations" for societies within small states' and evidence of 'clear pluralistic elements' in his political theory through his influence on the Jacobin's support for the 'numberless clubs, people's associations, etc., [that had] cropped up and formed in their totality, the prototype of a society governed by the people' and the Jacobin's program to end centralised government once the

⁵²Pateman, *op cit*, p. 24.

⁵³Stanislaw Ehrlich, *Pluralism on and off Course* (Oxford: Pergamon Press, 1982), p. 138.

⁵⁴Goldschmidt, *op cit*, p. 124.

⁵⁵Letter to M. d'Alembert on the Theatre cited in Goldschmidt, *op cit*, p. 125.

⁵⁶J.J. Rousseau, 'Consideration on the Government of Poland' in his *Political Writings* translated and edited by F.M. Watkins (New York: Nelson, 1963), pp. 217–18.

revolution was over and to introduce a system of a network of communes based on direct democracy with elected authorities.⁵⁷

The state would integrate the wills of the intermediary groups just as the group integrated the wills of its members. In this way the will of the state and the groups share in the general will. In Rousseau's discussion of a European Republic, Goldschmidt finds clear evidence that the will of a group may be general for its members and still participate in the general will of a more inclusive society.⁵⁸ Goldschmidt describes 'a hierarchy of general wills beginning with the face-to-face groups, growing into ever more comprehensive intermediate associations and culminating in an international federation of states which could maintain peace and justice'.⁵⁹ Groups were desirable so long as they fulfilled basic human needs as distinct from mere wants and made the individuals good citizens by preparing them for living under the authority of the general will.⁶⁰ In this way intermediary associations could develop human potentialities and create conditions favourable for good government.

Although Rousseau failed to prescribe the internal authority structure of voluntary associations in the community, Pateman summarises that his basic analysis of the participatory process could be applied.⁶¹ Ehrlich and Colletti support this view. In Marx's analysis of the Paris Commune,⁶² both Ehrlich and Colletti find Rousseau's prescription for organisations, namely that they be directly participating bodies with delegates, not

⁵⁷Ehrlich, *op cit*, pp. 141-42.

⁵⁸Goldschmidt, *op cit*, p. 131.

⁵⁹*ibid*, p. 135.

⁶⁰*ibid*, p. 123.

⁶¹Pateman, *op cit*, p. 24.

⁶²K. Marx, 'The Civil War in France' *Selected Works*, Vol. II.

representatives, who were each bound by the formal instructions of their constituents.⁶³

In her examination of Rousseau's theory, Pateman concentrates on the 'interrelationship between the authority structure of institutions and the psychological qualities and attitudes of individuals' and the related 'function of participation [as] an educative one'.⁶⁴ Pateman only refers in passing to the fact that participation of the type advocated by Rousseau could not be implemented in a nation-state, given his stipulation that all citizens must participate directly. For Pateman, Rousseau provided the basis of the theory of participatory democracy, while J.S. Mill and Cole 'lifted the theory of participatory democracy out of the context of the city-state ... into that of a modern political system'.⁶⁵ But, in his *Considerations on the Government of Poland*, Rousseau faced the problem of implementing participatory democracy within the nation-state.⁶⁶ While still supporting the classical tradition of participatory democracy and denying that any man should make laws on behalf of others, Rousseau suggested that people should enact their laws by assembling in smaller territorial units containing roughly equal populations. In keeping with his stipulations for intermediary associations above, Rousseau advocated 'as many states as there were palatines, subdivided into an equal number of particular administrations', to operate within the 'common subordination to the body of the republic'.⁶⁷ That is, the general will of the Polish State would integrate the wills of numerous intermediary associations. Polish individuals could express their wills on

⁶³Ehrlich, *op cit*, pp. 144–45. and Colletti *op cit*, pp. 185–86.

⁶⁴Pateman, *op cit*, p. 27.

⁶⁵*ibid*, p. 27.

⁶⁶Rousseau, 'Considerations', *op cit*.

⁶⁷*ibid*, p. 183.

national legislation through a three-tiered system of linked assemblies (the mass participation assemblies of the rural and urban communes, thirty-three provincial or palatine assemblies or dietines and the national assembly or diet). Deputies would be strictly bound to convey the will from below. Rousseau believed that direct participation in basic level democracies could eventually control national legislation. While Rousseau's proposal for Polish Government was not participatory democracy in the local government and the workplace as advocated by Mill and was not participatory democracy in all lower level political structures as Pateman advocates, it was, nevertheless, a system of small-scale participatory units voting on national legislative matters. As such, and contrary to Pateman's implied criticism, it was an attempt by Rousseau to implement participatory democracy in the modern nation-state. Furthermore, because Rousseau's dislike of particular interests and his support for homogeneity was in fact a call for unity in the sense of ethical concepts,⁶⁸ rather than a call for unity in the behavioural sense, it is conceivable that Rousseau could accept a society comprised of groups. Such evidence of Rousseau's acceptance of associational life whilst retaining the importance of the individual participating in accordance with the general will, has implications for the importance of the social space and community demonstrated by the findings of my study in chapter six.

What Rousseau could not have accepted, however, was a society comprised of politically participating women. Pateman's early work fails to show how Rousseau's participatory society was restricted to males.⁶⁹

⁶⁸E. Fraenklel, cited in Ehrlich, *op cit*, p. xvii.

⁶⁹In fairness to Pateman, she wrote *Participation and Democratic Theory* during the early days of the feminist movement. Since the publication of this work she has written extensively on the issue of women's exclusion from the public space. See for example, *The Sexual Contract* (Cambridge: Polity Press, 1988), 'Feminism and Democracy' in G. Duncan (ed.), *Democratic Theory and Practice* (Cambridge: Cambridge University Press, 1983) and

Because of his dialectics of sexual interdependence, Rousseau never argued that men and women should share political power.⁷⁰ They ought instead to pursue that form of power appropriate to their sex. Accordingly, because women were deemed weak and passive, their role was to please, be subjugated by and to bolster men's self-identity, while men were the explicit and direct agents of political rule.

II John Stuart Mill

In contrast to Rousseau, John Stuart Mill explicitly addressed the exclusion of women from political participation and sought to redress the issue through the abolition of the marriage contract and education for women. Mill also contrasted with Rousseau in that he explicitly argued for participatory democracy as a component of a modern representative political system as the ideal. For Mill, good government had two interrelated aspects, a managerial side similar to that advocated by Bentham and an educational side, which, according to Pateman, was in Mill's view government's most important aspect.⁷¹ 'Mill [saw] government and political institutions first and foremost as educative in the broadest sense of the word'.⁷² According to Pateman, Mill saw the educative function of participation in much the same terms as Rousseau. Qualities required for political participation were inherent in individuals and needed only to be fostered and developed.⁷³ The exercise of these qualities developed the participatory relevant or 'democratic' character. Mill made 'the basic

The Disorder of Women: Democracy, Feminism and Political Theory (Oxford: Polity Press, 1989).

⁷⁰Joel Schwartz, *The Sexual Politics of Jean-Jacques Rousseau* (Chicago: University of Chicago Press, 1985) and Moller-Okin, *op cit*, pp. 140–66.

⁷¹Pateman, *op cit*, p. 28.

⁷²*ibid*, p. 29.

⁷³*ibid*, p. 29.

assertion of the theorists of participatory democracy of the interrelationship and connection between individuals, their qualities and psychological characteristics, and types of institutions'.⁷⁴ Participation in public affairs forced individuals to widen their horizons beyond themselves and their families and to consider their relationships with others. By forcing individuals to be 'other regarding' rather than self-regarding, participation forced individuals to take the public interest into account and to be guided by the common good. Participation fostered integration through a wider acceptance of decisions and a sense of community. Through political discussion, Mill argued, individuals became 'consciously a member of a great community' and were made to feel that 'the common weal is (their) weal ...'.⁷⁵ Within the context of popular, participatory institutions, individuals were intellectually and morally advanced and an active public-spirited type of character, the 'democratic character', was fostered.

According to Pateman, it was the developmental opportunities that prompted Mill to see democratic government as the 'ideally best polity'. Despotism, even benevolent despotism stultified the moral and intellectual development of citizens. He saw the franchise in itself as 'a potent instrument of mental improvement'.⁷⁶ But universal suffrage and participation by voting for representatives at the national level alone, were inadequate developmental procedures. While the necessary 'democratic' qualities lay dormant in each, individuals could not develop these qualities

⁷⁴*ibid*, p. 29.

⁷⁵Mill, *On Representation* cited by Pateman, *op cit*, p. 33.

⁷⁶J.S. Mill, 'Autobiography' in *Collected Works* J.M. Robson (ed.), (Toronto: University of Toronto Press, Routledge and Kegan Paul, 1965), p. 163.

by a political act once in a few years. It was, he argued, by 'doing' individuals developed the necessary participatory qualities and skills.⁷⁷

Influenced by de Tocqueville's account of the dangers of centralisation in mass society,⁷⁸ Mill advocated participation at a local level of jury service and local government (parish councils). Voluntary participation in community affairs, especially in local associations, was vital for the growth of individual faculties, particularly for the poorly educated, because it was here that the uneducated met with the educated, where the ignorant people could submit 'to their own natural leaders in the path of progress'.⁷⁹ It was here that participation in deciding issues of immediate relevance to the individual could be practiced and individuals stood a good chance of being elected to serve. The educative experience of participation would not only lead to a wiser and more informed choice of representatives at the national level of government but by practising government on a lesser scale, individuals would learn how to exercise government on a larger scale.

Mill's emphasis on citizen participation in the community rather than at the higher level of government was 'not intended as a back-handed way of excluding the [labouring class]'⁸⁰ and relegating them to the fringes of power while major decisions were taken by an unrestrained elite.⁸¹ Rather

⁷⁷Mill argued that 'we do not learn to read or write, to ride or swim, by being merely told how to do it, but by doing it...' in 'De Tocqueville on Democracy in America [1]' *Essays on Politics and Society* in *Collected Works* xviii, J.M. Robson (ed.), (Toronto: University of Toronto Press, 1965), pp. 62–8.

⁷⁸Alexis de Tocqueville, *Democracy in America* edited by Henry Steele Commager (London: Oxford University Press, 1955).

⁷⁹J.S. Mill, *On Representation* (London: Dent and Sons, 1960), p. 328.

⁸⁰Macpherson, *Life and Times*, *op cit*, p. 57.

⁸¹*ibid*, p. 264. Mill is accused of elitism because he advocated plural voting based on education attainment, for it was 'wholly inadmissible that any person should participate in the suffrage without being able to read, write and ... perform the operations of arithmetic' (*On Representative Government*, *op cit*, p. 280); suffrage based on independent means (those

participation, along with improvements in the economic situation⁸² and good popular education, was the means to elevate the masses and integrate them into society, transforming it as selfish and ignorant men had their perceptions and values changed and conflict between selfish interests disappeared.

Mill had great faith in the poor and uneducated and their capacity for participation.

No longer must they be subjected to the morals and religion of other people's prescribing ... The poor had come out of leading strings and cannot any longer be governed or treated like children. ... Whatever advice, exhortation or guidance is held out to the labouring classes, must henceforth be tendered to them as equals, and accepted by them with their eyes open. The prospect of the future depends on the degree in which they can be made rational beings.⁸³

Impressed by de Tocqueville's admiration for the conscientious citizenship of the Americans in terms of their democratic institutions,⁸⁴ Mill advocated

all classes of the community, down to the lowest, should have much to do for themselves; that is as great a demand should be made upon their intelligence and virtue as it is in any respect equal to ... the

who could not pay local rates, welfare recipients, bankrupts and drunks were to be denied the franchise); an educated elite as rulers on the basis that they would provide the 'wisest and best' and the most morally fit men for government; and a separation of the functions of government where parliament would be the forum for articulation of wants and demands and the centre for criticism and laws would be drawn up and administered by a specially trained and experienced non-elected few. Mill believed it was not desirable or necessary that all have a detailed knowledge and understanding of major political issues. But it was necessary that an educated citizenry could recognise those who were capable of understanding the issues and making expert decisions.

⁸²Mill also argued for high wages as part of the growth of human intellect and morals. He also argued for limiting rights of inheritance and bequest which preserved or even accentuated substantial inequality. This would presumably facilitate the economic equality required by Rousseau for the operation of the general will.

⁸³J.S. Mill, *Political Economy* Bk IV, vii, sects, 1 and 2 in *Collected Works* iii, pp. 761–63.

⁸⁴*Autobiography, op cit*, p. 163.

government should encourage them, to manage as many as possible of their joint concerns by voluntary co-operation ...⁸⁵

It was better to make mistakes and fall, because this was far more likely to be constructive than the experience of coercion by the enlightened.⁸⁶

His emphasis on education as a prerequisite for political participation was part of Mill's ontology of an optimistic view of human nature⁸⁷ and a developmental view of history as human progress.⁸⁸ According to Mill, self-development was the goal and engine of human history and happiness was an ideal state, where happiness was not the 'sum total of immediate actually desired, wanted and quantifiable pleasures' advocated by James Mill and Bentham, but the experience of individuals who had 'fully developed their faculties, who had mastery over their wants, especially their animal desires and who could recognise and realise their individual and collective interests'.⁸⁹ In other words, human happiness was a full development and use of human potential; 'the end of man ... [being] the highest and most harmonious development of his powers to a complete and consistent whole.'⁹⁰

⁸⁵*Political Economy* Bk V, xi, in *Collected Works* iii, p. 944.

⁸⁶Duncan, *op cit*, p. 248.

⁸⁷Mill said, 'If you take the average human mind while still young, before the objects it has chosen in life have given it a turn in the bad direction, you will find it desiring what is good, right, for the benefit of all ...' (*Inaugural address at St Andrews University*, cited in Duncan, *op cit*, p. 252).

⁸⁸See Macpherson, *Life and Times*, *op cit*, Alan Ryan, 'Mill and Marx and Socialism' in *Property and Political Theory* (Oxford: Basil Blackwell, 1984), pp. 142-59 and Graeme Duncan, *Marx and Mill: Two Views of Social Conflict and Social Harmony* (Cambridge: Cambridge University Press, 1973), p. 238.

⁸⁹Gibbons, *op cit*, 96. This concept of utilitarianism came to be espoused by Ricardian Socialists. For a short discussion of the Ricardian socialist theory of John Francis Bray, John Gray, William Thompson and Thomas Hodgskin see Eric Roll, *A History of Economic Thought* fifth edition (London: Faber and Faber, 1992), pp. 221-26.

⁹⁰*On Liberty* iii, in *Collected Works* xviii.

This developmental view informed Mill's positive concept of freedom, which he held in company with Rousseau. Mill believed that each should be encouraged to cultivate the 'characteristics of self-direction and self-control and ... the ability and interest to invest them in promoting the public good'⁹¹ and be aided to develop to their full capabilities.⁹² Although Mill was concerned to protect individuals from the tyranny of government, he advocated government intervention with a view to developing society's capacity for self-management.⁹³ To this end, he advocated state education to raise the moral and literacy level and eventually to allow one vote per citizen.⁹⁴ And, unlike Rousseau, Mill advocated that women be educated and freed from their position of subjugation in the home by the abolition of the marriage contract, both to widen the suffrage and to facilitate the development of their human potential and the development of society in general. Society was improved by the personal development of all the members of the society because the greatest aggregate good was achieved by encouraging individuals to develop themselves.⁹⁵ And individual development was achieved through active participation in the political process, because the experience of continuous participation led to an improvement not only in the individual's political

⁹¹Gibbins, *op cit*, p. 105.

⁹²Duncan, *op cit*, p. 259.

⁹³*Political Economy* Bk. V, xi, in *Collected Works* iii, pp. 942–43.

⁹⁴Mill also supported the 1840 Poor Law Amendment Act, state interference in the revolution in Europe in 1840s, the Irish famine (the compulsory redistribution of land belonging to absentee landlords to the local peasantry) state welfare in areas where the market failed and the early efforts of working men's organisations to improve their wages, conditions and power *vis a vis* the employers in the 1870s. The call for state intervention was underpinned by a belief in the state's role to facilitate the self-development of individuals 'enslaved neither by hereditary landlords nor capitalist employers'.

⁹⁵Macpherson, *op cit*, p. 52.

capacity but also in their moral and intellectual development, making them capable of more participation and more self-development.⁹⁶

In advocating the self-development of the poor he did not resolve the issue of capitalist relations of production and how this would prohibit many from realising their developmental potential.⁹⁷ He hoped instead that working-class education and workers' cooperatives would eventually redress the exploitative nature of capitalism. Mill saw value in the theories of socialism and cooperation mooted in his day⁹⁸ and advocated a cooperative form of industrial organisation,⁹⁹ where there was collective ownership of the means of production, decision making and election of managers. As with experience in local government, he argued that experience in workplace self-management would foster a sense of independence and self-worth, would educate participants in their social responsibility and would develop the qualities necessary for political activities on a larger scale. It would transform human life from 'a conflict of classes struggling for opposite interests, to a friendly rivalry in the pursuit of a good common to all'.¹⁰⁰

Mill supported socialist schemes so long as they were not centralist, and were 'voluntary organisations in small communities' which could be multiplied across the nation allowing for widespread participation. Similarly, Mill's workplace socialism was syndicalist, for he advocated trade unions and small competing cooperative associations. Mill advocated self-management in the workplace because he hated the drudgery and

⁹⁶*ibid*, p. 60.

⁹⁷Macpherson, *op cit*, pp. 62–3 and 70.

⁹⁸Pateman, *op cit*, p. 33.

⁹⁹Mill supported local worker co-operatives, retail co-operatives, profit sharing schemes and workers' savings, investment and insurance schemes.

¹⁰⁰*Political Economy* Bk. IV, vii, sect. 6, in *Collected Works*, iii, p. 792.

narrowness of the industrial labourer's life and the division of labour that had 'so contracted their sphere of activity' that 'any feeling of public spirit, or unity with their fellow-men' was stultified¹⁰¹ Self-management in the workplace would mean

the elevation of the dignity of labour; a new sense of security and independence in the labouring class; and the conversion of each human being's daily occupation into a school of the social sympathies and the practical intelligence.¹⁰²

Workers in charge of their own employment would no longer be in a servile relationship with their employers and their intelligence would be engaged.¹⁰³ Such a situation must foster the development of intellectual and moral powers rather than stultify it, broadening employees beyond selfish and narrowed interests of 'getting on and money making'.¹⁰⁴ By owning and managing the enterprises in which they worked, workers could gain autonomy dignity and responsibility, selfish interests would wither away and society would be transformed. Thus, Mill's support for socialist experiments in the workplace was on the basis of facilitating individual self-development, for Mill was still a liberal arguing not for the subversion of individual property, but 'the improvement of it, and the full participation of every member of the community in its benefits'.¹⁰⁵

¹⁰¹J.S. Mill, *Auguste Comte and Positivism* cited in Duncan *op cit*, p. 243.

¹⁰²*Political Economy* Bk. IV, vii, sect. 6, in *Collected Works*, iii, p. 792.

¹⁰³*ibid*, pp. 766–69.

¹⁰⁴'Civilisation' cited in Ryan, *op cit*, p. 149.

¹⁰⁵*Political Economy* Bk. II, i, sect. 4, in *Collected Works*, p. 133.

III G. D. H. Cole

This leads Pateman to her third participatory theorist, G. D. H. Cole, who saw it was 'industry that holds the key that will unlock the door to a truly democratic polity'.¹⁰⁶ Like Mill, Cole emphasised the educative function of participation at the local level and in local associations. Self-government in small units was a learning experience for the national stage and 'industry provided the all-important arena for the educative effect of participation'.¹⁰⁷

Cole envisaged the larger democracy of the guild based on the democratic unit of the factory or industry, where communal service would replace the profit motive. Cole chose industry as the base unit of self-government, because it was here that the ordinary person spent a great deal of their life and, outside government, the individual was involved to the greatest extent in authority relationships. Servility in industry, Cole argued, was reflected in political servility. He postulated that through self-management in the workplace individuals could discard their servility, become educated in democratic procedures and develop the 'democratic character' necessary for an effective system of large-scale democracy.

Citizens were to be active and self-governing not just in the workplace but in all socio-political and economic areas. But, while participation was essential, representative government still held a place in Cole's system, provided that it was functional representation; guild leaders, for example, were to be chosen and elected from below for their particular technical qualities while leaders in larger units would be elected by delegates. Functional representation, he argued, allowed the ordinary

¹⁰⁶Pateman, *op cit*, p. 35.

¹⁰⁷Pateman, *op cit*, p. 38. Like Rousseau, Cole argued that effective democracy could only occur in the absence of economic inequality.

person to 'participate in the conduct of those parts of the structure of Society with which he is directly concerned'.¹⁰⁸

Cole's blue-print for a functionally organised society consisted of a series of horizontal and vertical self-governing units or guilds, with the political and economic functions of society separated. On the economic side the factors of production would be represented in guilds and on the consumption side there would be consumer cooperatives and collective councils, organised like guilds.¹⁰⁹ Each guild would be small enough to allow maximum participation by everyone with each electing representatives to a higher level, reaching in stages to the highest national level. On the political side, each town or country area would have its own commune, the basic unit of which would be the ward, again small enough to allow maximum participation. The sovereignty of the state would remain, but its omnipresence would be destroyed by the functional representation ideal. Disposed of its vital powers of control and coordination, the state, according to Cole's vision, would 'wither away'.

While individuals could belong to several associations, because 'a person requires as many forms of representation as he has distinct organisable interest or points of view',¹¹⁰ Cole did not expect that the whole of an individual's life would be encompassed in these groups, believing that much of people's lives, perhaps the most valuable aspects, found expression outside associations.¹¹¹ And he realised that not everyone would be organised into guilds, as many functions and individuals were 'unorganisable all together', while still others might organise into smaller

¹⁰⁸G.D.H. Cole, *Social Theory* (London: Methuen, 1920), p. 114.

¹⁰⁹Cole envisaged utility councils, (gas, water etc), civic guilds (health, sanitary, education etc) and cultural councils plus *ad hoc* bodies as the situation demanded.

¹¹⁰*Social Theory, op cit*, p. 95 footnote.

¹¹¹Pateman, *op cit*, p. 36 footnote 2.

units that 'constantly form and dissolve with spontaneous bursts of cooperation and dislocation'. While associations were central to society,¹¹² what was important in Cole's theory was the individual upon which the whole system of institutions turned. This was because within the individual was held the various purposes of the different institutions and the spirit of 'associational impulse'¹¹³ that made cooperation possible. This made society 'a complex of associations held together by the wills of their members, whose well being was its purpose'.¹¹⁴

Community was also important in Cole's theory. Cole argued that participation had an integrative effect and that individuals learned a 'social spirit' and developed cooperation and fellowship through participation in decision making. Individuals would be motivated by free communal service in the tradition of the Medieval guilds.¹¹⁵ His national guild would be an association of all works (manual and mental) on behalf of the whole community. Cole's emphasis on functional representation, however, was somewhat at odds with his argument for the learning consequences of participation, because by restricting people to functions he limited their potential for self-development. Nevertheless, Cole was able to maintain the importance of the individual in a community of service.

Building on Cole's and Rousseau's work, Pateman argues for the workplace to be democratised in modern society¹¹⁶ and extends Mill's thesis of local and workplace self-government to include participation in all lower level authority structures or political systems. If all such political systems

¹¹²Paul Hirst (ed.), *The Pluralist Theory of the State: Selected Writings of G.D.H. Cole, J.N. Figgis, and H.J. Laski* (London and New York: Routledge, 1989), p. 12.

¹¹³G.D.H. Cole, *Guild Socialism Restated* (London: Leonard Parsons, 1920), p. 12.

¹¹⁴*Social Theory, op cit*, p. 115.

¹¹⁵*ibid*, p. 46.

¹¹⁶Pateman, *op. cit*, p. 35.

were to be democratised, she argues, then the necessary qualities for political participation of individuals on a larger scale, could be fostered and developed. The place to start, however, is the workplace, because the workplace is a political institution, taking political in its wider sense¹¹⁷ and it is here that individuals 'can participate in decision making in matters of which they have first hand, everyday experience'. In her examination of Rousseau, Mill and Cole and consequent argument for workplace participation, Pateman extends the concept of participation from merely a 'set of "institutional arrangements" at national level'¹¹⁸ advocated by the revisionists of democratic theory she rebuts.

IV Conclusion

In this chapter I have outlined Pateman's argument based on her analysis of Rousseau, Mill and Cole. Maximum participation at lower levels of government are necessary in order for individuals to develop attitudes and psychological qualities necessary for democracy; that is the democratic character. It is through the developmental consequences of participation that individuals gain more control over their lives. While Pateman advocates the democratisation of all political institutions in society, the most important area in a participatory society is the workplace. Thus Pateman argues for workplace participation to develop the democratic personality.

By extending Pateman's analysis I have found a significant sense of community and associational life evident in the writings of her three theorists. They argued that by participating other-regarding interests, a

¹¹⁷Dahl defines a political system as 'any persistent pattern of human relationships that involves to a significant extent power, rule or authority'. Robert Dahl, *Modern Political Analysis* (New Jersey: Prentice Hall, 1963), p. 6.

¹¹⁸Pateman, *op cit*, p. 35.

sense of community and the common good developed in the individual. Rousseau argued for the civic learning and development of human potentialities accruing from associational life, so long as the general will prevailed. Mill argued that continuous activity in local level organisations would be educative and transforming, developing individual self-reliance, closer ties between participating individuals and a community spirit. Other-regarding feelings for the whole community would spread from them and would in turn be sustained by other participatory institutions within society.¹¹⁹ And Cole argued for the 'associational impulse' and the 'social spirit' that made possible a cooperative society made up of 'a complex of associations'. My findings in chapter six point to the importance of associational life. It now remains for me to explore democratic theory for further evidence of empowerment, particularly in light of the importance of the social sphere and community.

¹¹⁹Duncan, *op cit*, p. 249. Mill failed to specify the internal structure of substate organisations, whether they would be organised democratically or would replicate the more elitist model of the national representative government.

CHAPTER TWO

CONTEMPORARY DEMOCRATIC THEORY AND EMPOWERMENT THROUGH COMMUNITY

In chapter one I outlined Pateman's thesis of the developmental consequences of workplace participation and examined the relevant areas of the works of her three supporting theorists Rousseau, Mill and Cole. I highlighted the importance they attached to associational life, in preparation for my findings in chapter six. Missing from Pateman's account is an explanation of how such developments might transcend the workplace boundary and moreover how they might be reconciled in the wider liberal democratic society. There are contemporary democratic theorists who argue for empowerment through participation in intermediary associations. In order to give more explanation to Pateman's claims of the development of the democratic character as a consequence of workplace participation, it is my purpose in this chapter to explore some of these contemporary theorists.

In the first part of this chapter I will discuss contemporary liberal pluralism, communitarian republicanism, English pluralism as the basis for its modern statement in the American Michael Walzer and its reinvigoration in socialist pluralism, and the participatory theory of some elements of the New Left. Each strand seeks to combat the authoritarian potential of a political system with no buffer between the state and the individual. They variously advocate citizen participation in government or in sub-state organisations, such as interest groups, the workplace, local government, community organisations, private and voluntary associations as the means to this end. The preferred process of empowerment through

participation, too, varies between the schools of thought. Liberal pluralists assert that political power lies in group interaction, where participation is restricted to the election of political elites and interest group pressure on elites between elections; the republicans argue for freedom through a return to civic duty; English and socialist pluralists argue for empowerment through sub-state loyalty and focus; and the New Left want 'power to the people' through direct citizen participation in neighbourhood and community organisations. Such contrasts with the participatory democrats, like Pateman already discussed in chapter one, who argue for empowerment through the learning and developmental consequences of workplace participation. An examination of these contemporary theorists will throw some light on how the developmental consequences of workplace participation might transcend the workplace boundary into the wider socio-political community.

At the level of political and industrial practice it might be expected that positive developments for worker empowerment could easily be negated by the opposed values of economic rationalism, to be outlined in chapter four. A consideration of such issues cannot simply be inferred from empirical or behavioural studies alone, as at the heart of the problem lies a clash of ontologies. The ontology of an order based on the atomised or *sui generis* individual of *homo economicus* clashes with the ontology of democratic values and a concept of the common good embracing a substantive goal of justice. While, on the surface, liberal pluralism and economic rationalism share an individualist ontology, economic rationalists regard interest group politics as a distortion of the political market system, because they claim interest groups try to use their collective power to extract 'rents' from governments. In doing so, interest groups contradict the strong individualist premises of economic rationalism and

distort individual preference schedules.⁴⁸ Moreover, the liberal pluralists contradict the economic rationalist's liberal premise of particular competing goods giving rise to an aggregative public good. In my discussion of the liberal pluralism I will show that the shared ontology between liberal pluralism and economic rationalism is superficial. Because liberal pluralists favour compromise between groups operating in a consensus framework of toleration, shared values and norms and a shared understanding of procedure, this implies cooperative individuals and at the very least an ethic of public spiritedness and a weak concept of a common good. This weak concept I will argue springs from the liberal pluralist's Madisonian base.

In part two of this chapter I consider the dilemma of positing the developmental consequences, claimed by Pateman, in a contemporary liberal democratic society. Participatory theory with its politics of community and ontology of a substantive concept of the good at first glance appears incommensurate with an ontology of prioritised individual rights and interests. Drawing on the works of Rawls, Skinner, Taylor, Walzer, Mouffe and Gould I specifically explore the clash of ontologies and show how rights bearing individuals are not necessarily sacrificed in citizen participation. Such reconciles the developmental consequences of participation with liberal democratic society.

⁴⁸See Chris James, Chris Jones and Andrew Norton (eds), *A Defence of Economic Rationalism* (Sydney: Allen and Unwin, 1993), Brian Toohey, *Tumbling Dice* (Melbourne: William Heinemann, 1994), Peter Self, *Government by the Market?* (London: Macmillan Press, 1993) and Mancur Olson, *The Logic of Collective Action* (Cambridge Mass: Harvard University Press, 1965).

Part I

I Pluralism

Pluralist thought (encompassing politics, religion, sociology, anthropology, literature and the arts) began in the late eighteenth century as a counter to the monist view of the world.⁴⁹ Political pluralists were concerned with the relationship between unity and diversity in a state; a concern that can be traced to Aristotle's view that a degree of unity was necessary in a state, but total unity would undermine its very nature. They rejected the monist view of a 'society without any subsidiary associations of particular interests intervening between the sovereign people made up of so many individuals and its representatives'.⁵⁰ Groups, the pluralists argued, not individuals were the main protagonists of political life in democratic society. By the end of the nineteenth century three distinct currents of political pluralism developed, namely French,⁵¹ British and American, each of which was split into various trends or schools. To this we can add the contemporary post-modern school of pluralism. My concern is with the contemporary stream of American pluralism, which Pateman includes in her critique of revisionist democratic theory. I call the contemporary stream of American pluralism, liberal pluralism in order to distinguish it from the original form of American pluralism: namely Madisonian pluralism. In my critique of liberal pluralism I contrast their major claims with the implied logic of their view to demonstrate that their main claims are not consistently and coherently as strongly individualist as they have asserted. I then contrast

⁴⁹Noberto Bobbio, *The Future of Democracy* Translated by Roger Griffin (Cambridge: Polity Press, 1987), p. 28. Theorists representing some of the various streams include W. James, *The Pluralistic Universe* (1909), John Dewey, *The Public and Its Problems* (1932), T.H. Cooley, *Human Nature* (1902), A.F. Bentley, *The Process of Government* (1908) and Mary Parker Follett, *The New State* (1908).

⁵⁰Bobbio, *op cit*, p. 28.

⁵¹French theorists include de Tocqueville, Lamennais, Proudhon and Sorel. See Stanislaw Ehrlich, *Pluralism on and off Course* (Oxford: Pergamon Press, 198), pp. 3–35.

liberal pluralism with the British school, Walzer's contemporary statement of a combination of the British and liberal pluralist positions and the socialist pluralists.

II American Liberal Pluralism

Liberal pluralism belongs to the empirical theory school of democratic thought and is variously represented by pluralist, pluralist-elite and 'pro-apathy' theorists such as as Dewey, Schumpeter, Dahl, Sartori and Berelson.⁵² Liberal pluralists portray a classical liberal ontology of self-interested, competitive individuals and a view of democracy as an instrument or process to protect pre-social and pre-politically formed rights and freedoms of individuals. Politics is assumed to be an allocative or economic activity, operating in a world of scarce resources.⁵³ Politics is reduced moreover, to conflict induced by such scarcity faced with problems of protecting individuals from excesses of political power and governing in the face of conflicting demands.⁵⁴ A concept of human nature and of politics such as this is consistent with the *homo economicus* underpinnings of economic rationalism discussed in chapter four. And it is a view that cannot accommodate a substantive concept of political participation or the

⁵²John Dewey, *Individualism Old and New* (New York: G.P. Putnam's Sons, 1962) and *The Public and its Problems* (Athens, OH: Swallow Press, 1985), Joseph Schumpeter, *Capitalism, Socialism, and Democracy* (London: Geo. Allen and Unwin, 1943), Bernard Berelson, 'Democratic Practice and Democratic Theory' in Berelson et al., *Voting* (Chicago: University of Chicago Press, 1954), pp. 305-22, Robert Dahl, *Preface to Democratic Theory* (Chicago: University of Chicago Press, 1959) and G. Sartori, *Democratic Theory* (Detroit: Wayne State University Press, 1962).

⁵³David Easton, *A Framework for Political Analysis* (Englewood Cliffs New Jersey: Prentice Hall, 1965).

⁵⁴Mark Warren, 'Democratic Theory and Self-Transformation', *American Political Science Review* Vol. 86, No. 1 (March, 1992), p. 9.

common good, because this would subject individual wills to a general will, with coercive results.⁵⁵

According to this liberal view, democracy is not concerned with participation but with competition by potential decision-makers for the people's vote. Like the economic market, democracy is where voters as consumers choose between the 'goods' of policies and competing political entrepreneurs. It is but a system 'where the majority (non-elites) gain maximum output (policy decisions) from leaders with the minimum input (participation) on their part'.⁵⁶ The only means of participation open to citizens is voting for leaders,⁵⁷ discussion and bringing pressure to bear on leaders between elections. Any further participation would only upset the quality of leadership.⁵⁸ Elected political leaders ensure the protection of citizens' individual rights and interests, leaving individuals free to live their lives as they choose in the private sphere of home and family. Democracy in this liberal view is not a good in itself, but merely an instrument of empowerment to live independently of political life.

Liberal political pluralists observe that freedom of association in a liberal democracy allows individual interests to be aggregated as group interests and these often conflicting interests are represented in the political process by elected members (or political elites) of government. The association of individuals in small socially diverse groups provides stability for the democratic system as opposing interests balance and negate each

⁵⁵Robert Nozick, *Anarchy, State and Utopia* (New York: Basic Books, 1974) and Giovanni Sartori, *The Theory of Democracy Revisited* (Chatham New Jersey: Chatham House, 1987), pp. 315–20.

⁵⁶Bachrach cited in Carole Pateman, *Participation and Democratic Theory* (Cambridge: Cambridge University Press, 1970), p. 14.

⁵⁷In Schumpeter's case, preferably selected from a ruling class.

⁵⁸Schumpeter, *op cit*, pp. 242–45. Pateman finds Schumpeter the most influential of the revisionists. See Pateman, *op cit*, p. 3.

other in the democratic process. Further stability and governability comes from a consensus on norms and the rules of the democratic process arising from political apathy.

This stream of pluralist thought has its roots in the Madisonian system which emphasised the importance of interests as opposed to factions and provided for them institutionally. Madison argued that social diversity helped create political fragmentation and prevented the excessive accumulation of power.⁵⁹ Accordingly, the Republican and federal system of government prevented the formation of powerful destabilising factions by allowing for the expression of diverse interests in small associations of individuals. Importantly, for Madison, such government provided for the public interest. De Tocqueville observed the numerous organised groups in American society as forces inherent in a diversified society, which acted to disaggregate powerful destabilising factions and to provide a barrier against centralised despotism. Like Madison, de Tocqueville saw the right of citizens to act collectively in groups as a means to uphold the public interest. This was because a community of groups, as opposed to a mass of unaffiliated private individuals, related the will of the people to the government.

The Madisonian position on the public interest was in contrast to that of Bentley's, who writing in the early twentieth century, dismantled government into the various government agencies.⁶⁰ He saw no autonomous action for government, interpreting the process of government as a function of competing and cooperating interests groups.

⁵⁹James Madison, *The Federalist Papers*, No. 10 (New York: New American Library, 1981).

⁶⁰Ehrlich, *op cit*, pp. 107–8. For some discussion on Bentley see Ehrlich, *op cit*, pp. 101–9 and Gregor McLennan, *Marxism, Pluralism and Beyond* (Oxford: Polity Press, 1989), pp 18ff. Bentley was the first to have formulated the major themes of political pluralism, described as a revolt against the romanticism of Rousseau and individual liberalism. See Louise Marcil-Lacoste, 'The Paradoxes of Pluralism' in Chantal Mouffe (ed.), *Dimensions of Radical Democracy: Pluralism, Citizenship, Community* (London: Verso, 1992), p. 129.

While Bentley is accepted as the founder of modern American pluralism,⁶¹ post-war American pluralism is also an expansion of Madison's and de Tocqueville's position. Modern American pluralists, or liberal pluralists, argue that social pluralism is opposed to, and a bulwark against, totalitarianism and is the distinguishing feature of liberal democracy as it is practised in the United States. Democracy as they observe it, is rule by multiple minority groups, or to use Dahl's and Sartori's term, polyarchy,⁶² where a set of leaders are supported by an electorate that is free to change its allegiance from one set of leaders to another and where leaders are influenced between elections by competing interest groups. Because citizens do not have equal access to the political system, democracy occurs from the spontaneous association of citizens into various organisations in and through which they can expand their political opportunities by concerted action with others. The object of the group is to influence government policy in such a way as to benefit the members of that group, the internal hierarchical organisation of which allows for the efficient processing and effective articulation of demands. A consensus between opposing groups is reached by a bargaining and trading process, where government's role is one of neutral arbitrator, regulating and defining the limits of group action. Group action in turn prescribes limits to state action; an assessment consistent with de Tocqueville's observations and in agreement with English pluralism below.

Liberal pluralists claim that groups arise around issues and disperse once the issue is resolved. The groups' transient nature and their diversity, together with overlapping group membership,⁶³ prevents groups from

⁶¹Ehrlich, *op cit*, p. 111.

⁶²Robert Dahl, *Democracy and its Critics* (New Haven and London: Yale University Press, 1989).

⁶³David Truman, *The Governmental Process* (New York: Knopf, 1951), pp. 508 and 510.

forming a powerful faction and provides stability for the democratic system. It is this dissociation of group affiliation which characterises liberal pluralism and distinguishes it from the English stream below. According to the liberal stream, power lies in group interaction and so is dispersed widely throughout the political community. Some theorists, like Truman, even argue that power lies in the potential of group formation. Because citizens, through their membership of a group, are able to influence government policy at some stage, these theorists see social pluralism as the instrument of individual empowerment and the central expression of democracy;⁶⁴ the 'most important foundations of political democracy'.⁶⁵ This is a view so persuasive that what began as an explanation and justification of the democratic system in America came to be seen as what ought to be.⁶⁶

Persuasive too, is the role of apathy in one stream of liberal pluralism. It is held that because the bargaining process between groups occurs within a consensus on values and norms, deep destabilising fissures between opposing groups do not occur. And it is observed that the majority tend not to participate politically. Only a small number of individuals avail themselves of the opportunity to be decision makers;⁶⁷ the majority being apathetic, incompetent and too busy with work, family and leisure to be involved in political activity. In common with classical republicanism, rather than deplore this finding, pro-apathists see it as indicative of consensus and trust in the political system, and a requirement for stability. It is the revisionists account of consensus that Pateman finds objectionable.

⁶⁴David Held, *Models of Democracy* (Cambridge: Polity Press, 1987), p. 59.

⁶⁵G. A. Almond and S. Verba, *The Civic Culture* (Boston: Little, Brown and Company, 1965), p. 265.

⁶⁶Pateman, *op cit*, p. 14.

⁶⁷Robert Dahl, 'Hierarchy, Democracy and Bargaining in Politics and Economics' in H. Eulau, S. Eldersveld and M. Janowitz (eds), *Political Behaviour* (Glencoe: Free Press, 1956), p. 87 and *A Preface to Democratic Theory, op cit*, pp. 81 and 138.

For example, Berelson's descriptive analysis claims that a democratic system works precisely because limited participation of the electorate cushions the shock of disagreement, adjustment and change. Apathy of the majority is to be encouraged for its positive role in stabilising the system. In Dahl's assessment of polyarchy, the stability of the system depends on a normative consensus, at least among its leaders. He regards the lower socio-economic groups as the least politically active and coincidentally finds it is amongst this group that 'authoritarian personalities' are most frequently found.⁶⁸ In his earlier works and in contrast with his later writings, Dahl, therefore, argues against increasing political participation, because he believes the authoritarian personalities found in the low socio-economic group will work against the consensus on norms and destabilise the democratic procedure.

Finally, in Sartori's view of elite rule and polyarchy there is a fear that participation will result in totalitarianism, because mass participation will mean mediocrity, destruction of current leaders and their replacement by undemocratic counter-elites.⁶⁹ Thus it is best for democracy that citizens do not act but merely react to the initiatives and policies of competing elites. The system is currently stable, Sartori believes, because reaction is in fact what the average citizens does. Apathy of the average citizen must be accepted. There is little point in seeking the cause of apathy, he argues, for it cannot be accounted for by illiteracy, poverty, insufficient information or lack of practice in matters political.⁷⁰ Apathy is because 'we can only really

⁶⁸Empiricists found authoritarian personality traits among ordinary citizens, who if they did participate would upset the stability of the democratic state. See, for example, the chapter, 'Working-Class Authoritarianism' in Seymour Martin Lipset, *Political Man* (London: Heinemann, 1960), pp. 97-133.

⁶⁹G. Sartori, *Democratic Theory* (Detroit: Wayne State University Press, 1962).

⁷⁰For an argument against the non-causal nature of apathy see Edward S. Herman and Naom Chomsky, *Manufacturing Consent: the Political Economy of the Mass Media* second edition (New York and London: Vintage Books, 1994).

understand and maintain an interest in matters which we have personal experience, or ideas that we can formulate for ourselves, neither of which is possible for the average person where politics is concerned'.⁷¹ Pateman finds Sartori's emphasis on the requirement of apathy for stability 'the most extreme version of democratic revisionism'⁷² and others such as R.P. Wolff and Marcuse cited below, hold it to be repressive and anti-democratic. In line with their classical republican sympathies, pro-apathy theorists in general deem political inactivity to be both a fact of and a requirement for democracy, arguing for institutional limits on democracy in the cause of freedom, stability and informed decision making by political elites and experts.

Critics argue that this view of democracy and the perception of individual empowerment through spontaneous group association is flawed, largely because by concentrating on the decision making process liberal pluralists fail to appreciate the 'structures' of power. Critics maintain that group structure and activity can only be understood in the context of the whole political system⁷³ and that power can only be understood in light of the political culture and socialisation processes.⁷⁴ Bachrach and Baratz, for example, strongly criticise the liberal pluralists' conception of power as being too simplistic.⁷⁵ They argue for social sources of power which give

⁷¹Sartori cited in Pateman, *op cit*, p. 11.

⁷²Pateman, *op cit*, p. 10.

⁷³R. Macridis, 'Interest Groups in Comparative Analysis', *Journal of Politics* Vol. 23 (1961), pp. 35-7.

⁷⁴Among other critics of revisionist theory see G. Duncan and S. Lukes, 'The New Democracy', *Political Studies* Vol. 11, No. 2 (1963), pp. 156-77, C. Bay, 'Politics and Pseudo-politics', *American Political Science Review* Vol. LIX, No. 2 (1965), pp. 39-51, L. Davis, 'The Cost of Realism: Contemporary Restatements of Democracy', *Western Political Quarterly* Vol. 17 (1964), pp. 37-46 and Benjamin Barber, *Strong Democracy: Participatory Politics for a New Age* (Berkeley: University of California Press, 1984).

⁷⁵Bachrach, Peter and M.S. Baratz, 'The Two Faces of Power', *American Political Science Review* Vol. 56 (December, 1962), pp. 947-52 and Peter Bachrach, *The Theory of Democratic*

certain groups predominance in the decision making process. To this we can add the issue of membership transience. While the liberal pluralists' claim for multiple membership is supported by my empirical findings in chapter six, their claim for group transience—groups forming and disbanding according to the raising and resolution of issues—is challenged by the permanence of some groups which give those organisations power over more transient ones; Australian examples of permanency include the Australian Medical Association, the National Farmers Association and the Returned Servicemens' League.⁷⁶ As part of the structural sources of power, Bachrach and Baratz also point to the power residing in the process of non-decision making, arguing those that can block public discussion of an issue wield enormous power. Power can be exercised by not responding to demands, by blocking demands or suppressing them even before they are formulated.

Other critics point to the pluralist requirement for a hierarchical internal structure of groups which, they argue, puts power into the hands of elites. It is the hierarchical structure that Jouvenel finds objectionable. He points to the importance of the actor in the group and sees the group's internal hierarchy as the expression of a political entrepreneurial founder dominating the group members. In his eyes 'an association is really rather like a comet ... a large tail of docile followers dragged along by a small dynamic head'.⁷⁷ Elite theorists would point to the inevitability of a permanent elite group leadership as the natural consequence of a group's

Elitism (Boston: Little Brown, 1967). For Dahl's concept of power see Dahl, *Preface to Democratic Theory*, *op cit*, p. 13.

⁷⁶See T. Matthews, 'Australian Pressure Groups' in Henry Mayer and Helen Nelson (eds), *Australian Politics: a Fifth Reader* (Melbourne: Longman Cheshire, 1980).

⁷⁷Bertrand de Jouvenel, *Sovereignty: an Inquiry into the Political Good* translated by J.F. Huntington (Cambridge: Cambridge University Press, 1957), p. 67.

operation.⁷⁸ Still others point to a group's internal government as anti-democratic,⁷⁹ arguing that individual members can be coerced by peers or group leaders; a potential problem which is not peculiar to the interest groups of liberal pluralism and recognised by the English pluralist Figgis when he advocated power should not be centralised in the group but spread throughout it.⁸⁰

Finally neo-pluralists such as the latter-day Charles Lindblom and Robert Dahl, point to the impossibility of a neutral role for governments when operating in a capitalist economy;⁸¹ and to the inequality of economic resources among citizens as the root of inequality of political resources, strategic position and bargaining power that make it impossible for citizens to participate in political life on essentially equal terms.⁸² Revising pluralist theory, they recognise corporate capitalism, non-neutral government and the severe inequalities of social and economic resources extant in the capitalist democratic societies they describe;⁸³ all of which work against 'a

⁷⁸See in particular, the argument in support of Michels' maxim 'he who says group says oligarchy,' in Robert Michels, *Political Parties* (Glencoe: Free Press, 1958).

⁷⁹Grant McConnell, 'Public Values of the Private Association' in J.R. Pennock and J.W. Chapman (eds), *Voluntary Associations* Nomos XI (New York: Atherton Press, 1969), p. 153.

⁸⁰J.N. Figgis, *Churches in the Modern State* (London: Longmans, 1914), chapter 4, in particular pp. 165–71.

⁸¹Robert Dahl, *Democracy and Its Critics* (New Haven and London: Yale University Press, 1989) and Charles Lindblom, *Politics and the Markets* (New York: Basic Books, 1970) and 'Comment on Manly', *American Political Science Review* Vol. 77, No. 2 (1983), pp. 384–6. Dewey was an early proponent of the neutral role of government, but he too came to reject this view. See, John Dewey, *Reconstruction in Philosophy* (New York: Henry Holtz, 1920) and *The Public and its Problems*, *op cit*, in particular pp. 71–2.

⁸²Robert Dahl, *Preface to Economic Democracy* (Cambridge: Polity Press, 1985) and Dahl *op cit*, pp. 332–32.

⁸³Dahl, *Preface to Economic Democracy*, *op cit*, p. 60.

high probability that any active and legitimate group will make itself heard effectively at some stage in the process of decision'.⁸⁴

In a departure from liberal pluralism, Dahl seeks pragmatic and incremental ways to redress inequalities in wealth,⁸⁵ in order to raise those of lower SES to a position of inclusion in the consensus. And Dahl comes to support workplace participation arguing that although it will inevitably suffer from imperfections, democratic government of the workplace should be supported in an advanced democratic society.⁸⁶ If democracy requires that the votes of all citizens be counted equally and a polyarchy requires an effective right of opposition he argues, then in an advanced democratic country other associations should be governed by the democratic process. In particular, the economic enterprises should be democratised, because

[o]f all the relations of authority, control, and power in which people are routinely involved, none are as salient, persistent and important in the daily lives of most persons as those they are subject to at work.⁸⁷

Furthermore, because the economic enterprise requires relations of power and authority that constitute a government of persons who participate in the production activities of the enterprise but do not enjoy an effective right of opposition, 'we are obliged to ask how that government should be constituted'.⁸⁸ In order for self-government to succeed, firms would require a democratic constitution guaranteeing basic rights such as freedom of

⁸⁴Robert Dahl, *Preface to Democratic Theory* (Chicago: University of Chicago Press, 1959), p. 131.

⁸⁵Dahl, *Economic Democracy*, *op cit.*

⁸⁶Dahl, *Democracy and Its Critics*, *op cit.*, p. 326.

⁸⁷*ibid.*, p. 327.

⁸⁸*ibid.*, p. 329.

speech, support in the form of sufficient credit, training programs, and in instances where workers are not qualified, and in accordance with the Strong Principle of Equality (the assumption that adults are roughly equally qualified to govern themselves), the facility to delegate some decisions. In his argument for workplace participation, Dahl implies an understanding of the effect of authoritarian institutions in the daily lives of workers and the important consequences of introducing a more democratic system of government in the workplace.

But while Dahl recognises inequalities of economic resources and argues for workplace democracy, because liberal pluralism is an empirical theory—understanding politics not in terms of ideas but in terms of actual behaviour⁸⁹—it cannot recognise that in some polyarchies the needs of the well-to-do and the 'establishment' may be favoured against those of the marginalised.⁹⁰ This is because the requirement of a consensus on norms means that the formation of new and radical groups tend to be inhibited or marginalised on the one hand, and low socio-economic groups are marginalised in the democratic process, on the other hand, such that 'establishment' American's come to tolerate 'high rates of violent street crime, narcotic addiction, urban decay, and social morbidity'.⁹¹ Liberal pluralism 'is not a neutral bystander'⁹² because it privileges and empowers those of the 'establishment' at the expense of society as a whole. Rather than empowerment through group association, liberal political pluralism

⁸⁹A.F. Bentley, *The Process of Government* (Cambridge, Mass: Harvard University Press, 1967), p. 169.

⁹⁰Green finds it indicative that in a work written in 1989, neither race, poverty nor women appear in Dahl's text. See Phillip Green, 'A review essay of Robert A Dahl, 'Democracy and Its Critics, Social Theory and Practice', *Journal of Industrial Relations* Vol. 16, No. 2, Book Reviews (December 1990), p. 227.

⁹¹*ibid*, p. 228.

⁹²*ibid*, p. 228.

practices 'repressive tolerance'⁹³ empowering the well-to-do of the establishment: a position, as we shall see below, consistent with its Madisonian republican roots.

But a theory of democracy that denies a substantive common good, grounded as it is on citizens as atomised consumers choosing between competing political elites as suppliers of commodities can hardly do otherwise.⁹⁴ And a theory of pluralism, with a grounding on liberal individualism and property rights, can only suggest powerful pressures toward inequality⁹⁵ and a privileging of the well-to-do. Where democracy is viewed as the self-regulation of society through the competition of groups sharing the roles and privileges of the social domain,⁹⁶ the public interest is 'purely a mechanical procedural mechanism for settling disputes and for avoiding open conflict'.⁹⁷ While Truman's assertion of the influence of 'potential groups' in the political process may imply the prior existence of a common interest,⁹⁸ in substituting competing individuals with groups, potential or actual, liberal pluralists are in fact arguing for Hobbesian groups rather than Hobbesian individuals,⁹⁹ with a plurality of values and competition of interests. Given this, there can be no substantive definition

⁹³See Robert Paul Wolff, *The Poverty of Liberalism* (Boston: Beacon Books, 1968), pp. 149 and 152 and H. Marcuse, 'Repressive Tolerance', in R.P. Wolff, Barrington Moore Jr. and Herbert Marcuse, *A Critique of Pure Tolerance* (London: Cape, 1969), in particular pp. 95–7.

⁹⁴C.B. Macpherson, *The Political Theory of Possessive Individualism: Hobbes to Locke* (Oxford: Clarendon Press, 1962), Frank Knight, cited in *ibid*, p. 108 and David Nicholls, *Three Varieties of Pluralism* (New York: St. Martins Press, 1974), p. 24.

⁹⁵John W. Chapman, 'Voluntary Associations and the Political Theory of Pluralism' in J.R. Pennock and J.W. Chapman (eds), *Voluntary Associations* Nomos XI (New York: Atherton Press, 1969), p. 108 and Macpherson, *op cit*.

⁹⁶Schumpeter, *op cit*.

⁹⁷Nicholls, *op cit*, p. 30.

⁹⁸*ibid*, p. 24.

⁹⁹Louise Marcil-Lacoste, 'The Paradoxes of Pluralism' in Chantal Mouffe (ed.), *Dimensions of Radical Democracy: Pluralism, Citizenship, Community* (London: Verso, 1992), p. 134.

of the common good. Without any substantive normative position concerning finalities, social, economic and political inequalities cannot be explained or addressed.¹⁰⁰

Such a position means the causes for political apathy cannot be raised, (see Sartori's explicit rejection of causation for apathy above) for such questions have no place in a descriptive account and procedural concept of democracy. Pluralists cannot appreciate the fallibility of the scientific methodology that underpins their claims,¹⁰¹ let alone address the cause of political apathy; merely observing it as a fact and requirement of a stable democratic system. They cannot conceive that the party system in a liberal democracy,¹⁰² the modern emphasis on managers, technocrats and experts¹⁰³ or the bureaucracy¹⁰⁴ may cause citizen apathy. Nor can they conceptualise that employment may be a prerequisite of citizenship¹⁰⁵

¹⁰⁰Carol Gould, *Rethinking Democracy* (Cambridge: Cambridge University Press, 1988), pp. 110–14.

¹⁰¹For example, information taken from statistics may be skewed. Surveys can unconsciously build answers into questions asked of the subjects under investigation and respondents can give false answers when under duress. For example, a response of 'I don't know and I don't care' is a reasonable one at the end of a tiring working day. See Graham, Maddox, *Australian Democracy in Theory and Practice* second edition (Melbourne: Longman Cheshire, 1991), p. 87.

¹⁰²C.B. Macpherson, *The Life and Times of Liberal Democracy* (Oxford: Oxford University Press, 1977), p. 64.

¹⁰³For the argument that rule by managerial and technological elites enhances democracy see K. Mannheim, *Man and Society in An Age of Reconstruction* (London: Routledge, 1940), James Burnham, *The Managerial Revolution* (Bloomington: Indiana University Press, Midland Books, 1941), J. K. Galbraith, *The New Industrial State* 2nd edition (Boston: Houghton Mifflin, 1971) and Karl Polanyi, *The Great Transformation: The Political and Economic origins of our Time* (Boston: Beacon Press, 1957). For the opposite view see M. Weber, 'Science as a Vocation,' in H.H. Gerth and C.W. Mills (eds) *From Max Weber* (New York: Oxford University Press, 1972), pp. 77–128, James Ellul, *The Technological Society* (New York: Knopf, 1954), Herbert Marcuse, *One Dimensional Man, the Ideology of Industrial Society* 2nd edition (London: Sphere Books, 1968) and 'Repressive Tolerance' *op cit* and with regard to Australia, Anna Yeatman, *Bureaucrats, Technocrats, Femocrats: Essays on the Contemporary Australian State* (Sydney: Allen and Unwin, 1990).

¹⁰⁴M. Weber, *Economy and Society* Vol. I and II (Berkley: University of California Press, 1978).

¹⁰⁵Jocelyn Pixley, 'Unemployment and Democracy—at an Impasse?' *Labour and Industry* Vol. 6, No. 1 (October, 1994), pp. 35–6 and 45 and *Citizenship and Employment; Investigating Post-*

making unemployment a cause of apathy, or that patriarchal structures may work against the participation of women.¹⁰⁶

Indeed, in their requirement for political inactivity of the less well-off, liberal pluralists do not appear to conceive that being of a low socio-economic status itself may be a cause of apathy; that is, as Almond and Verba demonstrate in chapter three, the factors attendant on low SES are the very factors that work against political participation.¹⁰⁷ For example, inequalities of wealth and income reinforce and are reinforced by inequalities of educational provision, health standards and care, housing standards and employment conditions and prospects,¹⁰⁸ all of which reduces the opportunity to participate¹⁰⁹ and the skills to articulate needs and make effective demands.¹¹⁰ They also reduce the desire to participate because this requires confidence and belief in one's ability to participate reasonably and

Industrial Options (Cambridge: University Press, 1993), Part III. For the suggestion that employment is unrelated to participation in the public space see J. Keane and J. Owen, *After Full Employment* (London: Hutchinson, 1986) and Claus Offe, 'The Future of the Labor Market', *Telos* No. 60 (Summer, 1984), p. 95.

¹⁰⁶J. Siltanen and M. Stanworth (eds), *Women and the Public Sphere* (London: Hutchinson, 1984), Carole Pateman, 'Feminism and Democracy in G. Duncan (ed.), *Democratic Theory and Practice* (Cambridge: Cambridge University Press, 1983), pp. 204–17, Suzanne Brugger and Geoff Stokes, 'Feminism and Political Theory' in Norman Wintrop (ed.), *Liberal Democratic Theory and its Critics* (London: Croom Helm, 1983), pp. 465–501 and Susan Moller-Okin, *Women in Western Political Thought* (Princeton: Princeton University Press, 1979).

¹⁰⁷Pateman discusses the correlation between authority structures, low economic status and political participation (Pateman, *op cit*, pp. 47–50).

¹⁰⁸R.F. Henderson, cited by Frank Stilwell, 'Inequality and Wealth in Income in Australia', paper given at the *Summer School of the Australian Institute of Political Science, Canberra* (January 1976). See also J.S. Western, *Social Inequality in Australian Society* (Melbourne: Macmillan, 1983), pp. 49–60.

¹⁰⁹Support for this argument is in Almond and Verba findings that children reared in low income families have less opportunity to participate in family and school structures (Almond and Verba, *op cit*, pp. 282, 292 and 302).

¹¹⁰Rousseau was concerned that economic inequalities were not so great that 'no man shall be rich enough to buy another and none so poor as to be forced to sell himself'. J-J. Rousseau, *The Social Contract* Book II, translated by Cranston, (Harmondsworth: Penguin books, 1968), p. 254. And G.D.H. Cole argued that 'vast inequalities of wealth and status, resulting in vast inequalities of education, power and control of environment, are necessarily fatal to any real democracy, ...' See G.D.H. Cole, *Guild Socialism Restated* (London: Leonard Parsons Ltd., 1920), p. 14.

effectively in the control of one's life and environment. It may be because a low socio-economic status and routinised, low-status employment means low self-esteem and a feeling of powerlessness that those in the low socio-economic group have a disinclination for political participation. Adam Smith was aware of the apathy induced by routinised low status work. He was concerned for the labourer whose 'whole life is spent in performing a few simple operations of which the effects are, perhaps, always the same' because he loses 'the habit of exertion and generally becomes as stupid and ignorant as it is possible for a human creature to become ... Of the great and extensive interests of his country, he is altogether incapable of judging'.¹¹¹

Far from apathy being an indication of consensus, or an indication of passivity and incapability to participate, apathy may be a matter of default. Caught in a vicious circle, those marginalised from the political sphere, because of a low socio-economic status, have no influence to change their circumstances and thus no opportunity to participate. While I am not advocating a fully participating society, for this might be a suffocating experience,¹¹² because there is an interrelationship between low participation and a low socio-economic status, participation may be a way of breaking the cycle. Ambrecht and Macpherson put forward such an argument, with Ambrecht stressing the developmental possibilities of participation in his study of neighbourhood advisory councils (as we shall see in chapter three) and Macpherson emphasising that a more equitable and humane society requires a more participatory society.¹¹³ At the very

¹¹¹Adam Smith, *An Enquiry into the Nature and Causes of the Wealth of Nations* Vol 11, 2nd edition (Oxford: Clarendon Press, 1880), pp. 365–6.

¹¹²Walzer, following Oscar Wilde, describes participating individuals rushing about from one meeting to another with barely enough time to eat, let alone be a 'critic after dinner' or have time for a *tete a tete*. See Michael Walzer, 'A Day in the Life of a Socialist', *Radical Principles* (New York: Basic Books, 1980), pp. 128–29.

¹¹³Macpherson, *op cit*, p. 94.

least, in a theory of democracy that prioritises rights and freedom of choice, it follows that apathy should be a matter of choice and not an *a priori* or per force of circumstances. If individuals are denied the opportunity of experience in decision making, either through low SES, unemployment, exclusion by expertise and technocracy or patriarchal social structures, they are denied the opportunity to master the issues and the ideas that Sartori asserts must occur in order for people to participate.

If participation depends upon the political will and upon having the capacity in the form of skills and resources to participate, then schemes to enhance worker control may be the place to begin breaking the cycle, particularly so for waged workers who belong to the vast group of those suffering a low SES. And particularly as the empirical evidence suggests in chapter six that by providing waged employees with the opportunity for decision making in the workplace, the desire and capacity to participate develops.

To conclude, American liberal pluralism has created many of these problems for itself by confusing individualism as an ethical concept with ontological individualism. Liberal pluralism has assumed that the ethical status of individuals determines, or is congruent with, their ontological status. But this is not the case. On one hand, individuals who participate in groups are bearers of rights and guardians of their own interests, hence they are ethical individuals. On the other hand, such politicised individuals are consensus oriented and develop their 'selves' via the interest group process, hence, ontologically they are collectivists. Their identity and their ethical status as individually possessing rights and being responsible for their interests is only achieved in practice and discourse with others. This position is explained by Taylor below. Rather than an ontology of competitive individualism, liberal pluralism is underpinned by an ontology of collectivist individualism with shared concepts of toleration and public

spiritedness. The liberal pluralists' weak sense of community only becomes evident when an ontological critique of the model is undertaken; a point that is missed by Pateman in her critique of Dahl and Sartori. Pateman also fails to analyse the Madisonian origins of liberal pluralism, where such a concept of the good and the ethical individual arises.

III Civic Republicanism

Since the late 1960s there has been a renewal of republican thought. Communitarians and civic republican theorists, while deploring the fragmentary effects of liberal democracy, do not however argue for workplace participation but rather for a renewal of civic virtue as espoused in the early days of the American republic as an antidote to the fragmentation of society. They believe the liberal emphasis on 'the individual who only knows how to search for his own interest and rejects all obligation which could shackle his freedom,' has led to a crisis in the system of liberal democracy.¹¹⁴ Charles Taylor, for example, argues that America has become less of a participatory and more of a procedural republic. The increasing bureaucratisation and centralisation of society has meant citizen alienation and the decline of citizen participation. In American society, litigation has become more important than participation and an adversarial relationship to the representative institutions has, he argues, replaced the dignity of self-rule and civic service. The emphasis on rights and the rule of law negates the ideals of civic republicanism where people are connected by an identity of interests, a bond of civic duty and a concept of the common good. Instead American society is conceived as comprising individuals merely bound together for their mutual benefit.¹¹⁵

¹¹⁴Chantal Mouffe 'American Liberalism and its Critics: Rawls, Taylor, Sandel and Walzer', *Praxis International* No. 8 (2nd July, 1988), p.194.

¹¹⁵Mouffe paraphrasing Taylor, *ibid*, p. 194.

Republicans in general attribute blame for the break down in community sympathies to the increasing privatisation of social life and the disappearance of public space. They see the remedy in the restoration of the value of political participation and a new political culture which reconnects with the tradition of civic republicanism.¹¹⁶ Their position is essentially an academic one, being a synthesis of Aristotelian conceptions of humans as political animals and Machiavellian conceptions of civic virtue,¹¹⁷ where participatory self-rule is the central good of the republic.¹¹⁸

While rejecting the fragmentary effects of liberalism, republican theory has nevertheless strong elements of liberal freedoms, which inevitably make the theory anti-democratic. For example, the early American republicans Madison and de Tocqueville inform liberal pluralism,¹¹⁹ which I have shown above to be elitist by excluding those of the non-establishment. Therefore they have strong anti-democratic elements. While Madison's vision of community was much more than the strictly liberal one of weak ties between consuming individuals,¹²⁰ he was informed by both republican virtue and liberal values. His view of community was grounded on a public discourse among citizens, with individual rights and liberties, who practiced self-government 'in a way that

¹¹⁶*ibid*, p. 195.

¹¹⁷Machiavelli's *virtu* is the willingness to do anything that may be required in order to preserve the liberty of one's native land. Niccolo Machiavelli, *The Prince in The Portable Machiavelli* edited and translated by Peter Bondanella and Mark Musa (Harmondsworth: Penguin Books, 1970), in particular chapter xv, pp. 126–28.

¹¹⁸Charles Taylor, 'Cross Purposes: The Liberal-Communitarian Debate' in Nancy L. Rosenblum (ed.), *Liberalism and the Moral Life* (London, Massachusetts: Harvard University Press, 1989), p. 171.

¹¹⁹C.B. Macpherson, *The Life and Times of Liberal Democracy* (Oxford: Oxford University Press, 1977) and Jane J. Mansfield, *Beyond Adversary Democracy* (New York: Basic Books, 1980).

¹²⁰Bradley Kent Carter and Joseph F. Kobylka, 'The Dialogic Community: Education, Leadership, and Participation in James Madison's Thought', *The Review of Politics* Vol. 52, No. 1 (Winter, 1990), p. 32.

preserved individual freedom and advanced the public good'.¹²¹ The aim of Madison's republic was to nurture the capacity for virtue possessed by all, while checking the excesses of selfishness inherent in all. He sought to establish a virtuous and politically conscious community of citizens, informed and educated, with shared liberal principles, participating in local community institutions and public discourse. His vision of an educated citizenry that would govern on the basis of a concept of the common good led Madison to reanimate the Athenian concept of the *polis* for modern times, developing institutions to inform and involve individuals in the public realm.

But the dialogical community that Madison espoused was in fact anti-democratic, for it was to exclude the mass. Liberal rights, in particular property rights, were to be protected from the tyranny of the mass by involving citizens of the 'better sort' and by an elected aristocracy.¹²² Though in principle open to all, republican participation was to 'consist almost entirely of proprietors of land, of merchants and of members of the learned professions' whose interests would not threaten those of the rest of society.¹²³ In this statement of consensus on values and norms Madison's influence on liberal pluralist thought is clear.

A dialogical community as espoused by Madison is reciprocated by Hannah Arendt who deplores the disappearance of speech and action, the *vita activa* from political life.¹²⁴ Arguing from the Aristotelian perspective

¹²¹*ibid*, pp. 32–3.

¹²²Iain Hampsher-Monk, "'Publius': The Federalist", in *A History of Modern Political Thought* (Oxford: Blackwell, 1992), p. 231.

¹²³From *Federalist* 36 cited in *ibid*, p. 230.

¹²⁴Barber, *op cit*, p. 132.

of public discourse and agency,¹²⁵ Hannah Arendt argues that the breakdown in group life and the growth of liberal individualist values of rights in the social space paves the way for the totalitarianism of mass consumerist society. But it is not Madison's anti-democratic republicanism, rather it is Jefferson's republican concept of citizen participation in wardships that she wishes to see reinvigorated as the counter.

Arendt's idea of politics is a manufactured rather than a natural activity.¹²⁶ It is a product of action and speech¹²⁷ which occurs in the public space. This is a sphere of appearance where citizens interact through the medium of speech and persuasion, gain a reality and value to their lives, disclose their unique identities and decide through collective deliberation about issues of common concern. The concept arises from the public sphere signified as two interrelated phenomena; public in the sense of appearance and public in the sense of the common world. Everything that appears or is said in public can be seen, heard and judged by everyone as well as ourselves and assures us of our actions and our own reality and value. Public also signifies what we have in common with others, with those of our past our present and our future¹²⁸ and is opposed to the private realm of the household with its function of providing for necessities of life and

¹²⁵The Aristotelian perspective emphasises the value and importance of civic engagement and collective deliberation and action about matters affecting the political community. See Maurizio Passerin d'Entreves, 'Hannah Arendt and the Idea of Citizenship' in Chantal Mouffe (ed.), *Dimensions of Radical Democracy* (London: Verso, 1992), p. 140.

¹²⁶This view of politics as unnatural is in contrast to the Ancient Greek thought.

¹²⁷In Aristotelian thought only two human activities were deemed to be political and to constitute the *bios politikos*, namely action (*praxis*) and speech (*lexis*). See Hannah Arendt, *The Human Condition* (Chicago: University of Chicago Press, 1958), pp. 24–5.

¹²⁸Arendt, *The Human Condition*, *op cit*, p. 55. In Athenian and Roman times, citizens entered the public realm because they wanted something of their own or something they had in common with others, in order to be more permanent than their earthly selves. The *polis* for the Greeks and the *res publica* for the Romans was the guarantee against the futility of individual life.

survival of the species.¹²⁹ Public relates 'to the human artifact, the fabrication of human hands, as well as to the affairs which go on among those who inhabit the man-made world together'.¹³⁰

The public space is impermanent, being created and recreated by action and persuasion; created 'wherever men are together in the manner of speech and action',¹³¹ which is coordinated towards a common goal. The public realm, as the common world, both gathers us together and separates us and in doing so provides the 'physical context within which political action can arise'.¹³² To engage in politics¹³³ means actively to participate in various public forums where decisions affecting one's community are made. And, according to Arendt, a political community arises not from shared values but from shared action and speech in a common world and from the shared interests of the public world; the common good that is located in a world which we share as citizens in common.¹³⁴ While Arendt's participatory concept of citizenship and her stress on solidarity provides a basis for collective identity,¹³⁵ it is deliberation and impartial

¹²⁹According to Ancient Greek thought, with the rise of the city-state every citizen belonged to two distinct and separated spheres of existence, namely the political life of the *polis* and the natural association of the home and family. The realm of the *polis* was the sphere of freedom and the mastering of the necessities of life in the household was the condition for the freedom of the *polis* (Arendt, *The Human Condition*, *op cit*, p. 26–7).

¹³⁰*ibid*, p. 52.

¹³¹*ibid*, p. 51.

¹³²d'Entreves, *op cit*, p. 148.

¹³³To be political meant that everything was decided through words and persuasion and not through force and violence. Force and violence were characteristic of life outside the *polis*, of the despotic rule of home and family and barbarian empires. Everyone outside the *polis* was denied 'a way of life where speech made sense and where the central concern of all citizens was to talk with each other'.

¹³⁴Arendt, cited in d'Entreves, *op cit*, p. 154.

¹³⁵To support his findings of collective identity in Arendt, see d'Entreves use of Nancy Fraser's concept of the standpoint of the 'collective concrete other', which focuses on 'the specificity of the vocabularies available to individuals and groups for the interpretation of their needs and for the definitions of situations in which they encounter one another': Nancy

solidarity with other citizens, action rather than intimacy, that is important. There is no place for intimacy in Arendt's view of community for this would prevent an objective evaluation of the common good.¹³⁶ Arendt's stress on the *vita activa* meant her conception of the public realm was opposed both to society and to community; to the *Gesellschaft* as well as to *Gemeinschaft*.¹³⁷ Arendt's opposition to community distances her from those advocates of participation from the New Left during the 1960s who saw it in terms of recapturing a sense of intimacy, community and authenticity.¹³⁸

Arendt's opposition to society is found in her theory of its totalitarian potential. The sphere of the social arose from the absorption of family units into corresponding social groups and their subsequent absorption in mass society. 'Social' behaviour came to supplant action so that a behavioural conformism resulted, embracing and controlling 'all members of a given community equally and with equal strength.'¹³⁹ In Arendt's view, the world between people in mass society has lost its power to relate and separate, like a seance without a table there is nothing to separate the people sitting opposite one another nor anything tangible to relate them to one

Fraser, 'Towards a Discourse Ethic of Solidarity', *Praxis International*, Vol. 5, No. 4 (January, 1986) cited in d'Entreves, *op cit*, pp. 158–60.

¹³⁶Canovan cited in d'Entreves, *op cit*, p. 151.

¹³⁷The conservative Ferdinand Tönnies gives a dual account of man's relationship, which conceptualises social change as a continuum between two polar types, namely *Gemeinschaft* and *Gesellschaft*, usually translated as community and society or association respectively. *Gemeinschaft* is a notion of an interacting community, where relationships are intimate and between whole individuals, not discrete, segmented relationships between individuals acting under a particular description or within a particular role. *Gesellschaft* is an individualist account, where relationships are of a legal order, being specific, formal and anonymous, rather than all inclusive. It is a society where authority is based on legal, rational notions of consent, volition and contract and is akin to Weber's rational-legal authority.

¹³⁸d'Entreves, *op cit*, p. 151.

¹³⁹*ibid*, p. 41.

another.¹⁴⁰ Mass conformism results, making a situation of totalitarianism probable. Moreover, the context for political activity arising from action and speech is lost. According to Arendt, the rise of the liberal individual and the entry of the work and the economy into the public sphere demeaned and eroded it, particularly when work as labour was in itself demeaning.¹⁴¹ The public space became a sphere of labourers and consumers concerned with producing abundance. Thus the modern individual's involvement in the economy threatened civic virtue. The social, with its conformist behaviour, eroded the sphere of politics. Speech and action became the province of the private. The private sphere, too, was eroded as it changed from an area excluded from the *polis* and responsible for survival, to one of love and intimacy. And the 'growth of the social threaten[ed] the private and intimate'...¹⁴²

It is in *On Revolution*,¹⁴³ that Arendt addresses the loss of *vita activa* and context of political activity and explicitly supports participatory democracy. In Arendt's review of Jefferson's struggle to keep the revolutionary spirit (the only true form of freedom) alive in the republic and his eventual advocacy of small republics or wardships, her support for participatory assemblies such as the soviets, which spring up spontaneously in periods of revolutionary turmoil, becomes evident.¹⁴⁴ Jefferson feared

¹⁴⁰*ibid*, p. 53.

¹⁴¹Arendt defines politics quite separate from production, using the philosophical distinction between action (*praxis*) and production (*poiesis*) or doing and making. *Praxis* is pure action and is meaningful in itself.

¹⁴²Arendt, *The Human Condition*, *op cit*, p. 47.

¹⁴³Hannah Arendt, *On Revolution* (New York: Viking Press, 1963).

¹⁴⁴Apart from Jefferson, others before Arendt called for need to keep the revolutionary spirit of freedom alive through participation. The Paris Commune and the popular societies during the French Revolution together with the soviets of the Russian Revolution were spontaneous organs of the people which held within them the revolutionary spirit. However, revolutionary writers and leaders, with the exception of Marx, Lenin and Mao Zedong were ignorant of their importance with regard to not only maintaining the spirit of the revolution,

representative government and rotation in office as advocated by Madison (when he was one of the authors of the *Publius* documents, in contrast to his later advocacy of a more participatory schema) was insufficient to sustain the revolutionary spirit. He believed that the Revolution, while it had given freedom to the people, had failed to provide a space where such freedom could be exercised. Only representatives of the people, not the people themselves, engaged in the activities of freedom: the activities of discussion and decision making. The people participated only on election day. The exclusion of the people from the public space would result in its corruption because with constant economic growth, the private realm would expand and the resultant misuse of public power by private individuals would be unchecked by the people who, while they had Constitutional power as private individuals, had lost the capacity to be responsible citizens. Jefferson's solution was to advocate wardships within the Republic, where citizens could participate in the public space and engage in the activities of freedom.

Building on Jefferson, Arendt argues that it is the sharing of power that comes from civic engagement and common deliberation that provides each citizen with the experience of public happiness in the sense of freedom and a feeling of effective political agency.¹⁴⁵ When representation becomes the substitute for direct participation, the citizens' capacities for deliberation and political judgement are weakened. Because the 'business of government has become the privilege of the few ... the result is that the people must either sink into lethargy, the forerunner of death to the public liberty' or 'preserve the spirit of resistance' to whatever government they

but for maintaining the cause of the revolution. Marx wrote of the importance of the Paris Commune during the revolution of 1871 and Lenin wrote of the role of the soviets during the 1905 and 1917 revolution. See Steve Reglar and Graham Young, 'Modern Communist Theory: Lenin and Mao Zedong' in Norman Wintrop (ed.), *Liberal Democratic Theory and its Critics* (London: Croom Helm, 1983), pp. 252–88.

¹⁴⁵d'Entreves, *op cit*, p. 160.

have elected, since the only power they retain is 'the reserve power of revolution.'¹⁴⁶ In response Arendt wants to reactivate the conditions for active citizenship and democratic self-determination, because

no one could be called happy without his share in public business, ... free without his experience in public freedom, and ... either happy or free without participating and having a share in public power.¹⁴⁷

Arendt wants the creation of public spaces for collective deliberation.¹⁴⁸ Here opinion and judgement can be tested and expanded, one can learn to think representatively (that is from the standpoint of everyone else) and a political culture of democratic citizenship can be developed. She supports Jefferson's belief that one cannot love one's country unless it is a living presence in the midst of its citizens and the conditions for the proper functioning and the strength of the republic lay in small republics where every member can be an 'acting member of the Common government, transacting in person a great portion of its rights and duties, subordinate indeed, yet important, and entirely within his [sic] competence.'¹⁴⁹ Only by breaking up the many into assemblies, where the power of everyone was strengthened by making everyone a participator in the government of affairs, could the safety of the republic be assured.¹⁵⁰

¹⁴⁶Jefferson cited in Arendt, *On Revolution*, *op cit*, p. 237-8. Jefferson made these observations in correspondence with W. Smith, dated November, 13, 1781.

¹⁴⁷Arendt, *On Revolution*, *op cit*, p. 255.

¹⁴⁸d'Entreves, *op cit*, p. 163.

¹⁴⁹Jefferson cited in Arendt, *On Revolution*, *op cit*, p. 340.

¹⁵⁰Strangely, neither Jefferson, nor the founders of the Constitution for that matter, advocated the incorporation of the townships, obvious models of Jeffersons elementary republics, in the Constitution. Arendt believes the idea of wardship came to Jefferson as an afterthought. Wardships became the only possible non-violent alternate to recurring revolutions. They would be the salvation of the revolutionary spirit and the salvation of the republic (Arendt, *On Revolution*, *op cit*, p. 239).

While Arendt's support for Jeffersonian participation is arguably less anti-democratic than the republican sentiments espoused in *The Federalist*, Arendt's is nevertheless a Classical position requiring a degree of single-minded civic virtue¹⁵¹ inappropriate to a modern setting. MacIntyre's argument for a return to virtue-centred communities to counter fragmented liberal democratic society is also a Classical position.¹⁵² His is an Aristotelian concept of virtue,¹⁵³ although he has rejected Aristotle's metaphysics and substituted his concept of the narrative of a single human life. MacIntyre views life as a narrative quest for the good. Life is a striving for excellence both within practices (social activities) and in the narrative of a whole life which includes its relationship with the community. One's life is a story according to where one has been and where one going in one's search for the good. Virtue, according to MacIntyre, is the struggle for good.

According to MacIntyre, virtue can only be understood in its historical and social framework.¹⁵⁴ MacIntyre argues that in modern society we have lost the concept of the whole person. Instead we have fragmented persons and social roles.¹⁵⁵ Rather than notions of fraternity, we have anonymous relationships and rather than cooperation we have selfish and sectional interests. A virtue-centred morality is only available where there is a sense of community and a shared concept of the good.¹⁵⁶ Therefore, he

¹⁵¹Michael Walzer, 'Communitarian Critique of Liberalism', *Political Theory* Vol. 18, No. 1 (February 1990), p. 20.

¹⁵²Alasdair MacIntyre, *After Virtue* (London: Duckworth, 1984).

¹⁵³MacIntyre writes that only an Aristotelian virtue can restore 'intelligibility and rationality to our moral and social attitudes and commitments' (*ibid*, pp. 106–7).

¹⁵⁴*ibid*, pp. 221–22. This is a departure from Aristotle.

¹⁵⁵*ibid*, pp. 100–19. See also A. MacIntyre, 'Moral Rationality, Tradition, and Aristotle: A Reply', *Inquiry* 26 (1983), p. 465.

¹⁵⁶MacIntyre, *After Virtue*, *op cit*, p. 273.

argues, that a virtue-centred morality is unattainable in individualistic, modern society.¹⁵⁷

Instead he argues for the preservation of virtue in virtue-centred local communities. MacIntyre wants to recapture the past of Republican Rome, 'where man and women of good will constructed new forms of community within which moral life could be sustained so that both morality and civility might survive' in a sea of barbarism. A reconnection with the traditions of civic republicanism, with the emphasis on the Aristotelian elements of common good and bonds of friendship will allow every individual to participate in the life of the community and live the good life. MacIntyre defends the right to belong to the community and the principle of freedom understood as 'involvement in political relationships'.¹⁵⁸ His is an Aristotelian position where the free self is simultaneously political subject and political sovereign.

But, MacIntyre's virtue-centred morality is elitist and essentially recreates the classical republican suspicion of the masses. MacIntyre believes that virtue still resides in some of us. This is why virtue-centred communities are possible. It transpires, however, that the virtuous are intellectuals and philosophers.¹⁵⁹ Moreover, virtues within practice require judgement, critical appraisal, self-assessment and learning. There is a necessary link between virtue in practices and intelligence. On both counts, MacIntyre is being elitist. His morality and concept of virtue-centred communities are not only a nostalgia for the past and not applicable to

¹⁵⁷*ibid*, p. 119. MacIntyre's argument is based on the effects of the Enlightenment, where individuals lost virtue, or the concept of a common good as the rational basis for behaviour. MacIntyre argues that by rejecting a common good, liberals have allowed the advance of nihilism and the inevitable destruction of society.

¹⁵⁸*ibid*, p. 159.

¹⁵⁹See MacIntyre, 'Moral Rationality, Tradition and Choice', *op cit*, pp. 465–66 and *After Virtue*, *op cit*, pp. 238–40.

modern society, but also not universally accessible. His view of virtue-centred communities does not face up to the impact of a complex modern division of labour where individuals have many roles or to the gender implications of his theory.

Skinner's call for a return to Machiavelli's concept of civic duty and community as one of free institutions in which all citizens participate also requires a focused commitment to civic duty that is inapplicable, for many of the reasons MacIntyre's concept breaks down. According to Skinner, Machiavelli argues that by devoting themselves to public service, citizens keep the institutions of the community free from the external servitude imposed by a conqueror and from the internal servitude imposed by factions or tyrants from within the community's own political system. When citizens are willing to participate in the service of the community, the common good, the *bene comune*, is upheld and the rule of private or factional interests is prevented. By serving the common good, citizens maximise their control over their private affairs, which in turn maximises their personal liberty.

Service and upholding the common good is required in two ways. First because no-one could be expected to care for their own liberties as much as themselves,¹⁶⁰ citizens must be prepared to serve the community in a military capacity.¹⁶¹ Second, because laziness and personal ambition means that most citizens placed their personal interests above service to the common good, such *corruzione* would lead some citizens to form family and social factions in order to undermine the free institutions of their

¹⁶⁰Machiavelli viewed the employment of standing or mercenary armies as a threat to free government. He illustrated this by showing the difference between mercenary armies and free armies (Machiavelli, *The Prince*, *op cit*, pp. 115-26).

¹⁶¹Quentin Skinner, 'On Justice, the Common Good and Priority of Liberty' in Chantal Mouffe (ed.), *Dimensions of Radical Democracy: Pluralism, Citizenship, Community* (London: Verso, 1992), pp. 211-224.

community and reshape public institutions to serve their own ends. Others will simply resort to evading their public duty. But in this behaviour, Machiavelli believes, people are deceiving themselves. They falsely believe that by pursuing self-interest they will achieve personal freedom. The truth is that such behaviour serves to subvert the free institutions of the community, which in turn subverts personal liberty. *Corruzione* (people's natural, but self-destructive tendency for self-interest) will transmute into *virtuoso* (concern for the common good) when citizens participate in the public space.¹⁶² Through participation, citizens can guard against ambitious individuals and self-interested groups from gaining too much influence over the government of the community. But in the end Machiavelli's conditions for the maintenance of liberty involve *fortuna* or fortune. A republic can be fortunate in have a wise leader, a sound constitution, a disinterested group of patricians who will rule according to the common good, or prosperous conditions which encourage participation. *Fortuna* is a double edged sword, however, as too much good fortune can breed corruption and complacency or even, eventually, the destruction of the republic. Moreover, classical republicans such as Machiavelli were suspicious of commercial life as they considered it to be a breeding ground for corruption and a distraction from public life. Hence, like Arendt's ideas the theory is too unworldly to posit satisfactory solutions to modern problems.

In a modern setting Skinner reminds us that it is because politics is a profession and politicians are more inclined to make decisions in line with their own self-interest and those of powerful pressure-groups, instead of in the interests of the wider community, Machiavellian civic duty should be

¹⁶²Quentin Skinner, 'Machiavelli on the Maintenance of Liberty', *Politics* Vol. 18, No. 2 (November, 1988), p. 5.

reinvigorated. Individual liberty, Skinner argues, can only be achieved by citizens taking charge of the public sphere.

This reinvigoration of the republican concept of liberty through service to the state contrasts with that of the liberal contractarian emphasis on individual liberty and rights found against the state, that is liberty as 'immunity from service to the commonwealth'.¹⁶³ It is a contrast too great, however, for the concept is part of a 'unitary doctrine' requiring an 'energy and commitment focused primarily on the political realm' where 'civil society is radically undifferentiated'.¹⁶⁴ It is a doctrine appropriate to a Classical era of small, homogeneous city states, where the public assumes priority over the private. It is, therefore, inappropriate to a modern heterogeneous civil society, where citizens have other issues to engage their attention, working for a living and family life for example and where the liberal democratic state has grown too large and too complex to be directly in the hands of its citizens. It cannot accommodate the multi-cultural nature of societies such as Australia. It is inherently sexist and dis-empowering for women. Not only did Machiavelli confine women to the private sphere because of their perceived potential to corrupt public morals,¹⁶⁵ but by emphasising the importance of the public sphere while making no provision for women to participate, the assumption in contemporary civic republican thought is that women will continue their supportive role in the private sphere. And finally, because of its emphasis on civil society,

¹⁶³Hobbes, *Leviathan* editor C.B. Macpherson (Harmondsworth: Penguin Classics, 1985), p. 266.

¹⁶⁴Walzer, 'Communitarian Critique', *op cit*, p. 20. Berlin too, discredits any attempt to recapture a politics of civic republicanism. See Isaiah Berlin, 'Two Concepts of Liberty' in *Four Essays on Liberty* (Oxford: Oxford University Press, 1958).

¹⁶⁵See Hannah Pitkin, *Fortune is a Woman: gender and politics in the thought of Niccolo Machiavelli* (Berkeley: University of California Press, 1984).

communitarian republicanism is a doctrine that ignores the causes of political apathy such as poverty and social structures.

IV English Pluralism

English and later socialist pluralist thought, with its retention of representative government and concern for empowerment through participation in the associational life of civil society is, however, more applicable to the modern state. English pluralist thought is prescriptive and its concern is to diffuse state power. Guild socialists like G.D.H. Cole, discussed in chapter one, adopted English pluralism; operationalising it in a system of guilds.¹⁶⁶

Like the American liberal stream of pluralist thought, English pluralists argued that a healthy group life in society was essential for democracy.¹⁶⁷ But unlike the liberal stream, whose theory stemmed from a behaviouralist enquiry concerning where power lay, the English stream was prescriptive and stemmed from a fear of centralised power. Liberty, they argued, was best preserved when power was dispersed, rather than concentrated at one point.¹⁶⁸ English pluralists believed that by locating people in groups which reflected and embodied their direct interests, attention was drawn away from the authority of the state and state power consequently diminished:

¹⁶⁶Figgis saw guild socialism as a way of operationalising pluralism. See Figgis, *op cit*, p. 76. And Cole recognised the guild socialists' debt to the English pluralist school. See G.D.H. Cole, *Social Theory* (London: Methuen, 1920), pp. 10–11. Other guild socialists include S.G. Hobson and A.R. Orage, although Hirst does not consider Hobson to be a pluralist. See Paul Hirst (ed.), *The Pluralist Theory of the State: Selected Writings of G.D.H. Cole, J.N. Figgis, and H.J. Laski* (London and New York: Routledge, 1989), p. 39.

¹⁶⁷David Nicholls, *op cit*, pp. 7–10.

¹⁶⁸ Figgis, *op cit* and H.J. Laski, *Authority in the Modern State* (New Haven, Conn: Yale University Press, 1919).

Wherever, ... men's loyalty to a non-political association, a class, or a church, or a trade union is greater than their loyalty to the state, the State's power over the trade unions or churches or classes within it is thereby diminished.¹⁶⁹

Because groups had an existence that did not derive from the state and absorbed much of the life of the individual, participation in group life provided a buffer between the individual and the state and a bulwark against the encroachments of political tyranny on the life of individuals.

Unlike the liberal pluralists' preoccupation with stability born of apathy and group transience, English pluralists advocated a vigorous and continuous affiliation to group life; a life which both grounded and expanded the individual personality and provided a focus of loyalty separate from the state. Their concern was to find the balance between diversity without threatening the unity of the state. And, unlike the liberal stream which sees individual empowerment through group membership and the individuals within groups as a collection of roles with no right course of action, only a plurality of right courses of actions appropriate to the various roles,¹⁷⁰ English theorists claimed that groups could not be understood simply in terms of the lives of their individual members but in terms of the group as a 'real entity' in itself.¹⁷¹ In other words, the concept of personality was applied to group.¹⁷² And the state itself was claimed to be either a group composed of groups rather than individuals (with individuals belonging to

¹⁶⁹A.D. Lindsay, 'The State in Recent Political Theory', *The Political Quarterly* Vol. 1 (1914), pp. 134–35.

¹⁷⁰Nicholls, *op cit*, pp. 3 and 21.

¹⁷¹Henry Maitland, cited in Nicholls, *op cit*, p. 8.

¹⁷²Figgis, *op cit*, p. 251, H.J. Laski, *Studies in the Problems of Sovereignty* (New Haven, Conn: Yale University Press, 1917), pp. 208–9 and G.D.H. Cole, *Labour in the Commonwealth* (London: Headley, 1918), p. 38.

the state through their membership of other groups)¹⁷³ or to be one of many groups with a personality and group-will derived from the common purpose of some individuals.¹⁷⁴ The concept of a group personality led to the view that groups ought to have legitimate rights with political and legal recognition. Unlike liberal pluralism, sovereignty did not lie within the state. The state was simply distinguished from other groups by its possession of a greater degree of force and its role was to regulate and to control the activities of groups in order that they could achieve those ends for which they existed.¹⁷⁵ And, again, unlike liberal pluralism, the role of groups in English pluralist thought was not to push the state in the service of partial interests but to restrict the legitimate activity of the state. There is, thus, an ethical component in English pluralism. Unlike liberal pluralism which apparently rejects the concept of the individual as a moral person, the individual according to English pluralism is one who is faced with a conflict of duties with regard to group action *vis a vis* the state.

¹⁷³Figgis, *op cit*.

¹⁷⁴H.J. Laski, 'The Pluralist State' *Philosophical Review* Vol. 28 (1919), p. 566.

¹⁷⁵A point that Hirst finds in Figgis: 'It is largely to regulate ... groups and to ensure that they do not outstep the bounds of justice that the coercive force of the state exists' (Figgis cited in Hirst, *op cit*, p. 125).

V Michael Walzer

In the American liberal pluralist, Michael Walzer, I see an espousal of English pluralism, because there is an ethical component and a concern to strengthen the individual against totalitarian forces. Walzer argues for a pluralist 'civil society'—being the space of un-coerced human association and set of relational networks formed for the sake of family, faith, interest and ideology¹⁷⁶—as a buffer against state power, the Hobbesian account of modern society and the market. He rejects ideologies that neglect the necessary pluralism of any civil society, arguing that men and women are social beings and multidimensional 'citizens, producers, consumers, members of a nation and much else besides'.¹⁷⁷ In liberal vein,¹⁷⁸ he argues for a society of people freely associating and communicating with one another, forming and reforming groups simply for the sake of sociability. Walzer wants to recapture the density of associational life so described and to re-learn the activities and understandings that go with it. He would operationalise this by decentralising the state to provide opportunities for citizens to take responsibility for some of its activities and to socialise the economy so that there is a greater diversity of market agents.

Walzer argues that the quality of political and economic activity and national culture rests on the strength and vitality of associational life of civil society.¹⁷⁹ The imperialism of the market and its unequal outcomes are limited when entangled in the network of associations and when the

¹⁷⁶Michael Walzer, 'The Civic Society Argument' in Chantal Mouffe (ed.), *Dimensions of Radical Democracy: Pluralism, Citizenship, Community* (London: Verso, 1992), p. 89.

¹⁷⁷*ibid*, pp. 97–8.

¹⁷⁸Michael Walzer, 'The Communitarian Critique of Liberalism,' *Political Theory* Vol. 18, No. 1 (1990), p. 9.

¹⁷⁹Walzer, 'The Civic Argument', *op cit*, p. 98.

forms of ownership of the productive processes are pluralised.¹⁸⁰ Through social mediation, inequality translates into domination and deprivation. Associational life counters the effects of inequality because, for example, those with strong families, churches, unions, political parties and ethnic alliances are not likely to be dominated or deprived for long.¹⁸¹ Likewise a plurality of market agents, family business, publicly owned companies, worker communes, consumer cooperatives, non-profit organisations and the like, expand and enhance consumer choice and limit the monopolistic power of the market.

Similarly, state power is limited by associational life in civil society. Walzer sees citizenship taken by itself as a passive role.¹⁸² 'But in the associational networks of civil society, in unions, parties, movements, interest groups, and so on,' citizens through making many smaller decisions influence the larger decisions concerning 'the state and economy'.¹⁸³ Moreover, by giving their attention to associations rather than the state, civil society is the bulwark against state totalitarianism, because 'the production and reproduction of loyalty, civility, political competence and trust in authority' relies on associational life in civil society and no state can remain coercive when it is wholly alienated from civil society.¹⁸⁴ Walzer does not call for the collapse of the state *per se* but rather for its accessibility. It is because associational life renders the state accessible that citizens are empowered.

¹⁸⁰*ibid*, pp. 98 and 100.

¹⁸¹*ibid*, p. 100.

¹⁸²*ibid*, p. 99.

¹⁸³*ibid*, p. 99.

¹⁸⁴*ibid*, p. 102.

As with English pluralist thought, the state is itself an association, but in Walzer's theory it is different from the rest because it both frames civil society and occupies space within it, fixing the boundaries between associations, the basic rules of associational activity and serving the needs of the associational networks, like funding for schools, loans for workers' cooperatives, tax exemptions for charities and legal recognition for unions to name but a few of Walzer's examples.¹⁸⁵ Moreover, unlike pluralists of the liberal school, Walzer does not claim a neutral role for the state. Because he sees the freedom to leave an association as the most likely right to be exercised in a liberal associational society, the state must act to hold society together. Thus the state chooses which groups to support and facilitate on the basis that they are real expressions of communities of feeling and belief and they 'do not violate liberal principles of association'.¹⁸⁶ In this Walzer follows Dewey where the state, 'renders the desirable association solidier and more coherent ... places discount upon injurious groupings ...[and] gives individual members of valued associations greater liberty and security ...'¹⁸⁷

Most importantly the state compels association members to conceive of a common good beyond their own self-interest. This is because citizenship has a practical pre-eminence among all actual and possible memberships. Citizens need to look after the political community that fosters and protects the associational network, thus they need, at least sometimes, to look beyond their immediate and their comrades' interests, to the common good. So the state can never be a framework of civil society. In Walzer's civil society, 'the state is the instrument of the struggle, used to

¹⁸⁵*ibid*, pp. 103–4.

¹⁸⁶Walzer, 'The Communitarian Critique', *op cit*, p. 19.

¹⁸⁷Dewey cited in Walzer, 'The Communitarian Critique', *op cit*, p. 19.

give a particular shape to the common life'.¹⁸⁸ And although citizenship is a great diversity of decision making roles with many different kinds of good requiring many different settings, it is the associational life of civil society where all versions of the good are worked out and tested and a common good espoused.

VI Nicos Poulantzas

Associational life is central to the euro-communist Nicos Poulantzas' prescriptive concept to buffer citizens against statism. Poulantzas wanted a democratic transition to socialism, but the historical experience of the traditional social democracy as illustrated in some Western European countries and in the Eastern European example of 'real socialism' led him to reject orthodox Marxist-Leninism and traditional social democratic theory. He argued that both schools of thought only resulted in 'statism and profound distrust of mass initiatives, in short by suspicion of democratic demands'.¹⁸⁹ The social democratic policies in the West had lead to welfare statism while the social democratic vision of reform in Eastern Europe had been negated by a state grown too large in size and power. Thus, Poulantzas argued, social democratic initiatives resulted in 'authoritarian statism'¹⁹⁰ and orthodox Marxist-Leninism had set in train oppressive Stalinist statism.

Poulantzas thought Lenin was wrong to reject representative democracy and liberal freedoms on the grounds that they were phenomena of the bourgeois class, wrong to discard direct democracy in the Soviets and competing power centres in society on the grounds of mistrust of factional powers and wrong to discard the bureaucracy on the grounds that a

¹⁸⁸Walzer, 'The Civic Argument', *op cit*, p. 105.

¹⁸⁹Nicos Poulantzas, *State, Power, Socialism* Translated by Patrick Camiller (London: New Left Books, Verso Edition, 1980), p. 251.

¹⁹⁰*ibid*, p. 203.

bureaucrat's job was so simple anyone could do it. Following Rosa Luxemburg, Poulantzas argued for the role of representative government to control the bureaucracy and to keep politics alive. And he argued for the liberal freedoms, because 'without general elections, without unrestricted freedom of press and assembly, without a free struggle of opinion, life dies out in every public institution, becomes a mere semblance of life, in which only the bureaucracy remains as the active element'.¹⁹¹

The common alternative to statism was self-management and rank-and-file direct democracy. But Poulantzas argued that institutions of direct democracy or self-management could not simply replace the state, because this would leave a coordination vacuum readily filled by bureaucracy, inevitably leading to 'statist despotism or the dictatorship of experts'; a view supported by Kolaja's critique of Yugoslavian workers' councils described in chapter three. Poulantzas' view of power as not a quantifiable substance held by the State that must be wrested from it but rather a series of relations among the various social classes, where the State was the 'heart of the exercise of political power,' lead Poulantzas to argue that in order for there to be a democratic road to socialism, the State must be buffered. Left to itself the transformation of the state apparatus and the development of representative democracy would be incapable of avoiding statism. A shift to the opposite position of self-government could not avoid techno-bureaucratic statism and authoritarian confiscation of power by the experts. Thus one form of centralised power would merely be replaced by another:

The way forward ...[was] simply to block the path of the State from outside through the construction of self-management "counter-

¹⁹¹Rosa Luxemburg cited in *ibid*, p. 253.

powers" at the base—in short, to quarantine the State within its own domain and thus halt the spread of the disease.¹⁹²

There must be a 'flowering of self-government networks and centres' providing a buffer to state power. This is a reinvigoration of English pluralist thought, but rather than argue for citizen affiliation and loyalty to the group as the means to buffer state power, Poulantzas argued for direct democracy at the local level of the workplace (factory committees), local government (citizens' committees) and social movements such as the 'women's struggles' and 'the ecological movement'.¹⁹³ At the same time, Poulantzas argued that the state must be democratised by making parliament, state bureaucracies and political parties more open and accountable.

While Poulantzas rejected orthodox Marxist-Leninism with regard to the state, it was Marx who argued for the developmental function of participation.¹⁹⁴ For Marx, the realisation of a person's potential for creative activity in rational association with others, was a moral imperative. The capacity for rational self-determination could be developed by active participation in public associations. It was because subordination and heteronomy were not conducive to developing the capacities and attitudes required for active citizenship, that Poulantzas, following Marx and Rosa Luxemburg, reinvigorated English pluralism and argued for direct participation in social movements, local government and the workplace. His was, to use Erhlich's terminology, a case of 'pluralism on course'.¹⁹⁵

¹⁹²*ibid*, p. 262.

¹⁹³*ibid*, p. 264.

¹⁹⁴Marian, Sawyer, 'Participation Versus Economic Rationality in Marxist Theory' in Marion Sawyer (ed.), *Socialism and Participation* APSA Monograph Series, No. 24 (Flinders University, 1978), p. 7.

¹⁹⁵Stanislaw Ehrlich, *Pluralism on and off Course* (Oxford: Pergamon Press, 1982).

Poulantzas argued for pluralism as the means to counter centralism in Leninist thought, for a representative form of government and liberal freedoms as a requirement of pluralism, together with a substantive concept of the good and the importance of individual self-development in a pluralist civil society.

VII The New Left

It was individual participation in community organisations as a means to counter centralism, that was important to some elements of the New Left.¹⁹⁶ Amongst the New Left (a loose coalition including the student movement, anarchists and communalists)¹⁹⁷ there was a belief that the capitalist, competitive and utilitarian liberal society, together with suburbanisation had caused a break down in community. Individuals were alienated because they had derived, hitherto, a sense of belonging and identity from their community.¹⁹⁸

Participatory democracy, the basic characteristics of which were found in the 'Port Huron Statement' of 1962,¹⁹⁹ was both a goal and a principle of organisation within most New Left groups.²⁰⁰ It required equality, mostly

¹⁹⁶Geoff Stokes, 'The New Left and the Counter Culture' in Norman Wintrop (ed.), *Liberal Democratic Theory and its Critics* (London: Croom Helm, 1983), p. 444.

¹⁹⁷The New Left included a diverse array of groups and intellectuals who rejected both the 'hypocrisy' of liberal democracy and bureaucratic forms of socialism. The New Left emerged initially in America, Britain, France and Germany in the late 1950s and early 1960s (*ibid*, p. 444).

¹⁹⁸See Robert Nisbet, *The Sociological Tradition* (London: Heinemann, 1967), pp. 47–8 and Raymond Plant *Community and Ideology* (London and Boston: Routledge and Kegan Paul, 1974).

¹⁹⁹'As a social system we seek the establishment of a democracy of individual participation, governed by two central aims: that the individual share in those social decisions determining the quality and direction of his life; that society be organised to encourage independence in men and provide the means for their common participation'. Cited in Lyman T. Sargent, *New Left Thought* (Illinois: Dorsey Press, 1972), p. 99.

²⁰⁰Stokes, *op cit*, p. 453.

understood as equality of respect, equal access to political freedom rather than substantive material or personal equality. And, participatory democracy would have a community benefit; through it freedom would be enhanced by giving popular control and decentralising political and economic power. Employing the slogan 'Power to the People', the Left advocated more citizen participation in government. 'Power to the People' held no preconceived notions about the value of power to the people *per se*.²⁰¹ Rather, the slogan was a response to the perceived failure of the liberal democratic institutional arrangements to involve citizens and be responsive to their needs. It was held that a system giving individuals the power to control their own lives must be better than the current one. Although some in the movement saw participation as part of the search for the authentic self, enhancing self-respect and their ability to participate more fully and more adequately,²⁰² this was not seen as the reason for participation; rather it was simply a good effect of it.²⁰³

The more moderate elements of the New Left accepted representative government at the national level but called for self-government in the key institutions of society, such as the police, schools and in the local communities and neighbourhood associations that already existed in the larger metropolitan areas.²⁰⁴ While this empowered individuals,

²⁰¹Sargent, *op cit*, p. 99.

²⁰²*ibid*, p. 453. For more on the quest for the authentic self see M. Berman, *The Politics of Authenticity, Radical Individualism and the Emergence of Modern Society* (London: Allen and Unwin, 1971).

²⁰³Sargent, *op cit*, p. 101.

²⁰⁴Plant argues that via the concept of local community a wider, *Gemeinschaft* concept of community is possible. By local community, Plant means the neighbourhood resident community, akin to the old German concept of *Gemeinde*. In descriptive terms the local community is the community school, community centre, community church. But in qualitative terms the relationship between members of these local communities provides for a moral community or *Gemeinschaft* because in working together the members get to know one another and develop fellowship and solidarity and in turn grow and develop as human beings. See

decentralisation did not mean power was distributed directly to individuals. Rather it was the placing of political power, currently held by government institutions, more directly in the hands of the people living in small communities and neighbourhood associations.²⁰⁵ Workers' control was an important part of some elements of New Left thought: particularly in Britain.²⁰⁶ It was a means of bringing the economy within the framework of participatory democracy. Workers' control was part of the process of overcoming worker alienation and met the goals of popular control, decentralisation of economic power and community benefit (because it was assumed that workers' decisions would not be guided by the need to make a profit but by a concern for the community).

In most elements of the New Left, consensus was the basis of decision making.²⁰⁷ It was compatible with notions of community, liberty and equality that were the conditioning factors for the existence of a participatory form of decision making. And it was appropriate for the tight-knit groups or communities composed of individuals who considered themselves free from coercion to conform and equal with all other individuals in the group. Importantly the perception of equality was not based on intelligence or skills of articulation, but on respect as a valued member of the group.²⁰⁸ General agreement was reached after discussion, reason and argument. Where an

Plant, *op cit*, p. 16. For examples of community programs see N. Young, *An Infantile disorder? The Crisis and Decline of the New Left* (London: Routledge, 1977), pp. 64–7.

²⁰⁵Sargent, *op cit*, p. 105.

²⁰⁶See Ken Coates and Tony Topham (eds), *Workers' Control: A Book of Readings and Witnesses for Workers' Control* (London: Panther Books, 1970) and Ken Coates, (ed.), *The New Workers Co-operatives* (Nottingham: Spokesman Books, 1976). See also Terrence E. Cook and Patrick M. Morgan (eds), *Participatory Democracy* (San Francisco: Canfield Press, 1971) and C.G. Benello and D. Roussopolos, *The Case for Participatory Democracy* (New York: Viking Press, 1972), pp. 3–10.

²⁰⁷Stokes, *op cit*, p. 453.

²⁰⁸Participants sat usually in a circle, to allow all direct communication with each other.

agreement could not be reached, the issue was left open and put off to the next meeting.

Difficulties with the New Left procedure for consensus are illustrated by the operation of Consultative Committees described in chapter five. Participants in the Committees were quite obviously not equal in status but potentially could be regarded as equally valuable to the group. Management did value and respect waged employee in-put and it is reasonable to assume that as employees continued to prove their 'worth', employees may become equally respected and valued. Waged participants, however, could not perceive themselves free from coercion or at least the possibility of it, by management. The problem is that until the social division of labour is fully addressed, consensus as practiced by some New Left organisations cannot be approximated in the current workplace.

In any association there is the problem of the more articulate and intelligent rising to become natural leaders and the community group is no exception. This is discussed in chapter five with regard to management domination of Consultative Committees and clique formation within the group. The New Left experience with consensus decision making did not escape the inevitability of leadership domination of groups,²⁰⁹ described by Michels.²¹⁰ The media exacerbated this problem in the 1960s, even to the point of creating leaders who may themselves not have sought leadership roles.²¹¹ As I will argue in chapter five, because consensus relies on articulation of ideas and reasoned argument, participatory democracy runs the risk of producing a permanent elite of the intelligent, the better-educated and the articulate through its very operation. Yet, participatory

²⁰⁹Stokes, *op cit*, pp. 453–54.

²¹⁰Michel, *op cit*, 365.

²¹¹Sargent, *op cit*, p. 111.

democracy and consensus as it was practiced by some elements of the New Left required equality for it to be effective. Herein lay the conundrum for the New Left.

A conundrum of a different sort arose from the ideal of decentralisation held by the more radical elements of the New Left.²¹² No community or industry can be entirely self-sufficient, yet more radical elements called for decentralised participation. Because participatory democracy implied equality, liberty and community, it was assumed individuals of goodwill would be produced by the process of participation, who would cooperate with others without the need for a level of administration necessary to operate their cooperative enterprise.²¹³

One example of a more radical form of decentralised participation is the anarchist, Paul Goodman. He rejected the centralised style of government and other institutions in society with their hierarchical authority structure, as not only ineffectual and wasteful, but 'humanly stultifying and ruinous to democracy'.²¹⁴ In centralised organisations, he argued, people were but personnel, with distinct roles and standards of performance, and their goals were the goals of the organisation. Anxious not to make mistakes and appear stupid, personnel clung to their assigned roles, and the threat posed by the speed of technological progress encouraged ordinary people to seek the sanctuary of rule by experts and the comfort of dictatorial rule. There was in the centralising style, he argued, petty conformism and an admiration for 'bigness'.

²¹²A more radical decentralisation was important for those elements in the New Left who held more utopian visions of a future society of small towns designed for face-to-face interpersonal relations and surrounded by agricultural areas; and for those who had a nostalgia for rural communities. See Staughton Lynd, 'Decentralisation: A Road to Power', *Liberation* No. 12 (May-June, 1967), cited in Sargent, *op cit*, p. 104.

²¹³Sargent, *op cit*, p. 112.

²¹⁴Paul Goodman, *People or Personnel* (New York: Random House, 1963), p. 23.

Goodman argued for decentralisation and a system of voluntary organisation where authority was delegated away from the top as much as possible and where there were many accommodating centres of decision and policy-making. His concept of decentralisation centred on local communities, where voluntary association was possible. Community members would make decisions affecting their lives, for, according to Goodman, the hope of community lay in people deciding important matters for themselves. Order and coordination between these accommodating centres would be decentralised and voluntary. Such voluntary coordination worked well, he argued, because according to Kropotkin's historical research, the progress of science was due to the voluntary coordination of knowledge emanating from voluntary associations, publications and conferences. While some central authority was necessary, for matters such as uniform standards of health-care and housing, transport control, care of the environment, for times of emergency and for routine administration, there was no need for the state or government as it was known in liberal democracies. In its more extreme forms, the New Left requirement for decentralisation made it inappropriate for modern liberal democracies, where a centralised representative form of government and bureaucracy are necessary facts of life.

On one hand, the New Left call for 'power to the people' through participation in neighbourhood associations, welfare provision, universities and schools etc. and of course the workplace has some merit in bringing responsibility and government close to the citizen. On the other hand, the decentralisation of administration called for by more radical elements is mostly likely to weaken the operation of the bodies the New Left sought to strengthen, while capitalist social relations and an extensive division of labour are maintained. The decentralisation of authority including budgetary responsibility to neighbourhood associations, welfare groups,

schools, or university departments, means that the appropriate committees, departmental heads or principals have to become responsible for budgets, accounts and actuarial activities. This means that core activities can easily be subverted and become subordinate to maintaining accounting and fiscal responsibility.

Decentralisation is a favoured strategy of economic rationalists because it encourages Foucauldian self surveillance, such as that to be discussed in chapter four, and the subordination of broader political and social goals to the logic of the market. Heads and members of decentralised university departments or schools soon come to regard students as revenue producers rather than people with educational needs. *Homo economicus*, therefore, becomes the appropriate model of behaviour rather than public spiritedness or civic virtue. Furthermore decentralisation, despite the neo-anarchist faith in unfettered human nature advocated by the New Left, can limit participation and freedom. This is because it allows bureaucratic and technocratic elements, which almost invariably remain centralised, to exercise power largely unchecked by any corresponding representative legislative structures that have a sufficient countervailing force. Under these circumstances necessary powers of discretion in the bureaucracy can become the determinants of policy rather than subordinate powers of implementation. Furthermore, the necessity to find a consensus in the participatory forums can impede democracy when the constraints of time and the responsibilities arising from existence of a complex division of labour are taken into account.

Unlike radical elements of the New Left, participatory democrats, like Pateman, support the need for representative government and bureaucracy, finding ways of citizen empowerment within such a political framework. Participatory democrats argue for participation in the workplace and other substate political organisations, such as local government, while retaining

elements of representative democracy namely; voting, majority rule and election of delegates. Unlike communitarian republicans they view participation as a virtue in itself; although they do see it has control purposes (in making one's own laws) and protection purposes (protection of individuals from arbitrary decisions made without their knowledge). Participatory democracy is a virtue because of its positive educational and developmental consequences. Empowerment, or gaining more control over one's life, ensues from these developmental consequences.

While participatory democrats argue that by participating, be it in the workplace or other substate organisations, other-regarding interests, a sense of community and the common good develops in the individual, they do not explain why this should happen. Participatory associations may not necessarily feed and support each other within the total society, especially when the predominant arrangements of society may be themselves non-participatory. It is not unlikely that the public spiritedness, the democratic character that develops as a consequence of participation within the workplace, may end at the workplace boundary. Given the current economic rationalist political economic culture, to be discussed in chapter four, in which individuals are to involve themselves in the workplace or other substate organisations, the question arises whether a substantive common good would in fact ensue.

On superficial appearance it is reasonable to assume that a sense of community²¹⁵ could cross the workplace boundary. Within the workplace itself the necessity of continuous interaction and integrated effort provides

²¹⁵Community has both descriptive and normative dimensions. See Colin Bell and Howard Newby, *Community Studies: an Introduction to the Sociology of the Local Community Studies* in Sociology: 5 (London: Allen and Unwin, 1971), p. 21, Raymond Plant, *Community and Ideology* (London: Routledge, 1974), p. 13 and D.W. Minor and S. Greer (eds), *The Concept of Community* (Chicago: Aidine, 1969), p. 9.

the stimulus and lays the foundation for a sense of community.²¹⁶ Decisions made in the workplace affect the wider community (this is an argument for workers' control put forward by the New Left above and an argument for greater union involvement in company decision making to be discussed in chapter four). And decisions made in the political community of national and local government affect the workplace community. In practical terms the line between the workplace community and the wider community is not sharply defined.

What is missing from Pateman's thesis, is a theory which can link participation in the workplace with the personal developments appropriate to the development of a democratic character and an enhanced sense of political efficacy. Missing is an explanation of how such personal and behavioural developments are related to participating and how workplace participation can be linked organisationally to the development of community. How can a sense of community develop when according to Pateman's revisionists there can be no substantive concept of the good and according to economic rationalism there can be no society? How can the competing ontologies of participatory forms of democracy based on a substantive concept of the common good and of a modern liberal democratic society based on giving priority to individual rights and particularised conceptions of the good be reconciled?

It is tempting to argue for empowerment through the developmental consequences of participation, given the behavioural evidence to be discussed in chapter three and given my empirical findings in chapter six, but this approach falls victim to a clash of ontologies. This is because a theory of participatory democracy with its communitarian politics of a substantive concept of the good appears to be incommensurable with a

²¹⁶John F. Witte, *Democracy, Authority and Alienation in Work: Workers' Participation in an American Corporation* (Chicago: University of Chicago Press, 1980), p. 168.

liberal democratic framework where individual rights and interests are prioritised. I need to explain how the importance of the individual as a bearer of rights and interests is not necessarily lost when assuming the role of the participant in the public sphere. I have already shown above that the liberal pluralists while claiming a strong individualist base, are in fact coming to non economic solutions, resulting in a non zero sum game of compromise and consensus. This is largely due to their Madisonian republican origins. In Pateman's rejection of the democratic revisionists and reinstatement of classical liberal theory she seeks to defeat liberal pluralism according to their own view of themselves. She does not explore their Madisonian and ontological underpinnings and thus does not see their contradictory position. On the one hand they have a Schumpeterian economic view of democracy, and Pateman is correctly critical of this aspect of the revisionists, but on the other hand their need for consensus and toleration, rule of law and respect for procedure exposes a public spiritedness and a common good: albeit not a substantive concept. The latter part of the chapter is concerned with attempting to reconcile opposing ontologies. I shall argue that a clash does not have to happen when citizens participate in the public sphere as individuals.

II Reconciling the Clash of Ontologies

I begin with a brief resume of Pateman's classical theorists' position on the opposing ontologies of individualism and community. Implicit in Rousseau and explicit in Mill is a substantive good developed as a consequence of substate participation, which is explained by their concept of human nature. They assumed that individuals' ordinary and basic feelings contributed to the social order and had to be reinforced rather than overcome; that the 'feeling of unity with our fellow-creatures' a genuine

public affection and a sincere interest in public good only awaited the correct educative experience to make them part of our nature.²¹⁷ In Rousseau's work is a reconciliation of individual rights and a common good. Rousseau insisted on the sanctity of individual rights while at the same time arguing for community determination of the laws according to the general will. This meant, in effect, a community right to control the exercise of individual rights.²¹⁸ This, coupled with a hierarchy of general wills implied in his work, reconciled contradictory ontologies. Mill's assumption that a sense of the wider community and a common good would develop as a consequence of substate participation was supported by his developmental and progressive view of human nature. Individuals could only realise their full potential in a 'society of closely connected individuals, who are moved by concern for the common good';²¹⁹ that is in a community understood as the wider community rather than the narrower community of a substate organisation. Within classical theory there is the position that substate participation within a liberal ontology could develop a substantive common good; that is a sense of community could transcend substate/state boundaries.

A number of contemporary theorists are useful in reconciling liberal and communitarian ontologies. Liberals, like John Rawls, have moved away from the traditional liberal ontology of atomistic and egoistic individualism to a Kantian conception of the person emanating from the capacity for social cooperation. And he argues for community, in this instance a community of choice rather than place understood by communitarians. Walzer, Taylor and Gould through a logic of internal

²¹⁷Graeme Duncan, *Marx and Mill: Two Views of Social Conflict and Social Harmony* (Cambridge: Cambridge University Press, 1973), p. 256.

²¹⁸Alan Ryan, *Property and Political Theory* (Oxford: Basil Blackwell, 1984), p. 68.

²¹⁹Duncan, p. 271.

relations can posit liberal individuals in community, while Chantal Mouffe, in uncharacteristic guise,²²⁰ draws on Taylor, (communitarian) Skinner (republican) and Oakshott (conservative) to reinvigorate conceptions of civic duty in order to reconcile liberal freedoms with the common good. I begin with Rawls, for it is he that communitarians strongly attack.²²¹ I shall argue, such critics mistake Rawls' position.

I Rawls' Community of Choice

Rawls still maintains the liberal conception of the supremacy of right over the good, but instead of the liberal conception of human nature as selfish, egoistic and atomistic, his ontology is a particular development of the Kantian conception, where persons are respected on the basis of their capacity to be free, rational and self-determining agents. It '... is how citizens are to think of themselves and one another in their political and social relationships ...'²²² Rawls conceives the person as having two moral powers. The first is the capacity for a sense of right and justice. Or defined in more detail, 'the capacity to understand, to apply and normally to be moved by an effective desire to act from ... the principle of justice as the fair terms of social cooperation'.²²³ It is the capacity to be reasonable. The second moral power is the capacity for a conception of the good, which consists of a determinate scheme of final ends and aims, which we regard as necessary for a worthwhile human life. It also includes the capacity to form,

²²⁰Chantal Mouffe is more aptly described as a post-modernist.

²²¹See, for example, Michael Sandel, *Liberalism and the Limits of Justice* (Cambridge: Cambridge University Press, 1982).

²²²John Rawls, 'The Basic Liberties and their Priority', *Tanner Lectures on Human Values* (Salt Lake City: University of Utah Press, 1982), pp. 3–87.

²²³Rawls, 'Basic Liberties', *op cit*, p. 16 and *A Theory of Justice* (Oxford: Oxford University Press, 1971), p. 145.

to revise, and rationally to pursue such a conception.²²⁴ The second moral power is therefore the capacity to be rational. It follows that Rawls includes within his conception of the person, the capacity for social cooperation, reflecting the two moral powers of the reasonable and the rational. It is the reasonable that gives social cooperation its unity, for the reasonable is a shared notion of 'fair terms of cooperation'; a notion of reciprocity and the sharing of mutual benefits and burdens.²²⁵

Because citizens possess the two moral powers, they are to be counted as full and equal members of society with regard to political justice. Status as an equal citizen is not effected by material advantage or disadvantage nor by natural endowments, for it is the two moral powers that 'specify the basis of equality'. The 'fair terms of social cooperation' are therefore terms upon which equal persons, in light of their capacity to be reasonable and to be rational, are willing to cooperate in good faith with all members of society over a complete life. It is a cooperation on the basis of mutual respect, for all think of themselves and others as possessing the two moral powers and the capacity for social cooperation. Thus, on Rawls' Kantian construction of the person, equality of respect, as the basis for equal citizenship, is established.

It is on the basis of equality of respect, that representatives are admitted to the original position. For 'only such men [who possess the two moral powers] can contract' in the original position. Rawls ensures the abstract position of equality of respect in the original position, through the objectivity of a 'veil of ignorance'. No one knows their place in society, class position or social status, nor their fortune in the distribution of natural assets and abilities, their intelligence, strength, and the like. The parties do

²²⁴John Rawls, 'Kantian Constructivism in Moral Theory', *Journal of Philosophy* Vol. LXVII, No. 9 (September, 1980), p. 256.

²²⁵*ibid*, p. 258.

not know their conceptions of the good or their special psychological propensities.²²⁶ The representative parties are therefore freed from the irrational and morally arbitrary social contingencies of power, material status, ignorance and bias, and are able critically to reflect on the Kantian conception of the person. Rawls argues, that having embraced the Kantian conception, all representatives are equally rational and equally situated, so that 'fundamental agreements which are made in the original position, will be unanimous and fair'.

Representatives in the original position are motivated to choose principles of justice that will respect, protect and value a conception of the good embodied in the Kantian moral powers of the agents they represent. Because the reasonable frames and constrains the rational, the 'prime interest of the representatives is not to advance their own good, but the reasonable'. That is, to advance the fair terms of social cooperation, 'articulating mutuality and reciprocity'.²²⁷

In his fully constituted Kantian conception of the person, Rawls has advanced the liberal position. In advancing his argument from merely articulating the 'principles of justice [as] those which any rational persons concerned to advance their interests would consent to as equals, when none are known to be advantaged or disadvantaged by social and natural contingencies', to principles that will also secure social cooperation and notions of mutuality and reciprocity, Rawls is arguing for a community of choice. Moreover, while he may argue that, in keeping with liberal theory, his deontological theory cannot accept a particular conception of value, he in fact argues for a guiding principle, that of equality of respect.

²²⁶Rawls, *A Theory*, *op cit*, p. 12 and section 34, pp. 211–16.

²²⁷Rawls, 'Kantian Constructivism in Moral Theory', *op cit*, p. 528.

While citizens may have individual ends, or individual choices regarding which of their 'abilities and possible interests' they want to develop,²²⁸ it is on the basis of equality of respect that citizens engage in mutually advantageous cooperation in order to realise their separate ends. It is through this 'social union' that individuals 'can participate in the total sum of the realised natural assets of the others'. The good of each is recognised 'as an element in the complete activity of the whole scheme of which is consented to and gives pleasure to all'.²²⁹ Rawls finds many types of social unions ranging from family and friendships to larger associations. Indeed society 'presumably contain[s] countless social unions of many different kinds'. Furthermore, '[j]ust institutions allow for and encourage the diverse internal life of associations in which individuals realise their more particular aims'. Such concepts enable Rawls to relate human sociability to the principles of justice, because 'a well-ordered society (corresponding to justice as fairness) is itself a form of social union. Indeed, it is a just social union of social unions ... in which all can freely participate as they so incline'.²³⁰

In his 1993 publication,²³¹ Rawls further advances the liberal position. He argues that individuals may hold to individual doctrines while being citizens with final ends in common. Because citizens affirm the same political conception of justice, it means they share one basic and highly prioritised political end; 'namely the end of supporting just institutions and of giving one another justice accordingly'.²³² Such is a reference point for

²²⁸Rawls, *A Theory*, p. 523.

²²⁹*ibid*, p. 523.

²³⁰*ibid*, pp. 527 and 529. For a full explanation see section 79, pp. 520–34.

²³¹John Rawls, *Political Liberalism* (New York: Columbia University Press, 1993), p. 202

²³²*ibid*, p. 202.

citizens to 'express the kind of person they very much want to be'²³³ and such provides the basis of a well ordered society. It is this concept of citizens cooperating to affirm just institutions that enables Rawls to advance a liberal position into a communitarian camp. Rawls rejects civic humanism, as expressed by Arendt above, because it is too comprehensive a doctrine.²³⁴ However, Rawls finds classical republicanism—which he understands to be citizens participating in public life in order to preserve their civil liberties and not a comprehensive doctrine—compatible with political liberalism. Hence, Rawls has added a new liberal dimension to the liberal/communitarian debate.

II Walzer's Community of Meaning

Walzer by using what is essentially a logic of internal relations, also adds a liberal dimension to communitarianism. Walzer integrates liberal values of pluralism with a defence of community. While a communitarian at heart, in that he is opposed to liberal theories of conceiving the individual as detached from all ties with community and tradition, Walzer is not opposed to the political ideals of liberalism. 'On the contrary, his project is to defend and to radicalise the liberal democratic tradition'.²³⁵ A liberal tolerance has an important place in his theory as does choice. But it is a tolerance that must not paralyse action on truly fundamental matters²³⁶ and it is choice restricted by complex equality.

²³³*ibid*, p. 202.

²³⁴*ibid*, p. 206 and see footnote 38.

²³⁵Walzer cited in Chantall Mouffe, 'American Liberalism and its Critics: Rawls, Taylor, Sandel and Walzer', *Praxis International* No. 8 (2nd July 1988), p. 201.

²³⁶Stephen Mulhall and Adam Swift, 'Walzer: justice and abstraction' in *Liberals and Communitarians* (Oxford: Blackwell, 1992), chapter 4, p. 146.

Through his concept of complex equality he has a pluralist conception of social justice. Walzer's theory of justice can be summarised thus,

different social goods ought to be distributed for different reasons in accordance with different procedures, by different understandings of the social goods themselves—the inevitable product of historical and cultural particularism.²³⁷

Different goods constitute different distributional spheres within which specific distributive arrangements are appropriate. Distribution is just when the spheres remain autonomous. Once goods from one sphere cross into another then tyranny occurs. For example health care must be distributed in accordance with the principles appropriate to that sphere and not corrupted by goods such as money which properly belong to another sphere. So far, Walzer appears to be a liberal pluralist with a particularised idea of good. It is in the second part of his theory that Walzer's communitarian credentials become apparent. The difference accorded to goods derives from their social meanings. That is, all goods are 'social goods' and social goods can only be understood in terms of the history and culture that produces them. It is the socio-cultural contexts within which they are produced, encountered and utilised that gives goods their meaning. People's opinions are 'those deeper opinions that are the reflections in individual minds, shaped also by individual thought, of the social meanings that constitute our common life'.²³⁸ Thus the principles of distribution, derived as they are from social meanings, are also particularised. Distributive principles must be good-specific and goods-specific principles are culture-specific.²³⁹ 'My

²³⁷Michael Walzer, *Spheres of Justice* (Oxford: Basil Blackwell, 1983), p. 320.

²³⁸*ibid*, p. 6.

²³⁹Mulhall, 'Walzer: justice and abstraction', *op cit*, p. 128.

argument', Walzer says, 'is radically particularist. I don't claim to have achieved any great distance from the social world in which I live'.²⁴⁰ The good and the cultural particularism make Walzer a pluralist, with no substantive concept of the common good. But unlike Rawls, for example, Walzer does not seek to detach the individual from their culture. Rather, he seeks to articulate those very shared 'meanings' that constitute that culture. By standing 'in the cave, in the city, on the ground', he means to 'interpret to one's fellow citizens the world of meanings that we share'.²⁴¹

Walzer's theory of distributive justice has the appearance of a relativist argument. He defends the value of the goods with which justice is concerned, as reflecting the social meanings that are accorded them. He rejects distributive justice on the basis of simple equality. He argues for justice on the basis of complex equality. Justice is achieved when goods are distributed in autonomous distributive spheres, in accordance with its own sphere-specific principles, which are discovered through interpretation of its social meaning.

... when meaning is distinct, distributions must be autonomous. Every social good or set of goods constitutes, as it were, a distributive sphere within which only certain criteria and arrangements are appropriate.²⁴²

Walzer argues that money is inappropriate in the sphere of ecclesiastical office because it is an intrusion from another sphere. Likewise piety is inappropriate for the sphere of the marketplace. There should be no exchange of goods across spheres, that is of goods with different meanings. This is because such practice fails to respect the opinions of those who

²⁴⁰Walzer, *Spheres*, *op cit*, p. xiv.

²⁴¹*ibid*, p. xiv.

²⁴²*ibid*, p. 10.

conceive the goods, the process, necessarily social, of cultural creation that endowed the goods with meanings in the first place. It is Walzer's emphasis on the social goods, whose value and meaning are derived from the communities whose goods they are, that underpins his whole approach to justice and gives him his own application of communitarianism. Goods do not have 'natural' meaning. They can only acquire their significance and value through a process of 'conception and creation', that is necessarily social and not an individual one. Because '[a] solitary person could hardly understand the meaning of the goods or figure out the reason for taking them as likable or dislikable',²⁴³ Walzer points to the inherently social nature of concepts and language. 'If we understand what it is, what it means to those for whom it is a good, we understand how, by whom, and for what reasons it ought to be distributed'.²⁴⁴ And if distribution of goods is in accordance with this social understandings of them, then distribution is just.

The characteristic that makes us equal, Walzer believes, is 'we are (all of us) culture producing creatures; we make and inhabit meaningful worlds'.²⁴⁵ It is on this basis that we ought to respect another culture's ways of doing things and ought not call on a universal morality as a basis of judgement. Justice is internal to social meanings. Any criticism must be 'internal' or 'connected,' recognising its relation to the culture it seeks to address. But when a society fails to allow people equally to create the cultural constructions by which they live, our tolerance ceases and we are justified to intervene. This weak trans-cultural restraint on shared meanings shows Walzer's liberal tolerance has its limitations, while it

²⁴³*ibid*, pp. 7–8.

²⁴⁴*ibid*, pp. 8–9.

²⁴⁵*ibid*, p. 314.

counters the criticism of moral relativism and at the same time posits a weak universal good.

Walzer is communitarian in that meanings and values are irreducibly communal and cannot be created by individuals acting alone. His is a vision of human beings as self-interpreting socially constituted animals who have the capacity to 'make and inhabit meaningful worlds', to endow the world with significance and value.

III Taylor's Community of Language

Taylor shares a similar ontology, but unlike Walzer, Taylor revitalises civic virtue, in the guise of patriotism, and employs this to posit a common good in a liberal procedural democracy. While he denounces the liberal pre-social view of man, Taylor does not reject liberalism *per se*. In fact he supports some of its central claims as worthy of serious consideration.²⁴⁶ In particular he supports the presupposition that individuals are autonomous choosers of ends. What he rejects is the liberal conception of human beings as antecedently individuated and the liberal defence of morality. According to Taylor, human nature and morality can only be realised and understood in terms of membership of a community. He finds liberal theory is unrealistic and ethnocentric because it excludes any socially endorsed conception of the good. Human beings are self-interpreting individuals, 'necessarily so, for there is no such thing as the structure of meanings for him independently of his interpretation of them; for one is woven into the other'. A person's identity is primarily constituted by internalised self-interpretation. And this identity depends on their orientation and attachment to conceptions of the good, for 'we are only selves insofar as we move in a certain space of questions, as we seek and find an orientation to

²⁴⁶Stephen Mulhall and Adam Swift, 'Taylor: the sources of the liberal self' in *Liberals and Communitarians* (Oxford: Blackwell, 1992), p. 101.

the good'.²⁴⁷ No system of morality can be constituted as an ethic without strong evaluation, Taylor argues. The good therefore requires an evaluative framework in order to determine the significance of a wide range of things. Such a framework is derived from membership of a community, or in Taylor's case a linguistic community. It is through language, or the use of an available vocabulary to characterise meaning, that individuals learn what is good and their identity as human beings in relation to that good.

... we take as basic that the human agent exists in a space of questions. And these are the questions to which our framework-definitions are answers, providing the horizon within which we know where we stand, and what meaning things have for us.²⁴⁸

Conversation, Taylor argues, is not the coordinated action of different individuals, but a common action, 'our' action. 'It is the kind of action of two men sawing a log'.²⁴⁹ Language signifies the move from me-for-you, to me-for-us.²⁵⁰ For Taylor, this move into the public space is one of the most important things we can achieve with language.²⁵¹ It is here that we learn our moral orientation and thus an essential part of our sense of our own identity. I develop this aspect of Taylor's thought in chapter seven, to explain the learning associated with participation in workplace committees.

²⁴⁷Charles Taylor, *Sources of the Self* (Cambridge: Cambridge University Press, 1990), p. 34.

²⁴⁸*ibid*, p. 29.

²⁴⁹Charles Taylor, 'Cross Purposes: The Liberal Communitarian Debate' in Nancy Rosenblum (ed.), *Liberalism and the Moral Life* (London: Massachusetts, Harvard University Press, 1989), p. 167.

²⁵⁰Practical examples of the shared good resulting from the move to me-for-us afforded by language, are friendship, a shared joke and shared music, particularly live music because not only is there communication between us but also between the conductor, the orchestra and us.

²⁵¹*ibid* p. 167.

The importance of a common value induced by sharing is central to patriotism, which Taylor sees as a 'civic' virtue.

It is '... because we cannot but orientate ourselves to the good and thus determine our place relative to it and hence determine the direction of our lives, we must inescapably understand our lives in narrative form, as a "quest"', the structural requirements of human agency are inescapable.²⁵² A theory of agency and the good that is free of all evaluative framework is, thus, incoherent, resulting in disoriented dissociated individuals not knowing who they are and where they stand on fundamental issues. It is on the basis of this incoherence that Taylor rejects liberal theory relating to morality. And because 'one cannot be a self on one's own, but only in relation to certain interlocutors'²⁵³ Taylor rejects the liberal philosophy of pre-social atomistic individuation.

On this basis Taylor denounces the liberal concept of natural rights. In the community of language and in mutual discourse, rationality and morality develop, and there evolves a discovery of the good. It is only through our participation in community and language, which defines the good, that we can have a sense of rights. There can, therefore, be no asocial priority of the right over the good. And there can be no ahistorical rights because this modern so called 'rights-based' individual has attained these rights only as a result of a long and complex historical process. Indeed, 'it is only in a certain type of society', defining itself by the good that it postulates, 'that the existence of such a free individual, capable of choosing his own

²⁵²Taylor, *Sources of the Self*, *op cit*, pp. 51–2.

²⁵³*ibid*, p. 36.

objectives, is possible';²⁵⁴ '... the good is what, in its articulation, gives the point of the rules which define the right'.²⁵⁵

What is interesting about Taylor's position is that he is primarily opposed to the philosophical rather than the substantive asocial individualism. As Mulhall and Swift elucidate, self-interpreting individuals need not give most importance to conceptions of the good whose content is strongly communal. What their self-interpretation must be able to do is acknowledge the necessary social origin of any and all other conceptions of the good and so of themselves.²⁵⁶ Moreover, as mentioned above, Taylor did not reject liberal theory *per se*, rather he rejected its incoherence. His belief that humans are self-interpreting animals necessitates support for the liberal position of individuals as autonomous choosers of ends. Were it otherwise, individuals could not have the necessary conceptual resources to interpret themselves.

Taylor thus regards the liberal/communitarian debate as an issue of ontology and advocacy and identifies a common good in American procedural liberalism. Ontology is whether one views the person as holistic or atomistic, while advocacy is the moral stand or the policy one adopts; that is whether one is individualist or collectivist. Taylor argues that ontology and advocacy are distinct. Confusion about these issues restricts one to a narrow view of the liberal/communitarian debate. He argues that either stand on the ontological debate can be combined with either stand on the advocacy debate. By separating ontology and advocacy, Taylor recognises that there are atomistic collectivists and holistic individualists, where atomistic individualism best describes liberals in the Hobbesian tradition.

²⁵⁴Mouffe, 'American Liberalism and its Critics', *op cit*, p. 197.

²⁵⁵Taylor, *Sources of the Self*, *op cit*, p. 89.

²⁵⁶Mulhall and Swift, *op cit*, p. 112.

Thus, the early Nozick can be described as an atomistic individualist and Marx as an holistic collectivist. Humboldt and J. S. Mill, on the hand, are holistic individualists and Skinner is an atomistic collectivist. Taylor is not alone in separating ontology and advocacy. Richard Bellamy understands Mill as a collectivist individualist and T. H. Green as an individualist collectivist.²⁵⁷

Through the separation Taylor is able to posit a common good within liberalism, even though liberalism's atomistic ontology sees the good as the convergence of individual goods. Taylor observes a common good in American patriotism, characterised as republican solidarity and commitment to ideals including the rule of law. That is, Taylor argues for a common good within procedural liberalism and in doing so combines a liberal view of society with a concept of community. Taylor's logic is more than this, however. The rule of law assumes a common good. When rights conflict, the law often places a principle such as one cannot profit from one's misdoings, or it resorts to the law of the common man [sic]; that is the fiction of the ordinary person who upholds principles of justice, fairness, morality and rationality. I return to Taylor's concept of the common good, below.

IV Gould's Sociality

Carol Gould turns her attention to an ontology of internal relations, to find support for her redefinition of democracy as the equal right to self-development. Hers is an account of free individuality on the one hand, and the importance of the social for self-development on the other. She rejects liberal individualism, pluralism and holistic socialist theory as incoherent

²⁵⁷Richard Bellamy, *Liberalism and Modern Society* (Cambridge: Polity Press, 1992), pp. 22–47.

and offers 'a new ontological foundation which coherently accounts for both individuality and sociality'.²⁵⁸

Gould rejects liberalism's abstract individualist ontology and the view that individuals are taken to exist independently of each other, related only in external ways;²⁵⁹ that is relations among them are external relations in that they do not effect the basic nature of the individual, leaving them essentially unchanged. She rejects this ontology on the basis that there are concrete differences between individuals and the purposes and actions of individuals develop and change in their relations with others and are affected by these interactions. Individuals are who they are through social relations and individuals who stand to each other in these relations are essentially changed. Social relations of this nature, she argues, ought to be characterised as 'fundamentally internal'.²⁶⁰

In similar vein, Gould rejects pluralism on the basis that in defining individuals in terms of their group membership, the ontology fails to recognise the concrete differences between individuals and the internal relations among individuals within a group.²⁶¹ In order to understand the group, she argues, it is necessary to understand what constitutes the group in the form of shared understandings of individuals within the group, their common interests and the agreement amongst them on appropriate actions which the group takes on their behalf. Individuals within the group not only internalise their relations with each other and define themselves in terms of the relation to other individuals whom they take to be like themselves, but the group itself internalises its relations with other groups;

²⁵⁸Carol Gould, *Rethinking Democracy* (Cambridge: Cambridge University Press, 1988), p. 104.

²⁵⁹*ibid*, pp. 92–97.

²⁶⁰*ibid*, pp. 94–5.

²⁶¹*ibid*, pp. 95–100.

it is constituted and changed by its relation with other groups, particularly so where the relation is one of conflict.²⁶²

Finally, Gould rejects socialist ontology on the grounds that in its holism,²⁶³ its presupposition that the basic entity of social life is the whole or the social totality, it disregards the ontological status of individuality and it presupposes the whole is identical to the relations within it. It presupposes all relations are internal relations, 'in the sense that each entails all of the others and is entailed by all of the others. These relations are therefore wholly inter-constituting'.²⁶⁴ Individuals are not wholly constituted by internal relations because individuals as agents can choose many of these relations and can also change them. Gould also rejects holism on the grounds that it attributes agency and freedom to the community. Because agency requires intentionality and the capacity for choice, a community cannot be an agent. It is only the individuals within the community who have the property of consciousness required for agency. Gould argues that holism and the concept of a community agency 'are shorthand expressions for the joint combined actions of individuals', within the community or institution.²⁶⁵ In summary, Gould rejects liberalism on the grounds that it fails to take sufficiently into account the requirements of social cooperation and social equality and socialist or holistic doctrine on the grounds that it tends to subordinate the individual to the needs of the community as a whole. Her aim is to make both views

²⁶²*ibid*, p. 90. Here Gould gives the example of a group representing tenants and a group comprised of landlords. Each defines and constitutes itself and those within the group by its conflicting relations with the other. In other words, tenants cannot know they are tenants without there being landlords and vice versa. In this sense the relations between groups are internal.

²⁶³*ibid*, pp. 100–4.

²⁶⁴*ibid*, p. 102.

²⁶⁵*ibid*, p. 102.

compatible. She does this by redefining democracy with a new foundational ontology.

Gould argues for a normative conception of democracy as the right of participation in all areas of life, the social, the economic (including the workplace) and the political, developed from the 'pre-eminent value of the freedom of individuals and their equal right to the conditions of self-development'.²⁶⁶ In her redefinition of democracy, Gould retains central tenets of liberal theory, namely equal rights and equal representation based on her concept of the equal agency of individuals, freedom of choice, negative freedom (the absence of external constraint in the exercise of choice) and the primacy of the individual.²⁶⁷ In Gould's normative conception of democracy, freedom also includes equal access to the positive conditions to enable the self-development of individuals to their fullest potential. Apart from the obvious material conditions, social relations through which and upon which agents act are an important part of the enabling conditions.²⁶⁸ This requires adherence to the importance of sociality.²⁶⁹

To underpin her normative redefinition of democracy with its conflicting ontologies and to provide adequate explanations of social reality, in particular that of economic and social inequalities, Gould formulates a new ontology, that of individuals-in-relation.²⁷⁰ It is based on a reformulation of the primary values of freedom and equality. She understands freedom as a capacity of free choice and as an activity of self-

²⁶⁶*ibid*, pp. 32–33.

²⁶⁷*ibid*, p. 41.

²⁶⁸*ibid*, pp. 49–50.

²⁶⁹A term used throughout by Gould to mean social relations. See pp. 71–2.

²⁷⁰*ibid*, pp. 104–113.

development.²⁷¹ Individuals are concretely existing beings and are equally free agents with the capacity for choice. In the exercise of choice agents require freedom from coercion; that is they require negative freedom. Gould also argues for a positive freedom which she states as the principle of equal positive freedom, namely the principle of *prima facie* equal rights to the conditions of self-development.²⁷² Self-development entails not only the equality of all individuals in so far as they are all equally agents but also social cooperation as a necessary condition. It is on the basis of equal rights to the condition of self-development that there is an equal right to participate in those decisions that concern common activities which are among the conditions of self-development. That is, the equal right to self-development requires the right of democratic participation in all contexts of life, including the workplace. And it is on the basis that self-development requires equality and social cooperation that individuals are free agents.

The 'fundamental entities of [her] proposed ontology are human beings [or social individuals] whose relations are social relations'.²⁷³ Individuals are such that their characteristic mode of being is relational or essentially involves their relations with others. Individuals are therefore ontologically primary and relations among them are essential aspects of their being.²⁷⁴ Gould argues that relations are the relational property of individuals and therefore cannot exist independently. Individuals become who they are fundamentally through their social relations. This is because relations are internal relations; that is individuals are fundamentally changed by their relations with others. But she argues individuals are not

²⁷¹*ibid*, pp. 32–33.

²⁷²*ibid*, p. 32.

²⁷³*ibid*, p. 105.

²⁷⁴*ibid*, p. 112.

wholly constituted by their relations, because as concretely existing beings and as free agents they have an original capacity of choice and purposeful activity.²⁷⁵ Individuals can choose and create many of their relations and therefore can be described as 'self-constituting'.²⁷⁶ Law, rules, social roles, customs and the like which may appear to exist independently from social relations are in fact objectified forms of it.²⁷⁷ Such institutions are socially constituted by free agents. Likewise, a situation of external authority, can be explained in terms of its historical social constitution. Gould's concept of self-constituting agents is important in understanding the development of the democratic personality in the apparently antithetical context of capitalist social relations, to be discussed in chapter seven.

Gould's logic of internal relations allows the 'preservation of the importance of sociality but not at the cost of [the individual], of an overarching totality in which individuals are mere parts or functions'. And it has, she believes, normative implications of an adequate conception of the good. It is an 'account of free individuality, on the one hand, and of the importance of sociality for self-development, on the other'.²⁷⁸ In her account of society as individuals in social relations, Gould makes compatible the conflicting values of individual freedom, on the one hand, and equality and social cooperation, on the other.

V Mouffe's Ethico-political Community

Chantal Mouffe attempts to combine the insights of the republican conception of citizenship with modern liberal plural democracy, arguing

²⁷⁵*ibid*, p. 107.

²⁷⁶*ibid*, p. 107.

²⁷⁷*ibid*, p. 112.

²⁷⁸*ibid*, p. 105.

that the recovery of a strong participatory idea of citizenship should not be made at the cost of sacrificing individual liberty. She argues that for there to be a defence of community within liberal theory, citizenship must be thought of in a democratic fashion. That is, citizenship must be upheld without renouncing individual liberty. According to Mouffe, 'such a task is only possible if we strive to conceptualise liberty other than as the defence of individual rights against the state, while taking care not to sacrifice the individual to the the citizen'.²⁷⁹ We have to distinguish between a liberal democratic civic conscience where the criteria of justice are those of liberty and equality and 'postulating a substantive common good which would impose on all a singular conception of the good'.²⁸⁰

Mouffe wants to argue for a defence of liberal pluralism and rights and at the same time a return to a community of shared moral values. She wants 'to be able to formulate the ethical character of modern citizenship in a way that is compatible with moral pluralism and respects the priority of right over the good'.²⁸¹ She finds several theorists to assist her in this task, namely Skinner, Taylor, Walzer and Oakshott. I have already drawn on Mouffe's (among others') account when arguing for the reconciliation of liberal pluralism with communitarianism in Taylor's and Walzer's logic of internal relations above. It remains for me to draw out Mouffe's account of Taylor's conception of virtue as patriotism, Skinner's republican virtue and Oakshott's *respublica* to support her ethico-political community where a theory of participation and a non-substantive concept of the good can be reconciled.

²⁷⁹Mouffe, 'American Liberalism and its Critics', *op. cit.*, p. 203. It should be noted that this is a departure from Mouffe's position on the human essence.

²⁸⁰*ibid.*, p. 203.

²⁸¹Chantal Mouffe, 'Democratic Citizenship and the Political Community' in Chantal Mouffe (ed.), *Dimensions of Radical Democracy: Pluralism, Citizenship, Community* (London: Verso, 1992), p. 231.

Taylor's civic humanist view²⁸² of community has patriotism as its main republican virtue, where patriotism is more than a common good according to the rule of right and involves more than converging moral principles. Rather, patriotism, as Taylor sees it, is a common allegiance to a particular historical community. It is the shared action of cherishing and sustaining a specific set of historical institutions and forms; an action that becomes a socially endorsed common end. As such, patriotism is based on identification with others in a common enterprise. It is the common expression of a collective dignity, forming bonds of solidarity. All republics are characterised and animated by a sense of a shared immediate common good; the good being, in Aristotelian terms, the bond of friendship. As we saw above, it is sharing itself that is of value for Taylor. And it is the process of sharing and the bond of solidarity in that sharing which, according to the civic humanist position, animates 'virtu', seen in Taylor's sense as patriotism.

This common good is a patriotism based on identification with others in a common enterprise, a common expression of collective dignity. This contrasts with the liberal common attachment to the ethic of right. Taylor believes that patriotism as articulated by the civic humanists, is still relevant in American society today, exemplified by the public outrage over the Watergate affair. He believes that enlightened self-interest would not provoke such a reaction. Rather, the citizenry saw Watergate as threatening the American way of life, the sense that Americans share a common identity and history and commitment to certain ideals. In other words, Watergate threatened American patriotism. Taylor finds further evidence that patriotism is extant in America. While the state, under liberalism,

²⁸²Civic humanism is viewed by Chantall Mouffe as the Roman ideal of the *res publica*, and Machiavellian, 15th century Florentine, Harringtonian and neo-Harringtonian thought (Mouffe, 'American Liberalism and its Critics', *op cit*, pp. 194 and 197).

must be neutral about values, Taylor argues that the courts would not rule in favour of a legal challenge to the values of patriotism. Thus, Taylor sees a sense of community maintained by patriotism, in modern liberal American society.

Mouffe finds in Quentin Skinner's view of republicanism, support for the ideas of public-mindedness, civic activity and political participation being possible in a liberal world of rights. Skinner argues that in civic republican thought most individuals want to enjoy *la liberta*; they want not to be ruled, and to live together as they choose without fear for their welfare.²⁸³ In republican thought there is, therefore, a concept of negative rights. However, it is not rights in the liberal sense of rights against the state, but as we saw above, rights ensured through civic duty to the state. Individual liberty can only be enjoyed so long as it is not put above the common good. If individual interests are pursued unchecked then individual liberty is threatened. Participation in the public space guards against the take-over of the government by external enemies or by internal self-interested factions and ensures freedom for all. Civic duty is thus given priority over individual rights so that individual rights themselves might not be undermined.²⁸⁴

While this contrasts with the liberal dilemma of finding the fairest way for the institutions of society to adjudicate between competing individual rights, the freedom found in community service is not the result of onerous service, motivated by fear of punishment or by favour of reward, but is service motivated by a universally felt honour and obligation. Unlike procedural liberals, who treat self-rule as instrumental to the rule of law and equality, for civic humanists self-rule is essential to a life of dignity: the

²⁸³Skinner, 'On Justice, the Common Good and Liberty', *op cit*, p. 220.

²⁸⁴*ibid*, p. 223.

highest political good in itself. Because pursuit of the common good is valued as the means to uphold free government and in turn individual liberty is valued as the freedom to choose one's life-plans, people are attached to the common good seen as a general liberty. In this way participation in the public space and a common good can be posited in a liberal pluralist society. As Mouffe puts it, Skinner shows 'there is no basic incompatibility between the classical republican conception of citizenship and modern democracy' which 'refutes the liberals' claim that individual liberty and political participation can never be reconciled'.²⁸⁵

While attracted to Skinner's republican concepts,²⁸⁶ it is Michael Oakshott's idea of civil association, his *respublica* that Mouffe finds of particular use.²⁸⁷ Oakshott's usefulness depends on a reconceptualisation of the liberal democratic citizen as having a constructed, rather than an empirically given political identity. Rather than reducing the idea of citizenship to mere legal status, where citizens have rights against the state, Mouffe reconstructs the liberal democratic citizen as one with a shared set of political principles: that of liberty and equality for all.²⁸⁸ And since there will always be competing interpretations of liberty and equality there will always be, she argues, competing interpretations of democratic citizenship. These reconstructed citizens, therefore, have a political identity that will not be submerged by a common good. Instead, their political judgement and actions will be informed by a less than substantive concept of a common good; that of a recognition of the authority of those principles and rules in which they are embodied.

²⁸⁵Mouffe, 'Democratic Citizenship', *op cit*, p. 228.

²⁸⁶*ibid*, p. 228.

²⁸⁷*ibid*, pp. 232–34.

²⁸⁸*ibid*, pp. 235–36.

A sense of morality, a political ethic, however, is lacking. This lack, Mouffe argues, causes devaluation of civic action, of common concern and a consequent lack of social cohesion in liberal democratic societies. She must therefore propose a mode of political association with some concept of a shared good; but a good that is not substantive. Drawing on Michael Oakshott's work, *On Human Conduct*,²⁸⁹ she proposes a political community of citizens linked by ethico-political bonds. She argues that Oakshott's concept of two different modes of association, *univertas* and *societas*, represent two alternative interpretations of the modern state. *Univertas* is a substantive relationship of agents in the form of common purpose, while *societas* or 'civil association' is a formal relationship in terms of rules. *Societas* is an idea of community that Oakshott traces back to Machiavelli, Montesquieu and Hegel and one which he calls *respublica*. And it is this that Mouffe finds useful. In *societas* the link between citizens is their 'practice of civility', specifying not performances, but conditions to be subscribed to in choosing performances. In other words, the good does not guide citizens' actions. Rather rules guide their choice of action; 'moral considerations specifying conditions to be subscribed to in choosing performances'.²⁹⁰ On two interconnected counts, Mouffe finds Oakshott's concept of *respublica* adequate to define political association under modern democratic conditions:

... it is a mode of human association that recognises the disappearance of a single substantive idea of the common good and makes room for individual liberty. It is a form of association that can be enjoyed among relative strangers belonging to many purposive associations

²⁸⁹Michael Oakshott, *On Human Conduct* (Oxford: 1975).

²⁹⁰Oakshott cited in Mouffe, 'Democratic Citizenship', *op cit*, p. 232.

and whose allegiances to specific communities is not seen as conflicting with their membership in civil association.²⁹¹

Such reconciliation, Mouffe argues, would not be possible in an association conceived as *univertas*, 'because it would not allow for other genuine purposive associations in which individuals would be free to participate'.²⁹²

In *respublica* individuals may engage in many different enterprises yet still have a common political identity (belong to a political community) through their recognition of the rules of civic intercourse; that is the norms of conduct 'to be subscribed to in seeking self-chosen satisfactions and in performing self-chosen actions'. She also finds a morality in Oakshott's, *societas* for civility denotes an order of moral (not instrumental) considerations. He claims that civil association is a moral and not a prudential condition. Mouffe takes Oakshott's 'moral' to mean something less than a substantive good, understanding it to be a morality attached to political considerations alone, to be 'ethico-political'.²⁹³ Her concept of modern political community thus allows the recognition of pluralism and individual liberty, while not relinquishing all normative aspects to the sphere of private morality. It is a concept that is non-instrumental, is ethical and bonding but is severed 'from the existence of a substantive common good'.²⁹⁴

Mouffe has moved beyond the liberal instrumental political association as a form of purposive association, that of promoting self-interest and rejected the substantive pre-modern idea of the political community. She proposes instead a republican political community of

²⁹¹*ibid*, p. 233.

²⁹²*ibid*, p. 233.

²⁹³*ibid*, p. 233.

²⁹⁴*ibid*, p. 234.

agents held together by a public concern that is ethico-political. In this way she accommodates liberal

distinctions between private and public, morality and politics, [which she sees] have been the great contribution of liberalism to modern democracy, without renouncing the ethical nature of the political association.²⁹⁵

Through her conception of the citizen as having a fluid political identity constructed by changing interpretations of liberty and equality and her conception of political community as civil association, Mouffe can achieve her real agenda, that of accommodating agents in social movements with their radical democratic interpretation of the principles of liberty and equality within the political community. It follows she can also reconcile substate associations with particular goods with a concept of morality, albeit a non-substantive ethico-political one.

VII Conclusion

This chapter has canvassed some areas of contemporary participatory and political pluralist thought in order to understand the ways workplace participation can lead to the empowerment of workers, the development of a democratic character, the concept of community and common good. As it was originally stated, the liberal pluralist model fits indirectly with a liberal democratic society, particularly one informed by a rationalist political economic culture. Its assumption that politics can be seen as a political market place for policies and issue resolution is commensurate with the idea of an economic market place. Its emphasis on apathy also makes it appropriate for a modern lifestyle where the demands of work, in particular

²⁹⁵*ibid*, p. 231.

shift-work, and family leave little time for participation. But I regard the stated view of empowerment in the liberal pluralist model as limited because it is a negative empowerment. Individuals are free in the negative sense, to choose their life plan according to their particular concept of the good but they are not free in the positive sense to develop their full human potentialities. Self-development requires community, for development cannot occur in isolation. As stated the liberal pluralist model denies a concept of community and by its acceptance of apathy as an *a priori* denies the means to foster a sense of community; that is it denies participation. But I have demonstrated that, due to its classical republican underpinnings, liberal pluralism involves a weak concept of the common good, emanating from its central focus on compromise and consensus on norms and procedures. Furthermore, liberal pluralism also involves an ontology of individuals developing a sense of the 'other', in developing common understandings and meanings through group interaction and 'sharing' by involving themselves in the groups internally cooperative activities, which are directed at achieving compromise within a generalised framework of consensus and shared understandings.

Pateman criticises the revisionists for characterising classical theorists as arguing for direct participation at the national level which leads to her charge that they are attacking a myth of their own creation. By failing to recognise the ontology of liberal pluralism as a weak concept of the good and different from the atomistic self-interested ontology they claimed; she fails to see the blurred line of division between her own participatory democratic position and that of the liberal pluralists. Perhaps Pateman herself is attacking a myth of her own creation.

The apparent opposite of liberal pluralism is communitarian republicanism with its idea of participation as civic virtue. However, its requirement for a fully committed citizenry is unrealistic in today's complex

society. The complexity of the modern (or post-modern) division of labour, the transient nature of employment, the restructuring of gender roles and the fluidity of movement in contemporary society make their view of community unachievable today. Moreover, communitarian republicanism is necessarily elitist by seeking to enhance the role of intellectuals (in MacIntyre's case) and sexist in that classically (as in the case of Machiavelli) women were relegated to the private sphere and seen as a threat to the good order of the public sphere. The demands of citizenship in the communitarian schema would appear to require that women are relegated to the private sphere, to fulfill their role as nurturers and gain virtue. While communitarian republicanism has contributed to American pluralism's weak concept of the good, its own concept of the good is, therefore, too strong and demanding of inappropriate commitment. In retaining representative democracy, they do not face up to the necessity for the continuation of a bureaucracy in a society governed by rules and, hence, a need to exercise countervailing political controls to prevent bureaucratic domination. Because of their already onerous public commitments it is not feasible to expect that committed citizens will assume this role.

The New Left, likewise, appreciated the need for community with some glorifying pre-industrial communal forms which are nonetheless as un-feasible as the communitarian republican views discussed above. While their call for 'power to the people' through participation in neighbourhood associations, schools etc. and of course the workplace has some merit, by itself under capitalist social relations decentralised participation can actually weaken the operation of the bodies the reformers seek to strengthen. For example the decentralisation of authority to schools, or university departments, means that the appropriate committees, departmental heads or principals have to become responsible for budgets and accounting, which in turn means that educational activities quickly become subordinate to

accounting and fiscal responsibility. Furthermore decentralisation can limit participation and freedom because it allows bureaucratic and technocratic elements to be largely unchecked by representative structures which have a sufficient countervailing force. While consensus as the key element of participation has some important potential benefits over the majority principle, as I shall argue in chapter five, it is similarly deficient in that it creates operational problems, stemming from the constraints of time and the existence of a complex division of labour. Hence, the nostalgia for small communities and the call for decentralisation makes some elements of New Left theory inappropriate for modern society.

Socialist pluralism, with its roots in English pluralist thought, involves an ethic of community where individuals are obliged to balance the legitimacy of group and state interests. And, it is more appropriate for modern society with its emphasis on participation in associational life in civil society in contrast to the unitary commitment of communitarian republicanism.

In participatory democratic theory, control of one's life is enhanced through the developmental consequences of participation in the workplace and other substate political organisations. The problem arises, as to whether the claims of developmental theory can be realised in a liberal democracy. While divisions between capital and labour and a social division of labour remain, can the sense of community and a substantive concept of the common good, the essential prerequisites and consequences of participation, be realised or will the good remain particularised to the workplace or substate organisation? This is an issue that Pateman failed to address in her 1970 publication. Hence a reconciliation of the opposing ontologies of participation and liberal democracy is necessary. I have argued that it can be found in the work of Pateman's two classical theorists, Rousseau and Mill, and in the work of contemporary thinkers.

The reconciliation of these opposing ontologies entails a number of reconsiderations. If Taylor, Gould, Walzer and Mouffe's arguments about the shared understandings involved in the practice of groups are accepted, then the original ontological claims of liberal pluralism are unfounded. Shared understandings, the concept of *respublica*, the process of sharing are all involved in the operation of liberal pluralist groups. Hence individuals are not atomistic individuals but collectivist individuals. The meaning of group activity extends beyond selfish interests to accepting a limited form of the good which at least meets Mouffe's criteria. Interest group activity is a limited breeding ground for a sense of community and a way of enhancing political efficacy. Moreover, the reconciliation of the two ontologies means that through the practice of workers participating in decision making, even if parity in decision making does not exist, workers are by their sharing, by their development of shared understandings, developing greater efficacy.

Instead of seeing liberal pluralism and participatory democrats as necessarily opposed, I have argued group formation and activity is a way of developing political efficacy and avoiding the authoritarian overtones of the general will confronted by the lone individual. English pluralism has, therefore, shown the way in which liberalism and communitarianism can be reconciled. But English pluralism does not represent the only possible form of reconciliation. Others such as Mouffe, Gould, Walzer and Taylor, for various reasons, offer useful insights. Mouffe, because she wants to strengthen her argument for pluralism in social movements, weakens the concept of the common good from a substantive one to an ethico-political bond. In doing so she is able to posit a rights bearing individual in a participatory civil society. Similarly, because he wants to argue for justice appropriate to its socially understood sphere, Walzer argues for multiple goods rather than a substantive good. By his concept of multiple goods, each deriving value from their social understanding, Walzer accommodates a

liberal position in a participatory civil society by positing a less than substantive concept of the good. On the other hand, Rawls' Kantian conception of the person has extended the Hobbesian concept of the liberal individual from one of an atomistic, selfish and acquisitive individual, the *homo economicus* of economic rationalism, to an individual capable of living in an 'association of associations'. In her argument for democracy as equal freedom for self-development and her desire to posit free individuality in the social relations required for self-development, Gould has strengthened the individual through her logic of individuals-in-relation. Individuals as freely choosing agents can be reconciled with the society required for self-development, when choice and agency (the basis of their individuality), is essential to the logic of internal relations because individuals choose which external relations to internalise. Her insights into the ontology of liberal pluralism are also useful, because she points to its failure to recognise the concrete differences between individuals and the internal relations among individuals within a group. There are shared understandings not only within groups but between groups which are internalised. The experience constitutes and changes the individuals in relation to each other and moreover the groups are constituted and changed in relation to each other. Liberal pluralists fail to see this, even while they are describing the process of barter and compromise between interest groups in order to reach a consensus. Finally, Taylor shows a way of resolving the apparently contradictory ontologies by arguing that individuals can only be such in collectivity, that is in communication with others and by showing that advocacy is equally as important as ontology when determining human nature.

Pateman's thesis is supported by democratic theory. The development of a democratic personality and a concept of the common good which crosses workplace and substate organisation boundaries is explained,

making empowerment through the developmental consequences of workplace participation appropriate for a liberal democracy. The following chapter examines the behavioural evidence in support of Pateman's thesis.

CHAPTER THREE

THE CASE FOR CONSULTATIVE MANAGEMENT

In chapter one I outlined Carole Pateman's thesis that by democratising industrial authority structures, workers will be required to develop precisely those skills and resources necessary for participation in political life beyond the workplace. That is, workplace democracy will result in workers developing a 'democratic personality' characterised by the sense of political efficacy and political competence, which she describes as the feeling of self-worth, personal effectiveness and confidence in one's ability to deal with the world.¹³³ Chapter two provided some explanation for Pateman's thesis and for its extrapolation into social and community life.

Before proceeding with an empirical study of Pateman's thesis, it is necessary to review the literature that suggests the probability of a link between employee participation, developmental consequences and participation in socio-political life outside the workplace. It is also necessary to find an appropriate model of employee participation. It is the purpose of this chapter to fulfill both these prerequisites. The chapter begins with a review of some of the research indicating participatory developmental consequences inside the workplace and links between work and life outside the workplace. Such consideration leads to an examination of the consultative management model, showing it to be the most appropriate form of employee participation in the current circumstances and finally to

¹³³Carole Pateman, *Participation and Democratic Theory* (Cambridge: Cambridge University Press, 1970), pp. 4-6.

the development of employee participation and consultative management in Australia.

I Linking employee participation with socio-political life

There are many case studies which correlate job tasks involving employee participation, characteristically described as job autonomy and responsibility, with psychological, attitudinal and behavioural changes that may indicate political efficacy and enhanced politicisation.¹³⁴ Elden's study of workplace democracy and political efficacy is, however, the one study that specifically examines the link between employee participation, political efficacy and political participation outside the workplace. Other studies indirectly suggest the link. These studies either indicate a correlation between workplace autonomy and attitudinal and behavioural changes within the workplace; or between workplace autonomy and participatory relevant psychological outcomes; or between workplace autonomy and behaviour outside the workplace. Combined, the studies suggest links between employee participation inside the workplace and socio-political participation outside the workplace. I will consider a representative sample of the research demonstrating the three stages of linkages.

¹³⁴For the relationship between job autonomy and self-development see for example E.A. Locke, 'The Nature and Causes of Job Satisfaction' in M.D. Dunnette (ed.), *Handbook of Industrial and Organisational Psychology* (Chicago: Rand McNally, 1976), 1279-349 and J.T. Mortimer, *Changing Attitudes Towards Work* (New York: Scarsdale, Work in America Institute, 1979); for the relationship between job autonomy, stress and occupational health see for example J.S. House et al., 'Occupational Stress and Health Among Men and Women in the Techumseh Community Health Study', *Journal of Health and Social Behavior* Vol. 27 (1986), pp. 62-77, J.S. House et al., 'Occupational Stress and Health Among Factory Workers', *Journal of Health and Social Behavior* Vol. 20 (1979), pp. 139-60 and J.M. LaRocco, J.S. House and J.R.P. French Jr., 'Social Support, Occupational Stress and Health', *Journal of Health and Social Behavior* Vol. 21 (1980), pp. 202-18; and for spill-over of work into leisure roles see B. Kabanoff, 'Work and Nonwork', *Psychological Bulletin* Vol. 88, No. 1 (1980), pp. 60-77 and G.L. Staines, 'Spillover versus Compensation', *Human Relations* Vol. 33, No. 2 (1980), pp. 111-29.

Linking workplace autonomy, attitude and behaviour inside the workplace

Contemporary analysis of quality of work life (QWL) schemes,¹³⁵ which include some form of self-determination along with various job enrichment schemes designed to make workers feel better about their work, has shown the positive effects to be increased worker morale and improved cooperation, motivation and quality of decisions made, resulting in enhanced organisational performance. Job satisfaction and production levels are used as indices of these positive effects. Paul Blumberg's extensive research of the literature on the effects of employee participation lead him to conclude,

There is hardly a study in the entire literature which fails to demonstrate that satisfaction in work is enhanced or that other generally acknowledged beneficial consequences accrue from a genuine increase in workers' decision-making power. Such consistency in findings, ... is rare in social research.¹³⁶

Blumberg's literature review not only led him to a conclusion linking job satisfaction with enhanced decision making, but to recognise the effects of participation on one's psyche. He found that participation satisfied basic ego needs and the drive of mature adults to take an active part in their world and to control their own behaviour. Participation in the workplace supported or created the belief that workers were worthy of being consulted and that they were intelligent and competent. The traditional forms of work authority frustrated basic ego needs and the worker was driven back into

¹³⁵Quality of work life (QWL) schemes are for the most part schemes to improve quality and productivity in the work, while at the same time improving working conditions and enhancing job satisfaction. Examples include quality circles which are problem-solving groups, task rotation and job redesign.

¹³⁶Paul Blumberg, *Industrial Democracy: The Sociology of Participation* (London: Constable, 1968), p. 123.

childhood dependency.¹³⁷ Frustration was expressed as aggression, ambivalence, regression, apathy, restriction of output and subverting the goals of the organisation.¹³⁸ Taking the obverse position, the psychological explanation for job satisfaction and enhanced production was that because workers were involved in decisions concerning their work, the job became an extension of the worker and the worker became more involved in and committed to the job and consequently derived more satisfaction from it. Hence, autonomous work schemes resulted in job satisfaction and improved productivity.

Yet, despite Blumberg's conclusions and the popularly held view in government and management publications, it is difficult to prove that employee participation is consistently related to these factors.¹³⁹ This is because it is difficult to measure productivity (a fact that became apparent to the Australian Labor Government in the early 1990s when legislating on productivity related wage rises) and it is difficult to isolate factors affecting job satisfaction. Job aspirations, job content, skill use, distance travelled from home to work, hours worked and wages are some of the many factors related to job satisfaction.¹⁴⁰ For these reasons, determining appropriate indices for job satisfaction is problematic. It is an issue addressed when designing the questionnaire for my empirical study in chapter six. An overview of case studies in Britain, America and Australia, designed to

¹³⁷This is consistent with Elkin's famous study of slavery, which found that authoritarian controls brought about a reversion to child-like behaviour, apathy, regression and limited adaptability to modern technics. See Stanley M. Elkins, *Slavery: A Problem in American Institutional and Intellectual Life* (New York: Gosset and Dunlop, 1963), pp. 122–133.

¹³⁸Blumberg, *op cit*, p. 130–31.

¹³⁹S. Parnes, *Productivity and the Quality of Working Life* (New York: Scarsdale, Work in America Institute, 1978), D.C. Jones and J. Svejnar (eds), *Participatory and Self-Managed Firms: Evaluating Economic Performance* (Lexington, Mass: Lexington Books, 1982) and R. D. Rosenberg and F. Rosenstein, 'Participation and Productivity: an Empirical Study', *Industrial and Labor Relations Review* Vol. 33, No. 3 (1980), pp. 355–67.

¹⁴⁰For more see Locke, *op cit*.

show a link between QWL schemes involving employee participation and attitudinal and behavioural changes towards the job, measured as job satisfaction and increased production demonstrates the problems involved. It will become evident that not all studies are consistent in their findings, indicating the difficulty of finding reliable indices. A link between QWL involving some form of job autonomy and positive attitudinal and behavioural outcomes inside the workplace is nevertheless indicated.

In her study of workplace committees involving blue-collar employees, Charlotte Gold cited difficulties not only in measuring productivity but also in relating productivity with cooperative or labour-management programs. She was nevertheless able to conclude,

the fact remains that productivity gains and other improvements are measured in cooperative programs. Among other elements also considered are reductions in absenteeism, accidents, and grievances; impact on collective bargaining relationships; and overall job satisfaction.¹⁴¹

Gold also cited evidence from other studies showing that the introduction of QWL programs incorporating some form of autonomy had a positive impact on the usually adversarial collective bargaining process.¹⁴²

O'Brien's case study of a South Australian canning factory's work groups and the Factory Representative Committee, where management informed employees of policies and changes but where employees had practically no influence on matters such as work rates, job content, machinery changes or promotion policies,¹⁴³ found improved

¹⁴¹Charlotte Gold, *Labor-management committees: confrontation, cooptation or cooperation?* (New York: ILR Press, 1986), p. 44.

¹⁴²*ibid*, p. 45.

¹⁴³*ibid*, p. 21.

communication in the factory, improved work environment and improved facilities, but found no evidence to support the view that employee participation increased job satisfaction and found no effects upon productivity.¹⁴⁴ Thus it contradicts the assumption that employee participation enhances job satisfaction and production. Yet, Jenkins cited numerous examples where different forms of worker participation in the USA, usually cases where workers had a great deal of personal discretion, had led to increased productivity. The key factors here were less employee turnover, fewer daily absences, employee earnings above industry standards and higher return on capital invested.¹⁴⁵

From a longitudinal study of autonomous groups working in the U.K. confectionery manufacturing industry, Wall et al. identified clear links between employee perceptions of work group autonomy and intrinsic job satisfaction.¹⁴⁶ Cordery, Mueller and Smith sought to replicate several of Wall's main findings,¹⁴⁷ by conducting a longitudinal study over a two year period, of the behavioural and attitudinal outcomes of autonomous groups working in a mining operation compared with that of two control groups operating under traditional forms of work organisation.¹⁴⁸ The

¹⁴⁴Gordon E. O'Brien, 'Success and Failure of Employee Participation: a Longitudinal Study' in Department of Employment and Industrial Relations (DEIR), *Industrial Democracy and Employee Participation, Digest of Case Studies Volume 1*, Second Edition (Canberra: AGPS, 1987), p. 20.

¹⁴⁵David Jenkins, *Job Power: Blue and White Collar Democracy* (Garden City, N.Y.: Doubleday, 1973), p. 6.

¹⁴⁶T.D. Wall, N.J. Kemp, P.R. Jackson and C.W. Clegg, 'Outcomes of autonomous work groups: A long-term field experiment', *Academy of Management Review* No. 29 (1986), pp. 280-304, cited in John Cordery, Wally Mueller and Leigh Smith, 'Attitudinal and Behavioural Outcomes of Autonomous Group Working', *Curtin Business School Working Papers* Paper 6 (December, 1989), p. 3.

¹⁴⁷Cordery et al., *op cit.*

¹⁴⁸Two assessments were made twelve months apart. Attitudinal outcomes of autonomous groups were assessed via semi-structured interviews and from a questionnaire. The assessment was designed to measure individual perceptions of the extent to which an individual's own job possessed task characteristics theoretically predictive of intrinsic job satisfaction. Scores

autonomous work groups had a high level of responsibility for a range of daily operational decisions associated with their work roles, and a variety of skills sufficient to perform a range of conceptually distinct tasks.

Cordery et al. found that employees in the autonomous work groups consistently reported more favourable work attitudes than the control groups, experiencing 'higher levels of job complexity, job satisfaction, organisational commitment and trust in management.'¹⁴⁹ Commitment declined over the period of the study, however, with increased percentages of absenteeisms and turnover in the autonomous work groups. While Cordery et al. offered matters external to the work-design, such as company-wide negotiations over pay being conducted at the time of the study, increased overtime worked and workers having to travel a long distance to get to the company's outlying plant as possible explanations, the inconclusive nature of the results again demonstrated the difficulty in finding reliable indices.

Despite some inconsistencies in results, generally QWL studies suggested a relationship between more autonomous forms of workplace organisation and attitudinal changes inside the workplace, indicated by enhanced job satisfaction and increased productivity. A relationship between workplace autonomy and participatory relevant psychological orientations and skills was also indicated by the literature.

were sought on individual characteristics identified by the job literature (autonomy, variety, feed-back and task identity) together with an overall index of job complexity. Job satisfaction, organisation commitment and trust in management were assessed by questionnaire, random interview based on the questionnaire and observation. Behaviour (absence and turnover) was assessed by observation and data collected from records.

¹⁴⁹Cordery et al., *op cit*.

Linking workplace autonomy and participatory relevant psychological changes

Although Morris Rosenberg's study of self-image in normal adolescence did not concern workplace autonomy, it is relevant in this context because it demonstrated a link between self-esteem and political efficacy viewed as an interest in public affairs. If measures of worker autonomy are linked with a sense of self-worth as Blumberg claimed, then according to Rosenberg's findings, worker autonomy should link with political efficacy. Rosenberg's subjects were normal adolescents from ten randomly selected high schools in New York State. The study found a link between self-esteem and the degree of interest in public affairs.¹⁵⁰ Data indicated that people with low self-esteem were relatively uninterested in public affairs. They were less likely than others to express an interest in political matters, less likely to follow news of national or international importance in the media, less likely to identify public figures correctly and finally were less likely to participate in political discussion. Rosenberg offered an explanation for the correlation. He argued that individuals with low self-esteem tended to turn their interests inward, retreat into day-dreaming and be absorbed by their own psychological problems to the extent that they were distracted from social events. According to Rosenberg's position, it followed that individuals with low self-esteem would be less politically active.

Bertil Gardell's review of the literature and his own case studies¹⁵¹ indicated a relationship between job conditions and mental health,

¹⁵⁰Morris Rosenberg, 'Self-Esteem and Concern with Public Affairs', *Public Opinion Quarterly* Vol. 26, No. 2 (Summer 1962), pp. 355-67.

¹⁵¹Bertil Gardell, 'Reactions at Work and Their Influence on Nonwork Activities: an Analysis of a Sociopolitical Problem in Affluent Societies', *Human Relations* Vol. 29, No. 9 (1976), pp. 885-904. From a workplace study in 1977 Gardell found that increasing job autonomy and perceived worker influence linked with increased job satisfaction and an increased demand for direct participation. See Bertil Gardel, 'Autonomy, Participation at Work', *Human Relations* Vol. 30, No. 6 (1977), pp. 515-35.

socialisation and political participation. Gardell theorised that Taylorist management ideology with its emphasis on hierarchy, specialisation and systems control of work resulted in worker alienation, characterised by powerlessness, non-participation and withdrawal of human resources. Moreover, rigorously directed and specialised work caused pathological effects at both the individual and societal level. Gardell's studies showed that workers with noisy, monotonous and stressful jobs developed symptoms of 'wasted leisure', they complained of mental strain and nervous disorders to a greater degree than workers in more autonomous and skilled tasks. Such was because jobs with low degrees of autonomy and skill generally had 'low needs satisfying value' for the individual. It was expressed as feelings of monotony, constraint and isolation and was accompanied by low self-confidence, low general life satisfaction and symptoms of low mental health.¹⁵² Gardell argued that individuals with these feelings tended to withdraw their interest in participating in workplace decision making, even if it might lead to a change in their working conditions.¹⁵³ Thus Gardell's studies demonstrated a link between job autonomy and psychological factors required for participation.

Wilensky's study supported these findings and also a link between the job and life outside the workplace. Wilensky demonstrated a link between jobs, which lacked variety and autonomy, and negative psychological changes demonstrated in a peculiar isolated leisure behaviour.¹⁵⁴ He reported two main types of isolatory leisure behaviour. First, 'individuation' stood for a life pattern which was deviant, solitary and alienated; characterised either by apathetic estrangement and solitary

¹⁵²Kornhauser cited in Gardell, *op cit*, p. 893.

¹⁵³Gardell, *op cit*, p. 893.

¹⁵⁴H. L. Wilensky, 'Work, Career and Social Integration', *International Social Science Journal* (1960), pp. 543-60.

behaviour or by aggressive behaviour. Second, 'family-home localism' entailed a withdrawal into the narrow circle of family and friends. In both types, the worker withdrew from the larger society and demonstrated psychological and behavioural patterns antithetical to political participation. Hence, Wilensky found that job autonomy, or in his study lack of it, had psychological consequences which had implications for socio-political life outside the workplace.

Melvin Kohn and Carmi Schooler, too, found a relationship between autonomous work experience and psychological functioning.¹⁵⁵ Their study involved twelve occupational conditions based on a sample of 3,101 males, representative of all males employed in civilian occupations in the United States.¹⁵⁶ Kohn and Schooler found a reciprocal relationship between self-discretion at work and positive psychological functioning. That is,

occupational conditions conducive to the exercise of self-direction in one's work—namely freedom from close supervision, substantively complex work, and a non-routinised flow of work—are empirically linked to valuing self-direction and to having an orientation to oneself and to the outside world consonant with this value.¹⁵⁷

The inquiry was limited to ten aspects of psychological functioning that might be affected by work. The ten dealt with subjective reactions to the job, valuation of self-direction or of conformity to external authority, orientation to self and to society and intellectual functioning. The central issue was

¹⁵⁵Melvin Kohn and Carmi Schooler, 'Occupational Experience and Psychological Functioning: an Assessment of Reciprocal Effects', *American Sociological Review* Vol. 38, No. 1 (February, 1973), pp. 97–117.

¹⁵⁶Fifty separate dimensions of occupation were indexed, with the emphasis on those which might influence psychological functioning.

¹⁵⁷*ibid*, p. 97.

whether occupational experiences affected or only reflected psychological functioning, with the prime concern being the possible effects of the job on off-the-job psychological functioning. Their conclusion showed a continuing interplay between the person and the job, with the psychological effects of the job on the person being 'far from trivial'.¹⁵⁸ Kohn and Schooler claimed their study provided some insight into the process by which occupational experience affected psychological functioning. That is, the specific links between particular occupational conditions and particular facets of psychological functioning suggested that people's 'ways of coping with the realities of their jobs are generalized to non-occupational realities'.¹⁵⁹ Thus, by way of example, people whose jobs were intellectually demanding, exercised their intellect on the job and engaged in intellectually demanding activities off the job.

An important finding, in terms of psychological effect, was that occupational self-direction, together with jobs that required effort and flexibility were 'conducive to favourable evaluation of self, an open and flexible orientation to others and effective intellectual functioning'. That is, job autonomy developed participatory relevant personality orientations.

Ambrecht's study supported the psychological effects of participation of those in low in socio-economic status (SES).¹⁶⁰ Ambrecht argued, together with others such as Nie, Almond and Verba and Pateman, that political participation was directly related to socio-economic status. That is, that individuals with low SES tend to subsist in an authoritarian environment and to be politically inactive. If poverty levels could not be altered, Ambrecht suggested involvement in advisory councils as an alternative

¹⁵⁸*ibid*, p. 116.

¹⁵⁹*ibid*, p. 117.

¹⁶⁰Biliana Cincin-Sain Ambrecht, *Politicizing the Poor—the Legacy of the War on Poverty in a Mexican American Community* (New York: Praeger Publishers, 1976).

route to political participation. He also postulated that worker participation and control in decision making in the workplace would be an alternate route for lower status individuals to overcome socialised limitations and become full political participants.¹⁶¹ Ambrecht subsequently observed a range of Mexican American community councils in the Los Angeles County such as the Mental Health Advisory Council, Community Development Corporation Council, School Advisory Council, Headstart Advisory Council and Model Cities Council to test his hypothesis. The study was controlled for group consciousness¹⁶² and previous council involvement.

Ambrecht found that regardless of whether the council held effective decision making power, the participation process itself tended to work as a politicising and skills-acquiring experience. Council members exhibited higher levels of personal efficacy, political efficacy, political skills (learning the 'rules of the game'), political information (learning where to 'get things done'), involvement in community affairs and political participation than did individuals of similar SES in the same community. Ambrecht made the caveat that the acquisition of political skill and information was a perceived ability to do certain things and not of actual behaviour.¹⁶³ Notwithstanding this, he still concluded that council experience was conducive to acquiring political skill and information. Council members also tended to perceive that their attitudes and behaviour were altered as a result of advisory

¹⁶¹Ambrecht, 'Work Organisation and Adult Political Socialisation' paper presented at the *Annual Meeting of the Western Political Science Association, Seattle* (1975), cited in J. Maxwell Elden, 'Political Efficacy at Work: The Connection between More Autonomous Forms of Workplace Organisation and a More Participatory Politics', *American Political Science Review* Vol. 75, No. 1 (1981), p. 55.

¹⁶²Verba and Nei have suggested that 'group awareness' serves as another substitute mechanism, whereby those processes which led those with higher SES to participate more and those with lower SES to participate less are bypassed (cited in Ambrecht, *Politicizing the Poor*, *op cit*, p. 140).

¹⁶³*ibid*, p. 121.

council experience.¹⁶⁴ These changes were consistently in the direction of developing a 'democratic personality'. Previous levels of council involvement did not affect the learning process. Councils developed the previously politically inactive and enhanced the political involvement of those who had already been council participants.

Two statements from the chair of advisory councils serve to illustrate Ambrecht's politicisation findings. From the Mental Health Advisory Council,

A change in attitude has occurred. At the beginning everyone was mutually suspicious of one another. Now they have learned to trust one another and are working with a 'community oriented mentality'.¹⁶⁵

and from the Headstart Advisory Council,

Being a member of the council gives the parent a sense of responsibility, a feeling of self-worth ... the council gives them a feeling of belonging ... Membership of the council definitely seems to have a carry over effect in terms of participation in other groups.¹⁶⁶

Ambrecht concluded that the most important correlate of increased participation and skill acquisition appeared to be the enhanced opportunity for involvement in public affairs gained through council activities.¹⁶⁷

¹⁶⁴Ambrecht included quotes to demonstrate how respondents perceived their learning experience; 'I learned how to work with others to find solutions to problems', 'how to deal with decisions and make the council see my point of view', 'lots of things, how to express myself better, how to work with others ... too many to mention all of them' and 'to work with people of different backgrounds and with different ideas'.

¹⁶⁵*ibid*, p. 115.

¹⁶⁶*ibid*, p. 115.

¹⁶⁷Previously, Nei and Verba argued that the organisational setting that exposes members to political stimuli—in the form of the organisation's involvement in community affairs—

Ambrecht summarised his findings on organisational setting and politicisation as follows

Personal efficacy is associated with 'active' membership within an 'open' organisational environment. ... Skill learning and increased involvement in community affairs, ... appear to be primarily a by-product of the exposure to public affairs afforded by the council setting.

Ambrecht's research focused on the educative effects of participation. He argued that with SES constant, participation in a local advisory council was conducive to the development of a propensity to affect government, to the acquisition of political skills and to an increase in the rates of political participation, seen as participation in community affairs rather than electoral politics. While his research concerned voluntary associations, his findings are relevant to the literature concerning links between employee participation and socio-political activity because they indicated relevant psychological changes. His results are particularly relevant to the findings of my study, to be described in chapter six, of the significance of associational life in developing the democratic character. Of relevance too, was the indication that participation was a positive learning experience even in the face of the Council's ineffective decision making powers. Learning appeared to be as a consequence of exposure to participation *per se*. Importantly, this contradicted Elden's original thesis below, that participation without some control over the decision making process was a negative learning experience. And it supports Elden's subsequent claim that the participatory process is an important learning experience. Such findings support my decision below, to use consultative management as the model of employee participation with which to test Pateman's thesis. Under consultative

coupled with the members' activeness within the organisation were determinants of political participation (Ambrecht, *Politicizing the Poor*, *op cit*, p. 140).

management workers do not have any control over the decision making process. By providing in-put into decisions made by management, workers are, however, involved in the participatory process.

Ambrecht's findings also have relevance to Pateman's thesis in that by participating in Advisory Councils, members learned to participate in other organisations. It was not just the sense of political efficacy that developed but 'education in the more direct sense of gaining familiarity with democratic procedures and the learning of political (democratic) skills'.¹⁶⁸ His study has important implications for revisionist democratic theory, discussed in chapter two, where it is argued that apathy of the low SES group is not caused and in fact is a requirement for the stability of the democratic system.

Finally, Ambrecht's findings were supported by Almond and Verba's study of participation in voluntary associations in five countries. Of relevance to my study is, that Almond and Verba found the sense of political competency was higher among members of organisations than among non-members and highest of all among active members, particularly of politically oriented organisations.¹⁶⁹ Of relevance, too, were their findings concerning SES and political efficacy. They found a relationship between remembered opportunities to participate in the family and at school and 'subjective political competence'¹⁷⁰ and that middle-class children were more likely to score high on the political competency scale. Their explanation was that authoritarian experiences influenced the sense of political competency in adult life. Since middle-class children were more likely to go to higher levels of education and have a more 'participatory'

¹⁶⁸Pateman, *op cit*, p. 74.

¹⁶⁹G. A. Almond and S. Verba, *The Civic Culture* (Boston: Little, Brown and Company, 1965), p. 262.

¹⁷⁰*ibid*, p. 297.

upbringing and working-class children were more likely to have authoritarian fathers and school teachers, the link was made between SES and the sense of political competence.¹⁷¹ From this a link can be suggested between low SES employment, which meant a job with little or no autonomy, and low scores of political efficacy.¹⁷² This link is strengthened by Almond and Verba's findings concerning job participation. They found the opportunity to participate in decision making at work had a positive effect on political competence for all levels of occupation,¹⁷³ with those higher in the authority structure reporting more opportunities to participate.¹⁷⁴ Almond and Verba's findings concerning SES also have important implications for behavioural democratic theory (of which Almond and Verba are protagonists), because they demonstrated the vicious cycle of low SES and apathy, while Ambrecht's study demonstrated that apathy may be caused by poverty, which, as we saw in chapter two, contradicts Sartori's position.

To summarise thus far, the studies combined showed a relationship between workplace autonomy and psychological factors and personality orientations required for participation. Ambrecht's study demonstrated psychological changes and learning experiences as a consequence of participation (albeit in voluntary associations) that were commensurate with the development of a non-servile or democratic personality as opposed to the authoritarian personality hitherto associated with those of low SES. In contradistinction to the behaviouralists' findings of a link between low SES and apathy, Ambrecht also demonstrated increased political

¹⁷¹*ibid*, pp. 286–87.

¹⁷²Pateman, *op cit*, p. 50.

¹⁷³Almond and Verba, *op cit*, p. 295.

¹⁷⁴*ibid*, p. 282.

participation in this group. Rosenberg's study demonstrating a link between low self-esteem, which is characteristically associated with monotonous, non-discretionary work and low SES, and political apathy, support Ambrecht's findings of higher levels of personal efficacy associated with Council participation. And, moreover, support Ambrecht's claim that if poverty levels cannot be altered, the opportunity for Council involvement may be a route to political participation for the low SES group. The findings in this section laid the groundwork for demonstrating links between participation inside the workplace and behaviour outside the workplace. I now review empirical literature directly linking the two.

The correlation between workplace autonomy and behaviour outside the workplace

Sheppard and Herrick's research demonstrated a link between job task, mood, outlook and behaviour outside the workplace.¹⁷⁵ Sheppard and Herrick studied a sample of white blue-collar union workers in Pennsylvania and Kalamazoo (Michigan) with selected characteristics which were taken to indicate discontent with the job; that is the study concerned employees with 'the blues'. An Aspiration-Achievement index established via questions concerning worker's aspirations and worker's perceptions of promotion and job mobility chances, isolated the factor of job discontent. Those workers with 'the blues' were compared with other workers without such characteristics. Indices for job task level which included levels of variety, autonomy and responsibility in the performance of job tasks, authoritarianism, political effectiveness and alienation were established.

Sheppard and Herrick's analysis of interviews suggested a strong relationship between job task level, alienation, authoritarianism and

¹⁷⁵Harold Sheppard and Neal Herrick, *Where Have All the Robots Gone?—Worker Dissatisfaction in the '70s* (New York: Free Press, 1972).

political attitude. For example, the analysis suggested that a worker's job task rating was effected partly by how authoritarian the worker was,¹⁷⁶ and in turn, alienation was partially a joint effect of authoritarianism and job task. Discontented workers were more alienated from society and the authoritarian and alienated worker rated low on the political efficacy index. Workers, whose jobs had little variety, autonomy or responsibility (that is those workers with the 'blues') showed lower levels of political activity but when politically active tended to extremist social and political attitudes and behaviour.¹⁷⁷ And workers with job tasks characterised by variety, autonomy and responsibility were more likely to 'feel some degree of control over both their personal lives and the more external political process'. In summary, the study indicated that the nature of the job affected an individual's degree of personal and political efficacy and their political behaviour outside the workplace. It must be noted, however, that Sheppard and Herrick could not categorically state the causal direction of this conclusion.

Torbert and Rogers also found a relationship between the job and behaviour outside the workplace.¹⁷⁸ Their complex and comprehensive study of 209 assembly line American male workers in 1972 found an interaction between the job, leisure and politics. The subjects of Torbert and Roger's study were men employed in an automobile company in Detroit, a machine tool factory in Columbus, Ohio and an automated chemicals

¹⁷⁶An authoritarian personality was more inclined to accept routinised, repetitive work, was likely to support oppressive elements in institutions and tended to be anti-democratic in their roles as domestic partner, parent, citizen and worker.

¹⁷⁷This supported Fromm, who argued that monotonous and regimented jobs made workers more susceptible to political demagoguery. See E. Fromm, *The Sane Society* (London: Routledge and Kegan Paul, 1963). Note, that in Sheppard and Herrick's study voting for Wallace in the 1968 American Presidential elections indicated extremist political behaviour.

¹⁷⁸William Torbert and Malcolm Rogers, *Being for the Most Part Puppets—Interaction among Men's Labor, Leisure and Politics* (Cambridge: Massachusetts, Schenkman Publishing Company, 1973).

distillery in the Chicago area. The study was grouped under the headings of father's occupation, previous job, education, job rating, job involvement, leisure involvement, political activity and political information. The dimensions used to measure job rating were 'modes of playful expression in the job', with alienation being viewed as the reverse of playful expression measured by distinguishing between objective characteristics of the work environment and subjective reactions to them.¹⁷⁹ Objective measures of job rating included issues of control over the job.¹⁸⁰ Six questions relating to variety, challenge, interest, special satisfaction and communication determined job involvement.¹⁸¹ Recognising the problems I outlined with QWL studies above, Torbert and Roger's aim was to circumvent the difficulties associated with measuring job satisfaction. They argued, for example, that a job can at the same time be demanding and frustrating. And a worker with a challenging job may develop a higher level of aspiration and be less satisfied than a worker with a less challenging job and lower level of aspiration. Moreover, two workers with different levels of aspiration may respond differently to the job. Their questions, therefore, were designed to probe the deeper feelings about the job and to give a measure of job involvement rather than job satisfaction.

¹⁷⁹*ibid*, p. 78.

¹⁸⁰Objective dimensions used to measure job rating were amount of ownership in the enterprise, proximity to the finished products, ability to make major decisions, control of the pace of the work, control over the quantity of work and the amount of technique on the job.

¹⁸¹For example, question 1: Would you describe your job as being mostly monotonous or as having a lot of variety or a little of both? Question 5: During the past few months can you think of anything which gave you special satisfaction in your work? And question 6: Do you feel that there's enough chance to be with, and talk with, other guys on the job? (*ibid*, pp. 85-6).

Leisure involvement was measured according to three categories of desire to learn, energy expenditure and commitment to relationships.¹⁸² Questions incorporated TV viewing, reading, membership of organisations, community spirit and interest and personal influence in the community. Personal influence and the number of voluntary organisation memberships were included with leisure items. Other items measured political activity,¹⁸³ political information¹⁸⁴ and political ideology.¹⁸⁵ Respondents were scored for political activity, political efficacy and political alienation. Political alienation was indicated by a tendency to think of government and politics of the nation as run by others for others, according to an unfair set of rules. As discussed in chapter six, such negative claims may indeed be indicators of a sophisticated critical approach to politics.

Political efficacy was indicated by a willingness to discuss politics with those who disagree with one, a feeling of influence in community affairs, a belief that the government is responsive to the people and a belief that the government is actually run by the people. Perhaps this is confusing ideals and reality, but with regard to finding indices of a democratic personality such is not an uncommon approach. Pateman, for example, argues that it is the sense of political competency and efficacy—that is the belief in one's ability to influence decision making—that is important. Similarly, Almond and Verba discussed above, argue that it is 'a belief in the ordinary man's ability to participate that has significant consequences for a

¹⁸² Respondents were not required to evaluate their own leisure time. Rather the questions were straightforward, with the leisure evaluated afterwards by rating each respondent's answer according to the three categories.

¹⁸³ Questions relating to political activity included, Do you talk politics? Do you read the editorial page? Do you vote? Do you engage in party activities?

¹⁸⁴ Questions specific to political information concerned political personalities.

¹⁸⁵ Questions on political ideology were discursive and open ended. For example; What is your understanding of the word democracy? Do you think the U.S. is a democracy? Who would you say runs the government? And what do you think a perfect society would be like?

political system' because if individuals believe they have influence, they are more likely to be an active citizen.¹⁸⁶ Thus Almond and Verba find 'subjective political competency' an important index of a democratic personality. I, too, use of this approach in my empirical study described in chapter six.

Although the main purpose of Torbert and Rogers' study was to measure the psychological value of free time, many of their findings are relevant to the effect of the job on behaviour outside the workplace. For example, there was a link between job rating, alienation (both personal and political), leisure and political activity which was not conducive to the common good, in terms of citizenship.¹⁸⁷ That is, those with a low job rating were politically alienated, had low levels of leisure activity and were politically active on behalf of a factional good. There was a correlation between education, political efficacy and political activity. Increased education was associated with increased levels of political activity in general, but education was not necessarily conducive to political activity in accordance with citizenship. Instead, Torbert deduced that 'education is sometimes used to rationalise political activity in the service of factional goods'.¹⁸⁸ There was no clear association between increased levels of education and increased percentages of political efficacy. This has relevance for my empirical study. It suggests that waged employees with a low level of skills may nevertheless develop a sense of political efficacy as a consequence of workplace participation.

¹⁸⁶Almond and Verba, *op cit*, p. 139.

¹⁸⁷Torbert and Rogers, following Lane, understood concern for the common good to be indicated by some political participation, at least in terms of political discussion and in terms of concern for citizens to express their common concerns through the procedures of the political system (*ibid*, p. 93).

¹⁸⁸*ibid*, p. 161.

Increased political efficacy was shown to be uniformly associated with increased leisure involvement and with increased political activity. Those with a low score of political efficacy had high levels of political activity for factional goods, while those with a high score of political efficacy were political active for the common good. Lower political efficacy was associated with personal alienation, indicated by low leisure involvement. Finally, there was a strong significant relationship between the job and leisure. Leisure involvement rose with an increase in job rating. There was also a relationship between the job and political activity. Political activity rose as job rating rose. This supported previous studies showing a correlation between job status and political activity.¹⁸⁹ Because job rating included items on autonomy and decision making, Torbert and Roger's correlation of an increase in job rating with an increase in leisure involvement, increased political activity and enhanced citizenship has direct relevance for my study.

Like Torbert and Rogers, Martin Meissner also studied the effect of work on leisure.¹⁹⁰ He wanted to know whether work had a compensatory effect on leisure, whether work and leisure were isolated from one another or whether one's leisure activity was merely an extension of one's job. His working hypothesis was that 'employees choose leisure activities whose characteristics are similar to those of their job—the long arm of the job reaches out into life away from work'.¹⁹¹ That is, work had a spill-over effect outside the work-place. His findings supported the long arm of the job hypothesis.

¹⁸⁹Key cited in Torbert, *op cit*, p. 93.

¹⁹⁰Martin Meissner, 'The Long Arm of the Job: A Study of Work and Leisure', *Industrial Relations* Vol. 10, No. 3 (October, 1971), pp. 239–260.

¹⁹¹*ibid*, p. 241.

Meissner's subjects were 206 male waged employees working in a wood-products and paper mill industry in a small factory town on Vancouver Island. His concern was with two qualitative aspects of work, that of 'Technical Constraints' (described as the degree of discretion over the spatial, temporal and functional arrangements of work activity—that is machine pacing, spatial confinement, task dependence and work type)¹⁹² and 'Social Interaction' with fellow workers. Activities both at work and away from work were ranked according to these dimensions.

Leisure activities were understood to combine dimensions of discretion, interaction and expression. A focus of leisure activity was active involvement in voluntary organisations because this made demands on discretion and organised social interaction. The other assessment of leisure activity was via time budget survey.¹⁹³ That is, a 24 hour survey of all the activities during the preceding work-day and during the preceding weekend or days off. Time budgets allowed a much wider range of activities to be described and access to a more intricate and complete set of relationships.

Meissner's findings were that employees' experience with work of little discretionary potential carried over into reduced participation in formally organised activities outside the workplace. Conversely, the positive experience of social interaction opportunities on the job carried over into greater participation in voluntary associations.¹⁹⁴ Because participation in organisations made demands on discretion and was a matter of social interaction, Meissner argued that his findings suggested the social

¹⁹²*ibid*, p. 252.

¹⁹³*ibid*, p. 253

¹⁹⁴*ibid*, pp. 251–3. The exception to this was church attendance, which showed a compensatory relation.

skills maintained at work helped meet the demands of voluntary organisational activity.¹⁹⁵

Time budget data showed that both job constraints and job isolation affected spare-time activities, with social isolation making the greater affect. Data showed that when a worker's choice of action was suppressed in constrained jobs, the worker's capacity for meeting the demands of spare-time activities which required discretion was reduced.¹⁹⁶ They engaged less in those activities that required planning, coordination and purposeful action, but increased the time spent in sociable and expressive activities. An intriguing finding was, that workers with constrained jobs spent less time 'loafing' and a greater than average amount of time moonlighting in a second job.¹⁹⁷ Meissner did not comment on whether moonlighting was through economic necessity¹⁹⁸ or avoidance of planned spare-time activities. Those with socially isolating work reduced their exposure to situations where they had to converse and also spent less time in organised and purposeful activity. Instead these workers spent more time fishing at weekends and pushing a supermarket trolley on workdays.

In summary, Meissner's findings suggested that jobs which imposed serious constraints with reference to autonomy, skill level and social interaction would also reduce the extent of participation in spare-time activities that required self-activity, initiative, decision making and

¹⁹⁵*ibid*, p. 251.

¹⁹⁶*ibid*, p. 260. For some discussion on French, English and Australian studies showing the relationship between non-discretionary work and passive leisure pursuits see Adam Jamrozik, *Class, Inequality and the State: Social Change, Social Policy and the New Middle Class* (Sydney: Macmillan, 1991), p. 215.

¹⁹⁷*ibid*, p. 257.

¹⁹⁸Arguably, as we shall see below, it was economic necessity that explained Yugoslavian workers' need to moonlight because their wages were low. Yugoslavian workers participated in worker's councils, so their jobs could not be described as lacking discretion. Yet studies of Yugoslavia's participatory experience threw doubt on the degree of shop-floor discretion allowed.

cooperation. That is, Meissner showed that the job had a 'spill-over effect' on life outside the workplace.

Studies of an employee owned and managed firm in Australia, Dynavac Pty Ltd., found evidence of psychological changes and a spill-over effect in non-work activity. Cupper's study found that employees working in this democratised workplace felt more confident about themselves and more tolerant of others.¹⁹⁹ And Knight and Selby's 1976 study indicated employees enjoyed responsibility, mutual respect for each other's dignity and the capacity to make better use of their abilities. Moreover, they did not feel forced to adopt different roles at work and at home. Finally, Knight and Selby found that self respect at work carried over to increased confidence and greater involvement in non-work activities.²⁰⁰

Robert Karasek too, found the job had a carry-over effect on activities outside the workplace, in both social and political participation. His longitudinal study of the social and political effects of work design or 'job socialisation' made a strong case for the political effects of work experience.²⁰¹ Karasek interviewed 1638 workers representative of Sweden's total workforce. He found that increases in job decision making and job demands between 1968 and 1974 were associated with increased levels of political participation, both among those who were highly active and those who were passive members of organisations. Workers whose jobs became more passive also became more 'passive' in their political and leisure activity and workers with 'active' jobs become more 'active' outside work. Karasek found that greater challenge and self-determination in the

¹⁹⁹Les Cupper, 'Self management: the Dynavac experience', in Lansbury, *op cit*, p. 97.

²⁰⁰Jill Knight and Helen Selby, 'Self-management at Dynavac', *Work and People* Vol. 2, No. 3 (Spring, 1976), pp. 18-21.

²⁰¹Robert Karasek 'Job Socialisation: A Longitudinal Study of Work, Political and Leisure Activity', revised working Paper No. 59 (Stockholm: Institute for Social Research, 1978) cited in Elden, 'Political Efficacy at Work', *op cit*, p. 52.

workplace closely correlated with a more active political and social life, thus indicating the relationship between work and behaviour outside the workplace.

Thus far, the empirical literature has indicated a link between more autonomous forms of work, positive psychological and behavioural changes inside the workplace and participatory relevant psychological and behavioural changes outside the workplace. Elden's study specifically addressed participation in the workplace, political efficacy and political participation.²⁰² His study of semi-autonomous work groups found empirical evidence to support Pateman's thesis, that 'having some power over one's work co-varies with one's attitude toward taking up participatory opportunities.'²⁰³ Because Elden's study has specific relevance for my thesis I will describe it in some detail.

The study was based on a single non-unionised self-managed plant; one of several owned by the parent company. The plant produced paper-based consumer products and was highly automated. There were 225 employees, divided into five autonomous work groups of fifteen workers. The other plants were organised under traditional hierarchical lines. The autonomous group workers met thirty minutes before the shift began, to decide issues like who would work where. Workers with extra experience trained fellow workers through a system of job rotation managed by the team. Teams did not decide what was produced, but they did set production goals and participate in the overall plant budget forecasting. Marketing and finances were controlled by corporate headquarters.

²⁰²J. Maxwell Elden, *Democracy at Work for a More Participatory Politics: Worker Self-Management Increases Political Efficacy and Participation* Dissertation submitted in partial satisfaction of the requirements for degree of Doctor of Philosophy in Political Science (Los Angeles: University of California, 1976).

²⁰³Elden, *Democracy at Work*, *op cit*, pp. 49-50.

Elden conducted several studies during the plant's first year of operation. Data was collected via action research, participant observation (Elden was fortunate in being employed to work for six weeks in one autonomous work group), semi-structured interviewing and a questionnaire survey, with a 93 per cent response rate. The questionnaire was constructed around Elden's three step model. The first part dealt with QWL conditions necessary for work democracy. Questions covered issues such as power, control, authority, autonomy, participation and influence. The second part dealing with the hypothesised politically relevant consequences either within the plant or beyond, included items on the degree of support for self-management and personal growth, work orientation, job satisfaction and participation beyond the workplace. Indices for political efficacy were developed via questions concerning attitudes to government, dimensions of personal potency, based on Rotter's fate-control scale²⁰⁴ and extra-workplace activities such as free time allocated to community service and leisure organisations. This was in accordance with Elden's hypothesis that 'personal potency and a sense of efficacy in the workplace should correlate with a more active social life and higher degree of participation outside the workplace'.²⁰⁵ Questions concerning membership of voluntary organisations met opposition from management and resistance from workers. Consequently, less than half the respondents answered this item in the questionnaire.

Elden found the intra-workplace outcomes of the experience of autonomy in work to be personal development and further involvement in the system of self-management. With regard to extra-workplace outcomes, Elden found only a weak, though he believed important correlation between

²⁰⁴The questions were designed to assess the degree to which the respondent was ruled by fate. See *ibid*, p. 48.

²⁰⁵*ibid*, p. 48.

workplace autonomy and political relevant learning. He posited two explanations for the weakness of the link: the questions concerning political efficacy were inadequately designed for the task and six months was too short a time to observe any connection between work related political attitudes and political attitudes developed outside the workplace. A further weakness was the causation factor. Elden argued that causation was difficult to assess, because he was correlating data concerning one set of attitudes with data concerning another set of attitudes. Workers with a high sense of political efficacy prior to commencing work at the new plant may have responded more favourably to the self-management opportunity. Unfortunately Elden failed to use one of the parent company's other plants, organised along traditional hierarchical authority lines, as a control.

Despite doubts with regard to extra-workplace correlations, Elden's findings can be summarised thus, 'work democracy links empirically with self-management at work and a sense of political efficacy, personal potency, and social participation beyond the work place.'²⁰⁶

Although he found a weak link between employee autonomy, as practiced in the semi-autonomous groups of his study, and politicisation, Elden argued that for political efficacy to develop, workers must have autonomous control over their work and must have influence in company affairs. QWL programs must therefore include empowering structural changes. And to be effective a self-managed group must possess management skills like planning, coordination and cooperation. Without power, control and authority over what they are involved in, participation merely results in paternalism and new forms of managerial control. In fact, Elden argued that strategies like job enrichment and flexitime designed to make employees feel better about their work and colleagues and more

²⁰⁶*ibid*, p. 49.

involved in the workplace may have the reverse effect of work democracy.²⁰⁷ Thus Elden would argue, contra Pateman, that mere pseudo-participation will not develop a sense of political efficacy and rather than be empowering, such schemes have the potential to dis-empower.

Elden argues in a later work for the empowering participation that occurs in socio-technological systems (STS) such as is practiced in Norway, where STS are supported by public policies aimed at democratising the workplace.²⁰⁸ Here, employees change their own organisations after a process of research and study. It is the process of 'inquiry, learning and self-study' that Elden argues empowers participants because 'it creates new definitions of what is possible, new explanations of why things are as they are, and therefore new possibilities of action.'²⁰⁹ In other words, it is the empowering process rather than an empowering structure that results in self-managed learning and development. Elden's insight has important implications for the developmental consequences, and hence empowering potential, of employee participation.

To summarise thus far,²¹⁰ Gold, Jenkins, Wall et al. and Cordery et al. demonstrated a link between QWL schemes incorporating some form of employee participation and psychological and behavioural changes inside the workplace indicated by increased job satisfaction and productivity. A link was then demonstrated between various forms of employee participation and participatory relevant attitudes, psychological changes and

²⁰⁷*ibid*, p. 50.

²⁰⁸Max Elden, 'Sociotechnical Systems Ideas as Public Policy in Norway: Empowering Participation Through Worker-Managed Change', *Applied Behavioural Science* Vol. 22, No. 1 (1986), pp. 239–55.

²⁰⁹Elden, 'Sociotechnical Systems', *op cit*, p. 243.

²¹⁰For his tabulated summary of several of the studies described thus far, together with others, which demonstrate a link between more autonomous forms of work organisation and the development of a democratic personality see Elden, 'Political Efficacy at Work', pp. 53–4.

personality orientations commensurate with a democratic personality. Cupper, Knight and Selby found toleration, respect for others and increased self-confidence developed in workers as a consequence of participation in the worker-owned and managed Dynavac Pty Ltd. Kohn and Schooler found a correlation between job autonomy and positive psychological functioning, such as enhanced self-worth, and behavioural changes such as involvement in social activities that were discretionary and intellectually demanding. Gardell and Wilensky supported these findings, by linking lack of autonomy with psychological patterns and social behaviour antithetical to participation. Torbert and Rogers found indices of a democratic character in workers with job autonomy and responsibility. They also demonstrated links between job autonomy, political efficacy and leisure activity in terms of involvement, influence and commitment in voluntary associations and community affairs. Ambrecht found a close association between Advisory Council membership, the development of a democratic personality and higher levels of participation. This was relevant because according to participation theorists, involvement in decision making at local government and voluntary organisation level has the same learning effect as participation in the workplace. Ambrecht's study was particularly useful in pointing to participation as a way of breaking the low SES, authoritarian personality and apathy cycle described by revisionist theorists in chapter two. Ambrecht showed that participation by individuals of low SES developed a democratic character. Sheppard and Herrick also examined the authoritarian personality, linking it to stressful, alienating work with little discretion and furthermore to a lack of political efficacy and extremist political behaviour. They linked the obverse; that is they linked more autonomous forms of work with a democratic personality and political activity. Meissner found correlations between jobs requiring more discretion and increased participation in voluntary associations and all

social activities requiring discretion and organisation. Karasek found direct links between more shop-floor decision making and increased political and social activity. His was a particularly strong case for the developmental consequences of employee participation in behavioural terms because it was a longitudinal study, comparing workers' behaviour before and after the organisational changes were introduced.

Finally Elden's study demonstrated a link between employee participation, political efficacy and socio-political participation outside the workplace. It was the only study to explicitly test Pateman's thesis. It could not establish causal links, however, because it was not a longitudinal study and lacked a control. Nevertheless he did find significant indices of a link between workplace autonomy and developmental consequences required for participation inside the workplace. Elden also found a positive correlation between an autonomous form of work and socio-politically relevant behaviour in the form of membership of voluntary associations. His study in this regard was incomplete, however. With the exception of Elden, no study specified the level of democratisation in the workplace under examination. In any event, Elden was subsequently to emphasise the empowering process of participation rather than the democratised structures to be important for learning.

While the studies presented do not share uniform means or a uniform objective nor use the same measures of work democracy or its socially or politically relevant consequences, the research findings are not in conflict. Taken together, they indicate a link between job tasks involving employee participation, psychological and behavioural changes commensurate with a democratic personality and enhanced socio-political activity seen as involvement in voluntary organisations and political activities.

II An appropriate model of employee participation

The literature survey suggests that a study of one form of employee participation for its socio-politically relevant consequences would be in order. It now remains to fulfill the second objective of this chapter; to demonstrate consultative management is an appropriate model of employee participation for my study. I shall show that fully democratised forms of employee participation in Australia or elsewhere are rare and indeed it is only recently that there has been a renewed interest in the issue in Australia, motivated by the needs of industry survival and profitability. A common structure for employee participation is a consultative one, where in most cases, employee participation is limited to input into decision making and information sharing. Management prerogative is retained. It is partial participation which refers to 'a process in which two or more parties influence each other in the making of decisions but the final power to decide rests with one party only':²¹¹ in this case management. Consultative management is the common model in Australia, where there is a voluntary approach to employee participation.

It could be argued, that this partial form of workplace democracy is too limited for a meaningful study of the developmental consequences of participation, because workers do not enjoy equal status and influence with managers in decision making. But I will show that even in a situation of more extensive democracy, in states such as Germany, France and Sweden where consultation in the form of co-determination gives unions the legally enforced right to be consulted, union delegates do not have control over decisions made. Yugoslavia's experience of a fully participatory society was one of unequal power in decision making, with management controlling enterprise decision making and one of exploitation of workers with workers

²¹¹Pateman, *op cit*, pp. 70-1.

forced to accept low wages in order to keep enterprises viable. And with the exception of one or two cases, in the fully democratised workplace of employee-owned and managed enterprises, where there is parity (in the sense of equality of influence and status) in decision making, participation became a dis-empowering experience of either exploitation or government dependency and enterprise failure. Finally and of special relevance in regard to any extrapolation of Elden's study, semi-autonomous work groups have the potential to be anti-democratic and exploitative; particularly so when associated with work organisation philosophies such as Just-In-Time and Continuous Improvement and where union presence is weak or non-existent.

Because a consultative form of employee participation is common and because, as I shall show in chapter five, employee participation in the Steelworks and WGE consultative structure is part of an organisational renewal strategy and therefore is more genuine than mere tokenism, I believe employee participation as it operates in the consultative structure to be appropriate for a study of the developmental consequences of employee participation. Although Pateman argues that even pseudo-participation may have developmental consequences, there is evidence to suggest QWL schemes designed merely to humanise the workplace are developmentally counterproductive.²¹² For the purposes of my study, therefore, a form of employee participation that goes beyond the 'pseudo' is preferable.

²¹²Elden, 'Political Efficacy at Work', *op cit*, p. 50 and 'Sociotechnical Systems', *op cit*, p. 24. See also J.W. Dickson, 'Participation as a means of organisation control', *Journal of Management Studies* Vol. 18, No. 2 (1982), pp. 159-76. See also, H. Braverman, *Labor and Monopoly Capital* (New York: Monthly Review Press, 1974), Donald Wells, *Empty Promises: Quality of Worklife Programs and the Labour Movement* (New York: Monthly Press Review, 1987) and Harvie Ramsay, 'Evolution or Cycle? Worker Participation in the 1970s and 1980s' in Colin Crouch and Frank Heller (eds), *International Yearbook of Organisational Democracy and Political Processes* Volume I (Chichester: John Wiley and Sons, 1983), pp. 203-26.

An empirical example of the counterproductive effect is found in the Hunter Valley. Quality circles set up in a company in the Hunter Valley caused bitterness and frustration among the participants, largely because management failed to implement its recommendations regarding

The consultative structures at the Steelworks and WGE are integrated forms of participation of joint consultation between management and union representatives at the lower level of management, with some upper level participation. The model is described in detail in chapter five. Joint consultation with participation at the corporate level has been unsuccessful in Australia. At the upper level of management, joint consultation councils are comprised of management and employee representatives, usually union officials. In the Australian experience, waged employee representatives faced problems of dual loyalty and of being seen by their peers as not representative of their views.²¹³ Moreover, most waged employee representatives are in the minority and so have little influence over decision making.

The European Co-determination Model

This is not the case with the more successful, co-determination model found in Europe. Co-determinism or Joint Decision-making councils are where union representatives sit in an authoritative voting capacity, thus sharing in important managerial functions. Co-determinism was developed in the former West Germany in the post war period and made legally mandatory for most industries under the Works Consultation Act. It is a 'dual system' of industrial relations involving three levels of co-determination: the supervisory board, works' councils²¹⁴ and work groups. The supervisory board comprised elected waged employee representatives and shareholders,

reorganising the allocation of tools for the night shift. The reorganisation called for an initial expenditure of \$5,000 and an annual savings to the company of \$36,000. A more complete model of participation may have prevented this counterproductive effect. See Work and People, 'Industry policy and industrial democracy meeting at the workplace', two case studies in *Work and People* Vol. 13, No. 3 (1988), p. 9.

²¹³Department of Science and Technology, *Employee Participation in Australia, Progress Report* (Canberra: AGPS, 1980), p. 1.

²¹⁴Under the Works Council Act of 1972, West Germany companies with more than five employees were required to establish works' councils.

and decided company level issues such as takeover bids and mergers. The final decision, however, rested with management.²¹⁵ In practice, the workers' influence was limited to a right to state their opinion and seek information.²¹⁶ The works' council involved elected waged employees only, with rights of information, consultation and negotiation on key issues such as working hours and the hiring, grading and transfer of employees. Rights to information and consultation extended to the economic situation of the firms as well as to changes in production and work organisation. By 1992, two-thirds of German workers had councils in their workplace.²¹⁷ Although the German works' council has been most influential in the European Works Council proposal of 1990, the council's power was limited (it could not call a strike for example), with its main role that of communicating between employees and management and facilitating change.²¹⁸ The working groups dealt with issues more immediate to employees, such as the canteen operation, health and safety and training. Although a successful model of co-determinism, practiced for several decades, parity in decision making did not prevail in the West German workplace.

The French co-determinist model also has works councils but unlike the German model it includes both employee representatives and

²¹⁵This was the experience of a former DAG (West Germany's white-collar union) member. See Sylvia Schloss, 'Carrot or Club', *Industrial Society* (September 1991), p. 10.

²¹⁶Burkard Sievers, 'Bibliography of the Influence of Workers' Participation in the Improvement of Working Conditions in the Federal Republic of Germany' in Vittorio Di Martino and Wendy O'Conghaile, *Worker Participation and the Improvement of Working Conditions* European Foundation for the Improvement of Living and Working Conditions (Dublin: Loughlinstown House, Shankill, Co., 1985), p. 83.

²¹⁷Mueller-Jeutsch cited in Russell Lansbury and Mick Marchington, 'Joint Consultation and Industrial Relations: Experience from Australia and Overseas', *Asia Pacific Journal Human Resources* Vol. 31, No. 3 (Spring, 1993), p. 76.

²¹⁸Schloss, *op cit*, p. 10.

employers.²¹⁹ The council has legislated rights of information and consultation but is chaired by the company director and has limited rights with no right of veto except on the question of working hours. Its main role too, is one of communication and facilitator of change.

The Swedes also have a co-determinist model of participation supported by legislation. Unions have the right to be represented on the boards of all firms with more than 100 employees. Employers' rights to dismiss workers are circumscribed and in some circumstances made conditional on negotiation with the unions concerned. But, again, in the Swedish model of co-determination, the Act only requires management to negotiate with unions over matters that affect the workforce; it does not require management to reach agreement with the unions. There is also some doubt as to the future of the Swedish model of union participation, to be outlined in chapter four. Unions do, however, influence management decisions through co-determination as witnessed in Volvo's plant at Uddevalla, Sweden compared with Volvo's assembly plant in Ghent, Belgium.²²⁰ The strength of union influence lies in the single channel principle. It matches the unitary decision making process of management calculated in the single dimension of profits.²²¹ Swedish unions have always insisted on 'single channel' representation of workers' interests by union organisations and representatives and have never allowed, for instance, forms of representation like West Germany works councils that

²¹⁹In France, all companies, or in the case of multi-site companies each site, with more than fifty people are required by law to establish a central works' council.

²²⁰Jonus Pontusson, 'The Politics of New Technology and Job Redesign: A Comparison of Volvo and British Leyland', *Economic and Industrial Democracy* Vol. 11, No. 3 (August, 1990), pp. 311–36. Ghent remains an entirely conventional plant, whereas the unions and management collaborated in Uddevalla over plant and work design and technology to achieve new work practices incorporating self-managed teams, job enlargement, training and self-paced assembly work.

²²¹John Alford and Ian Macdonald, 'Starting a Project—Ways and Means' in DEIR, *Department of Industrial Relations Seminar* (Canberra: AGPS, 1987), p. 196.

create a competing channel of representation outside the union.²²² It is my contention that adherence to the single channel principle is required to empower potential employee consultation in the Australian context. I return to this theme in the ensuing chapters.

Yugoslavia's Participatory Society

Like Western European co-determinism, Yugoslavia's experience of employee participation in a fully participatory society based on the work unit, was one of unequal power in decision making. Yugoslavia's system was a complex one of many levels of authority and many channels of representation. But the free and equal participation espoused by those enamoured of the model, did not, in practice, mean equal influence in decision making. A hierarchical management structure existed and new legislation in 1989 gave management the right to hire and fire workers.²²³ As Yugoslavia advanced towards a more market society the need to be competitive witnessed greater use of management prerogative, compounded by the tendency towards technocracy²²⁴ and an emphasis on the goal of industrial growth rather than direct producers' emancipation.²²⁵ Many observers of workers' councils found they did not represent real democracy.²²⁶ Although workers' councils had the formal right to make all

²²²Higgins, Winton, 'Industrial Democracy and Control in Sweden' in E. Davis and R. Lansbury (eds), *Democracy and Control in the Workplace* (Melbourne: Longman Cheshire, 1986), p. 268.

²²³Malcolm Warner, 'Yugoslav 'self-management' and industrial relations in transition', *Industrial Relations Journal* Vol. 21, No. 3 (Autumn 1990), p. 216.

²²⁴*ibid*, p. 210.

²²⁵Marian Sawyer, 'Participation Versus Economic Rationality in Marxist Theory' in Marion Sawyer (ed.), *Socialism and Participation* APSA Monograph Series, No. 24 (Flinders University, 1978), p. 14.

²²⁶Adolf Sturmthal, 'Workers' Councils', in Terrence E. Cook and Patrick M. Morgan (eds), *Participatory Democracy* (San Francisco: Canfield Press, 1971), Chapter Six, pp. 358-70.

the firm's policy decisions within the limits of Yugoslav law, observers of councils at work found managers dominated meetings, withheld crucial information and mislead those untrained in the complexities of management. Moreover, much of the agenda concerned personal matters such as the allocation of apartments rather than production issues.²²⁷ Finally, in order for the self-managed enterprise to be viable, workers' wages were so low that workers were forced to work a second job in order to survive.²²⁸ The relatively democratised joint consultative models of co-determination and Yugoslavia's experience both lacked parity in decision making despite formal rights of participation, with exploitation a disempowering consequence of Yugoslavia's participation.

Joint Consultation in Australia

Lacking formal authority for the employee representatives, joint consultation in Australia is less democratic than European co-determinism. It too suffers from lack of equality of power in decision making. Joint consultation is the preferred government model of employee participation, operational in the public service and quangos.²²⁹ It is also found in some private sector workplaces. Typically, the structure is joint consultative councils or consultative committees comprised of management and union representatives. Their role is one of information dissemination and consultation, with a retention of management prerogative. And typically in Australia, the distinction is usually drawn between industrial matters which are traditionally the domain of industrial relations procedures and other

²²⁷See Jiri Kolaja, *Workers' Councils, The Yugoslav Experience* (New York: Praeger, 1975), pp. 45-50.

²²⁸*ibid*, pp. 215 and 218. For example, in 1989 the average worker's net monthly pay in Croatia was 200 DM, equivalent to 65 Pounds Sterling.

²²⁹Quango is an anagram for quasi non-government organisations such as telecom and qantas.

matters which are addressed through joint consultation.²³⁰ The consultative model includes special issue committees, such as Occupational Health and Safety Committees. Consultative structures of employee participation are favoured by management in the public and private sector, because 'they are easy to introduce and because they do not remove management's ultimate decision-making power,²³¹ and because no substantial alteration in the structure of management ...[is]... necessary'.²³²

In the public sector, employee participation in the Commonwealth Public Service has existed since the Chifley Labor government initiative in 1945, with the establishment of Joint Consultative Councils in most departments. Public service reforms in the 1980s required each department to show evidence of a program to implement employee participation.²³³ In the Act, this was called an 'industrial democracy plan' being a plan designed to achieve appropriate participation by officers and employees in the decision making process of the department. By December 1990, most Commonwealth Departments had current industrial democracy plans in place.²³⁴ Joint Councils continued to be the model with the councils a forum for management and union representatives to consider issues such as technological change, occupational health and safety, industrial democracy

²³⁰Lansbury and Marchington, *op cit*, p. 63.

²³¹*Report of the S.A. Committee on Worker Participation in Management [Private Sector]*, (April 1973), p. 43.

²³²Generally, 'employers are not talking about power sharing' (Ralph Willis, 'Industrial Democracy—the Federal Government's Position and Program' in DEIR Seminar, *op cit*, p. 238).

²³³Section 22C of the Public Service Act 1922, proclaimed 2nd October, 1984, was the legislative basis for industrial democracy in the Australian Public Service. Joint consultation through management-employee committees flourished for a short time in the late 1940s and early 1950s

²³⁴Department of Industrial Relations, *Report to the Prime Minister on Industrial Democracy in the Australian Public Service* (Canberra: Government Publishing Service, 1991), p. vii.

The board devoted significant effort to develop educational materials and training initiatives to help managers and staff to implement industrial democracy principles.

and equal employment opportunity.²³⁵ Staff involvement can range from the very basic such as information sharing on work area activities through to more complex matters such as participation in project development and program budgeting. Membership comprises representatives of senior departmental management and generally a mixture of union officials and union workplace delegates.

This formal mechanism is in keeping with the traditional Australian environment where registered trade unions have been the channel of communication between management and staff. Public Service unions have encouraged and supported moves towards employee participation, provided that the application of the single channel principle is maintained.²³⁶ They have resisted initiatives in some public service agencies to involve staff directly.²³⁷ Some agency managers, too, have been reluctant to deal with staff representatives in peak forums, arguing that union representatives should be at a level appropriate to the issues and to the level of management representatives.²³⁸ The strength of the single channel principle was evident in 1981, when the NSW Public Service Association (PSA) through its membership of the Joint Consultative Council, successfully negotiated technology and organisational change with the Public Service Board (PSB). The subsequent Technology Agreement allowed union intervention in the process of technological change in the workplace and led to the establishment of the Technological Change Committee in 1980 and the Technological Workplace Committee in 1981.

²³⁵Matters discussed at workplace meetings include work allocation methods, work organisation, accommodation, staff selection procedures, aspects of personnel practices and staff development, working practices issues and technological change.

²³⁶Department of Industrial Relations, *Report to the Prime Minister on Industrial Democracy in the Australian Public Service. op cit*, p.17.

²³⁷*ibid.* p. 12.

²³⁸*ibid.* p. 13.

Even here, however, the onus was on the PSA for successful consultation²³⁹ and there were limitations of implementation of the Agreement due to the PSB not informing departmental managers of its operative clauses.²⁴⁰

The public service example augurs well for the single channel principle, in the face of economic rationalist pressures for enterprise bargaining and a deregulated labour market to be described in chapter four. However, the election of an economic rationalist Liberal government in NSW saw a reorganisation of its public service and subsequent reversal of gains made by the Joint Consultative Council.²⁴¹ It points to the contradiction between economic rationalism and more genuine forms of employee participation and to the vulnerability of a participatory practice that is not well ingrained into the workplace culture.

Consultation in the quango sector was exemplified by Telecom (TCC) and Qantas (QCC) consultative councils, prior to privatisation and the advent of a second telecommunications carrier. The achievements of the TCC appeared to be superior to those of Qantas Consultative Council. The TCC was instrumental in successfully negotiating the introduction of technological and workplace organisational change, which had threatened to render many positions monotonous or redundant and there was evidence of positive perceptions from management and unions about the efficacy of the council.²⁴² The expectations were that although it was not a decision

²³⁹Raymond Markey, *Employee Responses to Technological Change in State Employment: A Case Study of the New South Wales Public Service* (Riverina: Riverina-Murray Institute Press, 1988), p. 35. One clause obliged the Unions to respond to information within a reasonable time and to actively seek agreement on issues within a time frame that would not jeopardise tenders.

²⁴⁰*ibid*, p. 37.

²⁴¹*ibid*, p. 15.

²⁴²Both management and union TCC participants had a positive perception of the role that the council played in mutually informing and educating them and in influencing the quality of decision making and general industrial relations. Union members, through their representatives, felt they were informed about major issues and had some influence in

making body, matters resolved by the council would be translated into action. There was a willingness on the part of both parties to achieve a positive outcome, with good union in-put and a network of subcommittees exploring issues raised by the council.

The superior achievements of the TCC may have been due to differences in participation experience and union strength. The TCC management and unions had a long experience in attending joint council meetings, having been set up to ensure continuity after the disestablishment of the Post Master General's Department, whereas the QCC had limited experience, being established as part of the settlement following the disputes of 1981. There was greater union in-put in the TCC; the TCC unions, being larger, had better access to information and had greater resources than did the unions associated with the QCC. Qantas management's and the union's instrumental approach to its council may also have impacted on the efficacy of the QCC.²⁴³ At a time of financial difficulties, Qantas' management's support for the council was strongest, while it used the council to persuade the unions to accept a voluntary severance program. For its part, the unions viewed the council as a means of exerting pressure on management. When Qantas returned to profitability the unions push for new demands through the QCC was met with management's waning enthusiasm for the council. Ultimately both parties lost faith in the council and its importance gradually diminished. The difference in efficacy between the TCC and the QCC serves to underscore the need for well resourced union in-put and union vigilance to realise the empowerment potential of employee participation through consultative structures.

determining decisions, particularly in the area of technological changes and health and safety matters. Department of Industrial Relations, *Consultative Councils: the cases of Telecom Australia and Qantas Airways Ltd.* (Canberra: AGPS, 1987), p. 33. The Consultative process at Telecom is under threat by pending privatisation and the introduction of a second carrier.

²⁴³Lansbury and Marchington, *op cit*, p. 72.

Occupational Health and Safety Committees (OH&S) are an increasingly popular form of issue based joint consultation in Australian workplaces,²⁴⁴ particularly so since legislation in 1986 supported the right of workers to be involved in decisions affecting their health and safety.²⁴⁵ Typically, the committee comprises management and elected employee representatives. The representative has some powers under the Act, with regard to health and safety issues. These powers involve the right to inspect and assess hazardous conditions and to make decisions regarding improvements, together with the right to refuse unsafe work.²⁴⁶ The representative liaises with employees and management and is instrumental in resolving disputes between the two. While decision making is restricted to health and safety matters, the health and safety committee does have some influence and control, supported by legislation. This example of an issue based committee works well, with almost two-thirds of the health and safety issues resolved to the satisfaction of the employee representative.²⁴⁷

Issue based OH&S committees, however, have limited formal rights of control in common with all representative and indirect forms of consultation discussed thus far. With the level of democracy ranging from full participation in the Yugoslav system, to the formally recognised public service and quango Consultative Committees, all lack parity in decision making.

²⁴⁴Like many workplaces in Australia, the Steelworks also has Five Star Committees aimed at improving the health and safety of employees in each workplace. The Committee must address and pass five levels of health and safety excellence. As each level is achieved, a star is displayed on a board outside the workplace. The incentive is to become a five star workplace.

²⁴⁵D. Biggins, M. Phillips and P. O'Sullivan, 'Worker Participation in Health and Safety', *Labour and Industry* Vol. 4, No. 1 (March 1991), p. 139.

²⁴⁶In part, the legislation reflects Swedish reforms to health and safety legislation in 1978. It gives uni-lateral decision making power to union safety officers to summarily close down a plant or process he or she sees as dangerous or injurious.

²⁴⁷Biggins et al., *op cit*, p. 154.

Semi-autonomous Workgroups

Lack of parity in decision making is also the case in examples of direct participation where individuals and groups either acquire more control over their immediate work situation, for example in semi-autonomous or self-managed work groups; or more control over company issues, for example WGE's extra-ordinary general meeting where waged employees directly vote on a company wide issue and the self-managed enterprise which is controlled and operated by its employees. A self-managed or autonomous work group is a socio-technical systems popularised by the Tavistock Institute in Britain. It comprises a team of workers who make decisions about their daily work schedules, personal administration (hiring, training, rewarding and disciplining), managing,²⁴⁸ coordination and organising the flow of work for which the group is responsible. They are a cost efficient form of employee participation because they allow for the removal of a level of supervision.

Quality circles are a form of autonomous work group to integrate workers into cooperative production systems. A concept originating in the USA, they are a widespread and continuing feature of Japanese production, recently becoming fashionable in the USA (Ford) and Australia (Mitsubishi). They are not overly successful in Australia with many schemes folding,²⁴⁹ one prominent explanation stemming from the practice of using

²⁴⁸For team work as part of human resource strategy see M. Armstrong, *Human Resource Management, Strategy and Action* (Kogan Page, 1992) and for team work and employee participation see J. Storey and K. Sisson, *Managing Human Resources and Industrial Relations* (Milton Keynes: Open University Press, 1992).

²⁴⁹Lever-Tracy, Constance, 'Fordism Transformed? Employee Involvement and Work-place Industrial Relations at Ford', *Journal of Industrial Relations* Vol. 32, No. 2 (June 1990), p.191.

supervisors as group leaders. And in any event they represent limited consultation and cooperation.²⁵⁰

Japanese quality circles are more enduring, because they are supported by a management philosophy based on skill, flexibility, a high degree of trust and lifetime employee commitment and cooperation.²⁵¹ Japanese quality circles are part of the Japanese Toyota production system; a customer oriented system which involves teamwork as its focal point together with KAIZEN (or continuous improvement process) and Just-in-Time (JIT) Zero Buffer principles.²⁵² Workers are viewed as a valuable resource and there is comprehensive information sharing, a shop-floor upwards strategy for carrying out innovations and participation in decision making by all in the team. It is these features that lead some industrial relations theorists to promote the Toyota production system as democratic.²⁵³ But generally unions are not given separate status, being drawn into the management structure. And workers do not enjoy control over decision making. Teams are integrated into the hierarchical structure with a high percentage of supervisors at the low levels of production and enjoy little autonomy. Moreover, the system relies on compliance based on Japanese cultural peculiarities of uncomplaining cooperation, fear of disturbing the order and harmony of the group and fear of exclusion from the group for miscreant

²⁵⁰Sar A. Levitan and Diane Werneke, 'Worker Participation and Productivity Change', *Monthly Labor Review* Vol. 107, No. 9 (1984), p. 32.

²⁵¹Bradley and Hill cited in Lever-Tracy, *op cit*, p. 182.

²⁵²JIT is an organisational philosophy to establish a perfect symmetry between demand and supply, both inside and outside the industry. The aim is to have no shortages, no stockpiles and no waste. The philosophy includes the workforce and the organisation of work.

²⁵³J. Mathews, *Age of Democracy; The Politics of Post-Fordism* (Melbourne: Oxford Press, 1989), A. Lipietz, *Towards a New Economic Order: Postfordism Ecology and Democracy* (Cambridge: Polity Press, 1991) and J. Womack, D. Jones and D. Roos, *The Machine that Changed the World* (New York: Rawson Associates, 1990).

behaviour.²⁵⁴ Routine behaviour can thus be molded by fear with a radical system of employee discipline through company uniforms, detailed rules of behaviour and subordination of the individual person to corporate goals. I discuss the lack of autonomy found in JIT schemes in chapter four.

The cost of the Toyota model for employees is stress from constant overtime worked as a consequence of minimum possible allocation of personnel (in accordance with JIT); exclusion of older workers due to the assignment of younger employees to high-performance teams; health and safety risks and social neglect of the peripheral workforce; decline in wages and working condition standards; and decline in the quality of life attendant on a 'live in order to work philosophy'.²⁵⁵ Such could hardly be described as a democratised workplace;²⁵⁶ even though paradoxically, by respecting and promoting value-creating human labour as the enterprise's most valuable resource, the Toyota production system fundamentally corresponds to the trade union demand for human-oriented work.²⁵⁷ And as such, this form of semi-autonomous work group represents a dubious form of employee

²⁵⁴Siegfried, Roth, 'Japanisation, or Going Our Own Way? New "Lean Production" Concepts in the German Automobile Industry' in Kevin P. O'Kelly, Chris Jecchinis and Edward L. Zammit (eds), *Employee Participation in the Introduction of New Technologies: a Global Comparative Study* unpublished draft, pp. 5-11.

²⁵⁵*ibid*, pp. 6-7.

²⁵⁶See Ian Hampson, 'Post-fordism, the "French Regulation School" and the Work of John Mathews', *Journal of Australian Political Economy* No. 28 (September 1991), pp. 105-6 and his 'Information Technology at Work; Industrial Democracy and Technological Determinism' in S.B. Aungles (ed.), *Information Technology in Australia: Transforming Organisational Structure and Culture* (Sydney: University of New South Wales Press, 1991), chapter 4, pp. 63-91. And Ian Hampson, Peter Ewer and Meg Smith, 'Post-Fordism and Workplace Change: Towards a Critical Research Agenda', *Journal Industrial Relations* Vol. 36, No. 2 (June, 1994). See also Egil Skorstad, 'Lean production, Conditions of Work and Worker Commitment', *Economic and Industrial Democracy* Vol. 15, No. 3 (August, 1994), pp. 429-55, for a critique of lean production causing loss of autonomy and production in the long-term. For the case that self-managed teams *per se* concentrate managerial control and undermine unions see Frank Carr, 'Introducing Team Working—a Motor Industry Case Study', *Industrial Relations Journal* Vol. 25, No. 3 (September, 1994), p. 200.

²⁵⁷Roth, *op cit*, p. 24.

participation for Elden's study, particularly so because his enterprise lacked a union presence to safe-guard the potential for workers' exploitation.

Workers' Cooperatives

Even in the fully democratised employee owned and managed enterprise, parity in decision making is not guaranteed. Workers' cooperatives are the traditional form of self-management.²⁵⁸ Typically, because the enterprise is taken over by the employees at a time of financial crisis, to survive they must operate under conditions of sweated labour and poor wages. The survival of Farkenham Enterprises, a shoe-making cooperative in Britain for example, depended on the self-sacrifice of the women involved in the form of low wages, a fifteen hour working day and poor working conditions.²⁵⁹ The need to be profitable and to follow the strictures of capitalism means cooperatives are capitalist in nature.²⁶⁰ Generally cooperatives deny a role for unions and oppose the hiring of new members, particularly the unskilled. In this way, cooperatives can be elitist. Workers do not have the management skills or confidence necessary to own their workplace; Farkenham Enterprises workers, for example, had to resort to hiring middle-managers when faced with financial crisis. Typically, these cooperatives fail, adding to the already stressed workers' sense of powerlessness.²⁶¹

²⁵⁸For a description of worker cooperatives see Jon D. Wiseman (ed.), *Worker Empowerment: The Struggle for Workplace Democracy* (New York: Basic Books, 1991), part III. And for a history and defence of worker cooperatives see Mary Mellor, Janet Hannah and John Stirling, *Worker Cooperatives in Theory and Practice* (Milton Keynes: Open University Press, 1988).

²⁵⁹Judy Wajcman, *Women in Control: Dilemmas of a Workers Cooperative* (Milton Keynes: Open University Press, 1983), p. 183.

²⁶⁰Beatrice Webb criticised workers cooperatives as an association of capitalists as fraudulent as any other. Cited in Jocelyn Pixley, *Citizenship and Employment: Investigating Post-Industrial Options* (Cambridge: University Press, 1993), p. 188.

²⁶¹Wajcman, *op cit*, p. 182.

Australia lacks a tradition of workers' cooperatives and even where governments funded cooperative development, cooperatives 'remain marginal'.²⁶² Some independent experiments in workers' cooperatives began in the late 1970s, some years after the counter culture communes had been established, but they soon folded. The state played a central role in cooperative development during the 1970s and 1980s, viewing this as one way of addressing the problem of high unemployment. N.S.W. took the initiative with its creation in 1982 of the Common Ownership Finance and Common Ownership Development Agency to assist employees in take-over bids.²⁶³ By August 1984, some fourteen companies had been assisted, with just over 200 people working as cooperative members. The program ceased in 1988. Two basic models of state assisted cooperatives emerged, but neither model generated grass-roots support, with few workers wanting to avail themselves of the opportunity of more control over their work lives, especially when these opportunities were imposed from above. The unions were opposed to cooperative development, predominantly because they were state imposed developments, offering no alternative to workers facing unemployment and they represented a challenge to the level of real wages. The lack of union support further hindered grass-roots involvement. Both models suffered from and ultimately failed because of their dependence on state support²⁶⁴ and in the case of the N.S.W.-promoted cooperatives, in

²⁶²Pixley, *op cit*, p.165.

²⁶³The Common Ownership Finance body adjudicated on the feasibility of a proposed takeovers and arranged finance. The Agency played a supervisory and advisory role, once the enterprise was taken over by its employees, for up to two years. The Agency provided a company model of Memorandum and Articles, an elected board of directors and a workers' council. The philosophy was that the employee was both shareholder and worker. Thus the workers' council looked after the interest of the worker element of the employee while the board of directors looked after the shareholder element of the employee. Unions were involved with the workers' council where the shop was previously unionised. Trade union involvement was encouraged to play a part in supporting worker controlled companies.

²⁶⁴*ibid*, p. 165.

order to be competitive there was a significant degree of self-exploitation.²⁶⁵ The Australian cooperative experience was not atypical in failing. Cooperatives require an enormous participatory in-put from their members in a situation of full democracy, but where members are exploited and the enterprise fails, the outcome is not empowerment but an increased sense of powerlessness.

Other, more successful models of self-management exist, as illustrated by Dynavac Pty Ltd.²⁶⁶ and David Power Industrial Services²⁶⁷ in Australia. And in England John Lewis Partnership, is one of the largest and longest surviving employee owned firms in the Western world.²⁶⁸ In Australia, self-managed industries are typically small enterprises, comprising thirty or

²⁶⁵Jocelyn Pixley, 'Unemployment and Democracy—at an Impasse?' *Labour and Industry* Vol. 6, No. 1 (October, 1994), p. 43.

²⁶⁶Dynavac Pty Ltd. has a horizontal authority structure and, in 1980, was said to have the most advanced form of industrial democracy in Australia (Cupper, *op cit*, p. 83). Industrial democracy began in 1973 when the founder and principle shareholder of Dynavac supported the wishes of his 45 employees to have greater control over their working lives. To this end, the owner initiated a transfer of ownership to a charitable trust, allowing employees to have share ownership. It is not, however, a profit-sharing arrangement but an arrangement whereby employees collectively have control over their company. All workers have the chance to contribute to and participate in the management process and are provided with the opportunity to develop management skills. All functions of the company are classified to allow at least two persons to be assigned total responsibility. Employees are given adequate paid time to familiarise themselves with relevant documentation, facilitating competent participation. The commercial success of the company was demonstrated by a move to larger premises in 1986. See Peter Rawlinson, 'Dynavac, a Horizontally Structured Organisation' in Department of Employment and Industrial Relations, *Industrial Democracy and Employee Participation, Digest of Case Studies* Volume 1, Second Edition (Canberra: AGPS, 1987), p. 77.

²⁶⁷In 1983, 29 employees of David Power Industrial Services received assistance from the Common Ownership Development Agency in N.S.W. (mentioned above) to take over their industry. A traditional hierarchical management structure was retained, with an elected board of directors and a workers' council which operated independently of the board. Work was organised by quality circles, coordinated by the workers' council. Quarterly general meetings were held to decide financial and company issues. The commercial success of the enterprise was demonstrated by a significant increase in profits with each employee receiving 83.6 per cent return on their shares after nine months of operation. See John Carelli and Brian Sheehan, 'Financial Participation and Common Ownership', *DEIR Seminar, op cit*, p. 130.

²⁶⁸The John Lewis enterprise has been successfully operating since the 1940s. In the 1988–89 financial year sales were reported as Pounds Stirling 130b. See Keith Bradley, Saul Estrin and Simon Taylor, 'Employee Ownership and Company Performance', *Industrial Relations Journal* Vol. 29, No. 3 (Fall 1990), pp. 385–402.

so employees.²⁶⁹ The British example, however, 'employs' 37,000 partners. These few examples of successful enterprises were not taken over because of financial crisis. Moreover, management skills were already available within the enterprise or where this was not the case, workers were trained in management skills. They do not show the decrease in growth and productivity, poor decision making, managerial incompetence²⁷⁰ and internal inefficiency often associated with employee owned and managed firms and illustrated by the Farkenham workers' cooperative. With regard to control of decision making, Dynavac is unique in having a horizontal management structure, where all employees have the opportunity to participate in all areas of decision making. But David Power and John Lewis retained a traditional hierarchical management structure with the potential for management domination in decision making found in the Yugoslav experience. And there is evidence that the John Lewis' shop-floor was under-represented on the Councils, which were the main means through which participation took place.²⁷¹

Even the success of the Mondragon model of employee owned and managed enterprises is qualified. In Mondragon, enterprises have access to finance from the cooperative bank the Caja Laboral Popular, educational and technical support from the Escuela Politecnica Profesional²⁷² and managerial advice, together with legislative support.²⁷³ A recent study,

²⁶⁹In 1984 there were at least 14 common ownership companies in N.S.W. (Frank Thomson, DEIR *Seminar, op cit*, p. 133).

²⁷⁰It is argued that the egalitarian wages policy discourages skilled managers from working in the self-managed enterprise.

²⁷¹Pateman, *op cit*, p. 78.

²⁷²See Christopher B. Meek and Warner P. Woodworth, 'Technical Training and Enterprise: Mondragon's Educational System and its Implications for other Cooperatives', *Economic and Industrial Democracy* Vol. 11, No. 4 (November, 1990), pp. 505-28.

²⁷³For more details on the Mondragon cooperative system see K. Bradley and A. Gelb, *Cooperation at Work: The Mondragon Experience* (London: Heinemann, 1983), Ray Morrison,

describing conventional line managers and indirect forms of democracy throws doubt on the purity of the Mondragon cooperatives as fully democratised enterprises.²⁷⁴

Employee Ownership Schemes

A few quasi employee owned schemes exist in Australia, in the form of profit sharing and employee stock ownership. These schemes, espoused by John Howard, leader of the Liberal and National Party coalition during the 1987 election campaign, allow minimal opportunities for employees to influence decision making. Generally, in the larger companies the proportion of shares available to employees is quite low, with 5 per cent of the issued share capital being made available for employee shares.²⁷⁵ The proportion of these shares taken up by employees is, however, significantly high, which is some measure of success.²⁷⁶ While some argue that employee share ownership is tokenism on the part of management, others like John Siddons,²⁷⁷ Gordon Jackson and Bob Hayes argue that this scheme is very successful in their own organisations. But how much of their success is due to share ownership alone or other contributing factors, is difficult to isolate. Siddons's scheme, for example, includes works' councils comprised of employee and management representatives with an employee in-put and communication sharing role, together with an employee profit sharing scheme. In any event, share ownership adds up to a scheme which exacts a

We Build the Road We Travel: Mondragon, a Cooperative Social System (Philadelphia, P.A.: New Society Publisher, 1991) and Robert Oakeshott, 'Spain: the Mondragon Enterprise' in Frank H. Stephen, *The Performance of Labour-Managed Firms* (London: Macmillan, 1982), pp. 122-40.

²⁷⁴Cited in Pixley, *Citizenship and Employment*, *op cit*, note 85, p. 195.

²⁷⁵Brian Sherry, *DEIR Seminar*, *op cit*, p.126.

²⁷⁶*ibid*, p. 126.

²⁷⁷See John Siddons, *A Spanner in the Works* (Melbourne: Macmillan Co., 1990).

double tribute from the worker by drawing on their savings to use as capital and using the shares so purchased as the basis of an exploitative scheme.²⁷⁸

With the exception of some workers' cooperatives like Dynavac, none of the employee participation schemes canvassed above can be described as fully democratised, enjoying equality of influence for all parties in decision making. The workers' cooperatives that did enjoy parity were self-exploitative and/or failed to survive. Consultative management involves employees in partial and indirect representation, with influence mostly at the lower level of management. It does not enjoy equality of influence in decision making and in relation to some models with formal rights of participation, it is less democratic. Nevertheless, in the panoply of employee participation it is a relatively genuine form of participation, appropriate for a study of participatory relevant developmental consequences; perhaps more so, given Elden's potentially anti-democratic model for his study.

III The Evolution of Consultative Management in Australia

The implementation of consultative management or indeed any employee participation scheme in Australian workplaces has been slow with fluctuating interest in the issue.²⁷⁹ Whether this represents a cyclical phenomenon is outside the scope of this thesis.²⁸⁰ In the 1970s, Australia failed to follow the example of formal consultation with employees over

²⁷⁸Pixley, *Citizenship and Employment*, *op cit*, p. 178.

²⁷⁹Russell Lansbury and Mick Marchington, 'Joint Consultation and Industrial Relations: Experience from Australia and Overseas', *Asia Pacific Journal Human Resources* Vol. 31, No. 3 (Spring, 1993), p. 63.

²⁸⁰Ramsay argues that interest in industrial democracy in Britain, and he presumes the rest of the western industrial world, is cyclical. He traced the history of participation over a century and found that participation had not evolved from the humanisation of capital but rather had coincided with times when management had faced a challenge to its authority. Employee participation was a means to secure labour's compliance. See Harvey Ramsay, 'Cycles of Control: Worker Participation in Sociological and Historical Perspective', *Sociology* Vol. II, No. 3 (1977), pp. 481-506.

technological change set by European states. In the main, technological change was introduced without consultation and where employee participation was introduced it tended to be pseudo-participation, characteristic of a strategy for organisational maintenance and job satisfaction. By the end of the 1980s, industry restructuring, technological change and the requirements of flexible production motivated a new workplace culture incorporating a more genuine employee participation. Employee participation in this instance was characteristic of a strategy for organisational renewal and quality of working life. Consultative management tended to be the model of participation, a development facilitated by award restructuring and various other measures of workplace reform.

Concern for workers' democracy in Australia began in the early 1970s, with some companies developing industrial democracy experiments²⁸¹ and activists such as Fred Emery developing employee participation models.²⁸² Industrial democracy however was limited, prompting a visiting American industrial expert to observe '...the concept of workers' participation in management is less developed in Australia than in any other Westernised country in my experience'.²⁸³ Unions were reluctant to divert their energies away from traditional areas pertaining to wage earner security and in any event were suspicious of industrial democracy, seeing it as a means for increased management control over the shop-floor and a threat to their own

²⁸¹Peter Botsman, 'Rethinking the CLASS struggle: Industrial Democracy and the Politics of Production', *Economic and Industrial Democracy* Vol. 10 (1989), p. 131.

²⁸²Other Australian activists involved in industrial democracy since the 1970s were, among others, Max Ogden, Peter Robson, Neil Watson and Richard Gough.

²⁸³Cited in M. Derber, 'Cross Currents in Worker Participation', *Industrial Relations* Vol. 9, No. 2 (February, 1970).

position.²⁸⁴ The unions stressed the difference between these limited schemes and genuine projects for industrial democracy, where there was a real transfer of power and rights which could not be over-ridden by management prerogative. For their part, Australian business leaders were slow to appreciate the benefits of employee participation for themselves and management. Lacking the experience of tripartite consultation found in the Scandinavian states and West Germany, business leaders adhered to centralisation of control and argued that workers' democracy would increase trade union power and threaten the employers' position. With the introduction of new technology into the workplace in the 1970s, management in Britain, USA,²⁸⁵ and Australia reacted to the change brought about by 'market forces'. New technology was introduced in a piecemeal fashion, designed simply to reduce labour costs.²⁸⁶ Unions were rarely consulted over the introduction of new technology and work practices. For their part, unions focused on the 'redundancy potential of technological change'.²⁸⁷

²⁸⁴See for example, ACTU, *Decisions of the Australian Congress of Trade Unions*, Sydney: 12-16 September 1977, pp. 20-2.

²⁸⁵By any standard workplace democracy in the USA is still relatively limited. There are two types of so-called worker participation in America—collective bargaining which is union and management bargaining for contracts of employment, based on adversarial lines; and cooperative programs or QWL programs which usually operate on a department or unit basis, functioning within well-defined limits. Typically, there is no formal procedures for employee participation; it being regarded as a fundamental prerogative of management with its implementation and use occurring at the discretion of individual managers. See Teresa M. Harrison, 'Communication and Participative Decision Making: an Exploratory Study', *Personal Psychology* Vol. 38 (1985), p. 94. Cooperative work schemes with an emphasis on worker control and decision making are far from the norm in America (Gold, *op cit*, p. 49).

²⁸⁶P. Ewer, W. Higgins and A. Stevens (eds), *Unions and the Future of Australian Manufacturing* (Sydney: Allen and Unwin; 1987), pp. 26-51.

²⁸⁷Raymond Markey, 'Australian Trade Unions and Workers' Participation in Technological Change' in Kevin P. O'Kelly, Chris Jecchinis and Edward L. Zammit (eds), *Employee Participation in the Introduction of New Technologies: a Global Comparative Study*, unpublished draft, p. 2.

Employee participation schemes that were introduced in the 1970s, were part of a 'strategy for organisational maintenance and job satisfaction'.²⁸⁸ The objective was maintenance of the *status quo* and a more committed and productive workforce. The job satisfaction strategy was a managerial, as opposed to a union, concept of participation, that was largely ameliorative in response to productive inefficiencies, rising wastage and signs of worker dissatisfaction.²⁸⁹ The schemes were essentially job enrichment schemes and represented a limited Human Relations School approach to employee participation,²⁹⁰ comprising quality circles, job enlargement and job rotation. The strategy allowed management to control restive workers psychologically and increase the productivity of their labour.²⁹¹ Added benefits were the better use of human resources, through

²⁸⁸Alastair Crombie, 'Industrial Democracy—Job satisfaction or Social Transformation' in Robert L. Pritchard (ed.), *Industrial Democracy in Australia* (Australia: CCH, 1978), pp. 61–71. Crombie identifies three strategies for employee participation; organisational maintenance and job satisfaction; organisational renewal and the quality of working life; and social transformation and the quality of working life. Of the three strategies, only organisational maintenance and organisational renewal are operational in Australian industry. The social transformation strategy views workplace participation as a right and belongs to the ideological industrial democracy debate that began in the nineteenth century. The transformation strategy linked employee participation with questions of social justice and equity and a view of the good life. Marxists, Syndicalists and Anarchists called for the transformation of society through workers taking over the means of production, while less radical Guild socialists proposed a functional socialist society with industrial democracy at its base. The focus is the transformation of the 'species'. The AMEWU is known to have held such views at one time.

²⁸⁹Hon. Ian Macphree, 'Productivity and Employee Participation', *Address to the Institute of Personnel Management* (31 August, 1978), p. 2. By the end of the 1960s mass production industries in Western Europe, USA and Australia were suffering increasing rates of defective products and waste, worker alienation and unrest. The response was job enrichment schemes. Lever Tracy, *op cit*, pp. 181–82, H. Beynon, *Working for Ford* (London: Penguin, 1973) and D. Marsden et al., *The Car Industry* (London: Tavistock, 1985), p. 40.

²⁹⁰The much publicised Hawthorne experiments at the Western Electrical Company showed that workers who perceived that the employer was interested in their work responded with significant increases in productivity. The findings underpin the Human Relations School of management. Many managers have narrowly interpreted the findings by relying on management practices that make workers feel that they and their work are important.

²⁹¹Interview Paul Matters, Secretary South Coast Labour Council, second interview, 2/7/94.

the appropriation of employee intelligence,²⁹² and a more harmonious workplace through a more ready acceptance of decisions by participating employees. The job enrichment strategy of employee participation was a covertly instrumental and token form of power sharing.²⁹³ Employers continued to maintain control by traditional methods of discipline and rewards,²⁹⁴ with subsequent employee scepticism and loss of enthusiasm for participatory schemes.²⁹⁵

There were several structural reasons for Australia's failure to introduce more genuine forms of participation. First, Australian management in the 1970s tended to traditional Taylorist management principles.²⁹⁶ These were antithetical to notions of genuine information

²⁹²James Rinehart, 'Appropriating Workers' Knowledge: Quality Control Circles at a General Motors Plant', *Studies in Political Economy* No. 14 (1984), pp. 75-97.

²⁹³Braverman, writing in 1974, saw employee participation as a gloss to Taylorism and an attempt to reinforce and extend the real subordination of labour. Participation served capital by increasing productivity and efficiency. See H. Braverman, *Labor and Monopoly Capital* (New York: Monthly Review Press, 1974).

Based on his observations of two QWL programs, one at Progress Motors and the other at Universal Electric in the United States, Wells argues that QWL programs are a tool used by management to persuade workers to adjust to their own subordination. Wells argues that 'instead of paving the way for work democracy QWL undermined the workers' already vulnerable position, enhancing management domination both on the job and at the bargaining table'. He found that QWL programs only served to weaken worker solidarity and militancy and threatened the legitimacy of unions. See Donald Wells, *Empty Promises: Quality of Worklife Programs and the Labour Movement* (New York: Monthly Press Review, 1987), p. 101.

Ramsay argues that employee participation is a means used by management to secure workers' compliance. It is management's way of forestalling a challenge to their authority by making an apparent concession to a share in power by the workers. In effect, workers are harnessed via their representatives to support management's goals. See Ramsay, 'Evolution or Cycle? Worker Participation in the 1970s and 1980s' *op cit*, p. 206.

²⁹⁴R. Callus, 'Unions in Organisational Decision Making: the Case of the Sydney Water Board' in Davis and Lansbury, *op cit*, p. 93.

²⁹⁵E. Davis and R. Lansbury, 'Consultative Councils: the cases of Telecom Australia and Qantas Airways Ltd.' in DEIR, *Department of Industrial Relations Seminar* (Canberra: AGPS, 1987), p. 61.

²⁹⁶Claire Williams found a 'neo-Taylorist' attitude to employee participation in her study of two Queensland mines during the seventies. There were many examples of management's resistance to workers' suggestions and poor communication between management and workers.

sharing, consultation and employee participation. As implemented in practice, Taylor's 'scientific' management sought to reduce work into fragmented tasks and to concentrate all the craft and tacit knowledge of the shop-floor in the hands of management. Only management knew 'the best way' of doing the task.²⁹⁷ Consultation with the shop-floor was anathema, with employees involvement in decision making viewed as the worker's way of avoiding work.²⁹⁸ And with management being privy to the best way of doing things, the shop-floor had nothing to offer in the way of suggestions in any event. Of course, for Taylorism to work there had to be some element of active cooperation by and integration of the workforce, a view extrapolated by Taylor's revisionists.²⁹⁹ But the job enrichment strategy for employee participation meant employers need have no belief in the capacity of their employees for initiative or leadership³⁰⁰ and could retain

Proposals for improvements to various jobs and particular equipment from workers via their union officials were only implemented after threat of strike. See Claire Williams, *Open Cut* (Sydney: George Allen and Unwin, 1981), p. 53. Pearson points to mechanistic Australian managers in the 1990s, who lack the ability or enthusiasm to recognise and adapt to the changing responsibility and skill requirements attendant on new technology. See C.A.L. Pearson, 'Workshop Reform and Implications for Productivity', *Asia Pacific Journal Human Resources* Vol. 31, No. 2 (Autumn, 1993), p. 88.

²⁹⁷Braverman, *op cit*, pp. 86-7.

²⁹⁸Taylor assumed *a priori* that workers' suggestions were not worthy of consideration, merely being devices to avoid work.

²⁹⁹For a revision of Taylor's views on employee participation see, among others, Daniel Nelson (ed.), *A Mental Revolution: Scientific Management Since Taylor* (Ohio: State University Press, 1992), Hindy Lauer Schachter, *Frederick Taylor and the Public Administration Community: A Reevaluation* (New York: State University of New York Press, 1989) and Chris Nyland, *Reduced Worktime and the Management of Production* (Cambridge: Cambridge University Press, 1989).

Taylorism first came under attack as early as the period of the first world war, when the results of the Watertown Arsenal affair which led to congress banning stopwatch and bonus systems in government contracted work. This was followed in England, in the 1920s and 1930s, by B. Seebohm Rowntree, Elton Mayo and Mary Parker Follett who softened Taylorist principles with a more 'human' approach (the Human Relations School) and G.D.H. Cole who argued for workplace democracy as the basis for functional socialism (see chapter one). See C.A. Horn, 'Roots: the Pioneers 1918-1939', *Management Services* Vol 35, Part 2 (February, 1991).

the Taylorist tradition to under-estimate the value of workers' contributions in decision making.

The second structural factor in Australia's slow adoption of more genuine forms of employee participation was the Arbitration Court. The Arbitration Court was reluctant to become involved in issues concerning managerial prerogative, so that it and the High Court essentially upheld the master-servant relationship between employer and employee.³⁰¹ A third factor was lack of national unity regarding the issue. The federal system of government and the division of government responsibility in industrial relations issues limited the development of a national program for consultation over technological change. And the Liberal/National governments consistently opposed legislation for industrial democracy or employee participation at the enterprise level, preferring a voluntary job enrichment approach, such as employee share ownership.³⁰²

A final structural factor was that Australia lacked industry based unions. Instead it had a large number of occupational and some conglomerate-general unions of varying sizes, often with poorly developed and poorly resourced workplace organisation. In any event, the union movement was divided over the issue of industrial democracy until 1977 when the ACTU adopted a comprehensive policy on industrial democracy. Generally support for employee participation by the union movement was minimal, demonstrated at the ACTU's Federal Unions' conference on technological change in 1981 when only nineteen unions outlined specific

³⁰⁰R.E Miles, 'Human Relations or Human Resources?', *Harvard Business Review* Vol. 43 (April, 1965).

³⁰¹The master-servant relationship between employer and employee underlies the common law contract of employment. The employer has the legal power to command and the employee has a legal duty to obey. This supports management prerogative.

³⁰²As late as the federal elections of 1987, John Howard continued to espouse employee shareholder schemes as a token effort towards employee participation.

policies covering the introduction of technological change. And most were defensive policies, emphasising wages and redundancy rather than proactive attempts to intervene in the planning stages. There were a few isolated examples of unions with comprehensive consultation policies for technological change. The two leading examples were the Australian Telecommunications Employees' Union (ATEU) representing Telecom technicians and the NSW Public Service Association described above. The ATEU participated in a Joint Consultative Council to develop an agreement about the process to be followed with relation to technological change, including field trials with new technology. Other less successful examples of unions with developed technology policies were the Administrative and Clerical Officers' Association in the federal public service, the Australian Bank Employees Union and the Commonwealth Bank Officers' Association in the banking industry. These unions were involved in Joint Councils to discuss technological change issues. Generally, however, during the 1970s the implementation of consultative procedures in Australian workplaces was minimal. This was largely attributed to the lack of union involvement³⁰³ as many in the union movement viewed industrial democracy as an 'industrial blancmange'.³⁰⁴

Interest in employee participation was evident during the late 1970s. In 1978 an international congress on industrial democracy was held in South Australia. Policy statements on the subject were developed by the Commonwealth Government, the ACTU and the Confederation of Australia Industry (CAI).³⁰⁵ The government announced its policy on

³⁰³Crombie, *op cit*, p. 47.

³⁰⁴W. J. Kelty, 'Industrial Democracy within the Concept of the Social Wage' in DEIR Seminar, *op cit*, p. 25.

³⁰⁵DEIR, *Commonwealth Government's Policy on Employee Participation* (Canberra: AGPS, 1978), ACTU, *Decisions of the Australian Congress of Trade Unions* (Melbourne: September,

employee participation in June 1978. Its main thrust was to assist employers and employees to develop work arrangements jointly, leading to an improved quality of work-life for employees and a more effective use of resources. Employee participation embraced information sharing, work reorganisation, joint consultation, joint decision making and self-management. The government, ACTU and CAI came together at a national level to form the National Employee Participation Steering Committee (NEPSC). The work of the council was directed towards implementing the Commonwealth Government's policy on employee participation, through encouragement and education. The council also advised the government on policies, techniques and programs as the need arose. Advisory services, research, training, information exchange and policy development at the national level began under the auspices of the Commonwealth Department of Science and Technology. And the Trade Union Training Authority began industrial democracy courses for trade unionists. The NEPSC argued that employee participation should develop on a 'voluntary basis, in response to social and community needs, with each enterprise being best equipped to decide what form(s) of employee participation is best for it.'³⁰⁶ The South Australian government under Don Dunstan addressed employee participation practically, by legislating to facilitate workplace democracy and experiments in employee participation schemes within the public service.

In 1980, an Australian government enquiry went part-way towards acceptance of the 1979 ACTU policy on technological change.³⁰⁷ Among many, one policy sought national, industry and corporate planning in

1979) and Confederation of Australian Industry, *Involving Employees in the Enterprise (Workers Participation): A Guide for Employers* (Melbourne: The Confederation, 1978).

³⁰⁶National Employee Participation Steering Committee (NEPSC), *Employee Participation—a Broad View* (Canberra: AGPS, 1979), p. 5.

³⁰⁷ACTU, *Congress Minutes*, 7th session (13th September, 1979), pp. 138–47 cited in Raymond Markey, *Employee Responses to Technological Change in State Employment: A Case Study of the New South Wales Public Service* (Riverina: Riverina-Murray Institute Press, 1988), p. 33.

consultation with unions. The Liberal/National Party government at the time, ignored all of its recommendations. But, there was some implementation of ACTU policy by the Labor government in 1983, with the establishment of a tripartite Occupational Health and Safety Commission, promotion of industrial democracy and retraining initiatives.

The election of the Hawke government in 1983 created renewed interest in joint consultation. Mr Hawke supported the concept of voluntarism,³⁰⁸ espoused by the NEPSC, with legislation under the auspices of the Prices and Incomes Accord between the Labor government and the ACTU to facilitate rather than enforce joint employee-management consultation (the broader aspects of the Accord are discussed in chapter four). The Accord document committed the government and the union movement to employee participation, with a clause directed to the promotion of industrial democracy in industry.³⁰⁹ And the Public Service Reform Act of 1984 where it related to the development, implementation and review of industrial democracy plans reaffirmed the government's commitment to industrial democracy. In 1984 a gradualist policy of encouraging voluntary participation schemes in the public and private sector was implemented by the federal government. This policy involved wide consultation and the publication of a series of information booklets describing various successful Australian case studies in industrial democracy. It was supported by a Department of Employment and Industrial Relation's Seminar, *Industrial Democracy and Employee Participation*, Melbourne in August, 1984.

The Accord committed the federal government to involve unions in economic, industry and social policy making, and the National Economic

³⁰⁸Bob Hawke cited in NEPSC, *op cit*, p. 7.

³⁰⁹See Russell Lansbury and Edward Davis, 'The Hancock Report and Industrial Democracy' *Journal of Industrial Relations* Vol. 27, No. 4 (December, 1985), pp. 544-54.

Summit. This and other tripartite bodies, like the industry councils,³¹⁰ which were instigated or revived by the incoming Labor government in 1983, provided consultative experience at the national level. The consultative bodies also provided a model for workplace consultation. Information sharing and consultation³¹¹ became the preferred method of employee participation and consultative councils and issue based participation, for example health and safety committees (OH&S), the most popular model. OH&S committees have developed rapidly since legislative reform in most states. There has been little resistance by unions or management to these committees, with considerable evidence to suggest their operation provided incentive for introducing a joint consultative committee in the workplace.³¹²

A change in direction of the courts occurred in 1984, which had a long-term positive impact on employee participation. The Arbitration Court's ruling on the ACTU's job protection case required employers to consult with employees and their representatives on those changes in production organisation and technology, which were likely to significantly effect employees.³¹³ This represented a significant shift in direction for the Arbitration Court. Likewise, at the state level of arbitration, the High Court's ruling in August 1984 to uphold the Victorian Industrial Relations

³¹⁰The Jackson Report, a federal government green paper called *Policies for development of manufacturing industry*, in arguing for industry restructuring in Australia, provided a model for an integrated tripartite approach in the form of industry councils and shop-floor participation. In response, the incoming Labor government established eleven industry councils under the framework of the Australian Manufacturing Council.

³¹¹The sharing of information was seen by the NEPSC as fundamental to employee participation. Hence their support for consultative techniques such as consultative councils, where the views of employees and/or their unions are made known.

³¹²Marchington and Lansbury, *op cit*, p. 66.

³¹³J.E. Isaac, 'Industrial Democracy in the Context of Conciliation and Arbitration' in Russell Lansbury (ed.), *Democracy in the Workplace* (Melbourne: Longman Cheshire, 1980). Isaac points to a scant list of prescriptions which could be said to provide forms of employee participation (*ibid*, pp. 42-8).

Commission's ratification of a clause in the Commercial Clerks' Award requiring 'extensive consultation' between employers and employees before the introduction of technological change in the workplace.³¹⁴

Despite interest in employee participation at the national level, the Accord's commitment to promoting it, and the IRC's change of direction very little actual reform occurred. By 1986 the Australian workplace remained excluded from critical decision making; a view affirmed by the Government's 1986 Discussion Paper *Industrial Democracy and Employee Participation*. It cited 'little evidence of widespread application of employee participation and only a few examples of genuine worker influence on major decisions making'.³¹⁵ Any workplace reform that was occurring tended to be quality of work life schemes and job redesign.³¹⁶ The majority of workers believed they exerted very little influence in the workplace.³¹⁷

Then, in 1987 the publication of the ACTU/TDC document *Australia Reconstructed*,³¹⁸ marked a change in union movement direction to strategic unionism. The document expressed a willingness to embrace multi-skilling and improved work practices within a productivity bargaining framework and to restructure the union movement on more of an industrial basis to facilitate such changes and consolidate union resources. The Metalworkers' union took the lead in promoting a proactive role in structural and technological change, evidenced by the

³¹⁴Lansbury and Davis, 'The Hancock Report and Industrial Democracy', *op cit*, p. 54.

³¹⁵Department of Employment and Industrial Relations, *Industrial Democracy and Employee Participation* (Canberra: AGPS, 1986), p. 7.

³¹⁶Robert Drago and Mark Wooden, 'The Determinants of Participatory Management', *British Journal of Industrial Relations* Vol. 29, No. 2 (1991), p. 177. Drago and Wooden conclude that many firms offered low-level participation programs which deflected employee interest away from higher level management issues (*ibid*, p. 195).

³¹⁷Mark Wooden, 'Employee Participation—A Practical Guide', *Australian Bulletin of Labour* Vol. 16, No. 2 (June, 1990), p. 94.

³¹⁸ACTU/TDC, *Australia Reconstructed* (Canberra: AGPS, 1987).

negotiated Metal Trades Award in 1988, which reduced the number of trade classifications from 250 to six and various industry agreements negotiated at the regional or plant level involving training, changed work practices and investment targets.³¹⁹ In 1988 the ACTU and the CAI published a joint statement on participative practices³²⁰ and the government initiated the *Draft National Technology Strategy* in consultation with the unions and employers.³²¹ The strategy included a section on the need for consultation with unions and employees over technological change in the workplace. Award restructuring, which began in 1987 with the two-tiered system followed by the adoption in 1988 of the structural efficiency principle, marked further steps in the Industrial Commission's (formerly the Arbitration Court) new direction begun in 1984. Its ruling that employees be consulted on production issues opened up the potential for employee participation. The requirement had a flow on effect in industry as new awards were concluded.³²² In 1988, the federal government believed 'the climate to be conducive to employee participation'.³²³ Increased competitiveness, a wider recognition of the benefits of employee participation, the consultative and consensus experience of the Accord, the role of industrial health and safety committees in providing a focus for the application of participative principles and equal employment legislation

³¹⁹M. Ogden, 'Industrial Democracy and New Management Techniques in the Australian Metal Industry', *Journal of Australian Political Economy* No. 23 (October, 1986), pp. 37-43.

³²⁰CAI/ACTU, *Joint Statement on Participative Practices: a Co-operative Approach to Improving Efficiency and Productivity in Australian Industry* (Canberra: AGPS, 1988).

³²¹A further government publication Department Industrial Relations, *Working Together: why employees should have a greater say at work, and how to bring about that change* (Canberra: AGPS, 1989).

³²²M. Rimmer and C. Verevis, *Award Restructuring: Program at the Workplace* Industrial Relations Research Centre, Monograph No. 2 (Canberra: Department Industrial Relations, 1990).

³²³Department of Employment and Industrial Relations, Discussion Paper (1988), pp. 71-6, cited in Wooden, 'Employee Participation-A Practical Guide', *op cit*, p. 95.

were listed in support of this belief. The impetus provided by award restructuring could be added to this list.

At the end of the decade, the opening up of Australian industry to global competition gave impetus to technological and organisational change in Australian workplaces and as Ralph Willis had predicted in 1986,³²⁴ impetus to employee participation. The requirements of modern competitive markets and technology highlighted the contradictions and inadequacies of 'traditional' Taylorist management principles.³²⁵ If workers were to accept new technology and new work practices workers must be given a say in initiating and organising them. The new technology demanded participatory work methods, worker flexibility, worker responsibility, autonomy and skill formation, which in turn demanded joint management-employee consultation.³²⁶ Failure to recognise this was costly, demonstrated by the General Motor's case in USA.³²⁷ The increasing cost of capital made minimal breakdowns and stoppages and an escalated speed of throughput an imperative. Such implied an increasing complexity of production process and required operators with versatile skills, and the motivation for cooperative and responsible work performance. The importance of quality and flexibility to competitiveness required increasing numbers of indirect workers employed in planning, preparation, organisation, maintenance and quality control which added to employer's

³²⁴In 1986 Ralph Willis argued that industrial democracy was likely to become a bigger issue as advances in technology required consensus for their implementation in the workplace. See Willis, *op cit*, p. 238.

³²⁵M.J. Piore and C. Sabel, *The Second Industrial Divide* (New York: Basic Books, 1984).

³²⁶Jacques Rojot, 'Employers' Response to Technological Change' in Alan Gladstone et al., *Current Issues in Labour Relations: An International Perspective* (Berlin and New York: Walter de Gruyter, 1989), p. 39.

³²⁷General Motors' failure to consult with their shop-floor over technological change in 1986, resulted in expensive failures of robotic processes, lost production and profits (Botsman, *op cit*, p. 127).

costs. Management began to realise that shop-floor employees could perform some of these tasks, strengthening the Industrial Commission's agenda for waged employee training, multi-skilling and career paths.

In the late 1980s, as business leaders viewed employee participation as the vehicle of industry reform³²⁸ and the inevitable result of workplace change,³²⁹ a new workplace culture and a more genuine employee participation as part of a strategy for organisational renewal became evident in some Australian workplaces. Like the organisational maintenance strategy, organisational renewal was a Human Relations School and an instrumental strategy for participation. But the growing awareness by some managers, that the traditional means of control no longer applied in an internationally competitive and technological world, motivated management to widen the scope of employee participation from tokenism to more genuine forms of employee participation. Unlike the organisational maintenance strategy, which incorporated peripheral job enrichment schemes, organisational renewal was an organisation-wide participation program. While the program was the initiative of management, there was a deliberate attempt to cultivate unity in the enterprise; a concerted action was required in the struggle to survive in a competitive and changing world. This 'unitary view' included union involvement. Industrial harmony, commitment and loyalty, satisfying work and improved communications were secondary objectives of the strategy. Unlike the maintenance strategy approach to workplace participation, the organisational renewal strategy recognised the capacity of their employees for initiative and leadership. The new workplace culture

³²⁸Bryan Noakes, 'Realising employee potential and commitment: the CAI on employee participation', *Work and People* Vol. 13, Nos 1 & 2 (1988), p. 19.

³²⁹Stan Wallis, 'Reforming the workplace; employee participation and industrial development', *Work and People* Vol. 13, No. 1 & 2, (1988), p. 29.

incorporating employee participation in a consultative structure as it applies to the Steelworks and WGE is an organisational renewal strategy. This is demonstrated in chapter five.

In pointing to the competitive requirements of organisational and technological change as catalysts for the change in approach to the role of unions and participative schemes, it should not be assumed that management and workers were passive in the face of technological determinism.³³⁰ Choice of outcomes in work organisation associated with technological change must be recognised.³³¹ Management can opt for different strategies, choosing to be sensitive to union demands for the inclusion of labour in the process of innovation or choosing to impose innovation with traditional management methods of monetary reward. And the influence of factors whose origins lie outside the workplace³³² must be recognised. For example, the increasing living standards, expansion of formal education and the decline of authoritarian patterns of child-rearing³³³ have strengthened employee expectations concerning their rights and opportunities to determine their own working conditions. Employers who are not prepared to meet these expectations by offering more challenging jobs and internal career paths, not to mention some degree of self-determination and consultation, cannot expect to acquire a committed and motivated workforce. Intervention by workers, through unions and state intervention on their behalf, have strengthened the pressures for

³³⁰Braverman assumed worker powerlessness to impose modifications upon management-inspired changes to the organisation of work (H. Braverman, *op cit*).

³³¹E. Rhodes and D. Wield (eds), *Implementing New Technologies: Choice Decision and Change in Manufacturing* (Oxford: Blackwell, 1985), pp. 319–99.

³³²Stephen Frenkel and David Weakliem, 'Worker Participation in Management in the Printing Industry', *Journal of Industrial Relations* (December, 1989), p. 495.

³³³Wooden points to the decline in authoritarianism in favour of greater democracy in the home and at schools (Wooden, *op cit*, p. 95).

change to a reformed workplace culture.³³⁴ Instances of union intervention are: the ACTU's role in award restructuring and in promoting a more thorough-going employee participation, together with union restructuring to facilitate a new workplace culture. Instances of government intervention include: its promotion of employee participation in the workplace through the NEPSC; publications and seminars; legislation for employee consultation in the public sector and OH&S committees in the public and private sector. Government programs include: Australian Best Practice Demonstration Program, labour market structural adjustment assistance and its workplace reform program to facilitate the adoption of a new workplace culture. The ALP government's commitment to and example of consultation at the national level must also be a recognised factor of influence external to the workplace. Finally, the form and effectiveness of participation relies on management style, such as the degree of openness and on the extent of union involvement and control over the organisation of work.

Only a few workplaces adopted a new workplace culture, with an overall adoption of employee participation continuing to be slow.³³⁵ The *Australian Workplace Industrial Relations Survey* (AWIRS) in 1990,³³⁶ showed that in general, consultation about workplace changes affecting

³³⁴Markey, *Employee Responses to Technological Change in State Employment*, *op cit*, p. 21.

³³⁵Australia's continued lack of enthusiasm for employee participation is at odds with the European community. A Draft European Community Statute, November 1990, contained proposals for mandatory employee participation. To register as a European company, companies must adopt one of three participatory models; German, Italian/Franco or Swedish. The issue has yet to be resolved by the European Community, but a number of prominent transnational companies have established European-style works' councils on a voluntary basis. See M. Hall, 'Legislating for Employee Participation: A Case Study of the European Works Council Directive', *Warwick Papers in Industrial Relations* No. 39 (Warwick: University of Warwick Industrial Relations Research Unit, 1990).

³³⁶Ron Callus, Alison Morehead, Mark Cully and John Buchanan, for the Commonwealth Department of Industrial Relations, *Industrial Relations at Work, The Australian Workplace Industrial Relations Survey* (Canberra: AGPS, 1991).

employees and information sharing with unions or employees was not practised regularly in the majority of workplaces. Consultation was more evident in the public sector than the private, with ad hoc committees and joint consultative committees the most favoured means: 43 per cent and 28 per cent of public sector workplaces respectively. The greater frequency of consultative committees as the form of participation in the public sector was indicative of Labor government support. Apart from Occupational Health and Safety Committees, only 9 per cent of workplaces employing more than twenty people in the private sector had standing joint Consultative Committees. And here, management's most common objective in Consultative Committees was to improve productivity or product quality; not decision making purposes.³³⁷ The reliance in the private sector tended to be on informal means such as a 'daily walk around' by management and informal meetings: 86 per cent and 65 per cent respectively. Joint Consultation Committees were more likely to be found in unionised workplaces, more common in multi- than single-establishment organisations and in certain industries such as public administration, community services, and electricity, gas and water. In summary, the AWIRS showed that although the implementation of employee participation continued to be slow in Australian workplaces, joint consultation was the most common means of employee participation in the public sector and the most common means of formal participation in the private sector. A 1992 survey found, that even though it was difficult to establish the degree of waged employee influence, respondents were generally very positive about the operation of the Consultative Committee

³³⁷*ibid*, p. 126.

at their place of work.³³⁸ Consultative management thus appears to be an appropriate model of employee participation to study participatory relevant developmental consequences on the grounds of its commonality and meaningfulness to participants.

IV Conclusion

In this chapter I have fulfilled two prerequisites for an examination of Pateman's thesis. I have reviewed the literature suggesting one: the probability of a link between employee participation, developmental consequences and participation in socio-political life outside the workplace and two: an appropriate model of employee participation on which to base my study of Pateman's claims. Having found consultative management to be an appropriate model in the current Australian circumstances, I described its development in Australia. Such laid the groundwork for a description, in the ensuing chapter, of the political economic framework in which consultative management was adopted in some Australian business enterprises and in which Pateman's thesis will be examined. Importantly, the development of consultative management in Australia was shown to be part of a survival strategy for organisational renewal and as such made consultative management more than a token model of employee participation.

In my review of the literature I found studies linking quality of work schemes incorporating some degree of self-determination, participatory relevant psychological and personality orientation changes and social and political activity outside the workplace. When I considered the studies in combination, a link was suggested between employee participation and developmental consequences in the form of psychological, behavioural and

³³⁸Mick Marchington, 'The Practice of Joint Consultation: A Preliminary Analysis of the AWIRS Data', *ACIRRT Working Paper No. 21* (Sydney: ACIRRT, 1992).

attitudinal changes and enhanced socio-political life in the form of involvement in voluntary associations and political life; all of which are commensurate with the development of a democratic personality. Elden's was the only study specifically to address Pateman's thesis. Elden demonstrated a link between workplace autonomy and 'politicisation': the prerequisite of empowerment. His study of autonomous work groups demonstrated correlations between a more autonomous form of work organisation and developmental consequences in the form of personal development, enhanced teamwork, organisational commitment and commitment to the participatory process. Like me, Elden was interested in the social developmental consequences of employee participation rather than the strictly political consequences couched in the terminology of Pateman's thesis. He sought correlations between workplace autonomy and extra-workplace activities such as free time allocated to community service and leisure organisations. Due to restrictions placed on his examination of workers' socio-political lives, however, Elden was not able to make significant correlations between workers' decision making inside the workplace and social developmental consequences outside. But, importantly for my study, he was able to suggest a link. In a later study of socio-technical systems Elden argued for the importance of the empowering process rather than the empowering structures of participation.

My review of the various structures of employee participation revealed few to be ideal. In most cases managers and workers did not have equality of influence and status in decision making; that is, most lacked parity in the decision making process. For example, in the European co-determination models, unions did not have equal influence with employers in decision making and even in the Yugoslav participatory model that Pateman is enamoured of, the requirements of technology and competition meant managers controlled decision making. Moreover, low wages meant

exploitation of the Yugoslav workers. Exploitation was a factor that made the employee owned and managed workers' cooperative models I reviewed less than ideal. Here there was parity in decision making, but the needs of enterprise survival meant worker-owners worked long hours for little pay. Such exploitation coupled with enterprise failure or coupled with government dependency and ultimate withdrawal of government funding made workers' cooperatives a dis-empowering experience. Dynavac, David Power, John Lewis and the Mondragon experience were exceptions to the failure of workers' cooperatives, but there was some doubt as to the fully democratic nature even of these models. Exploitation and lack of parity made semi-autonomous work groups, exemplified in the Japanese Toyota production system as quality circles, a dis-empowering experience for workers.

Consultative management, too, lacked parity in decision making, because workers merely provided in-put into decisions ultimately made by management. Relatively speaking, however, I found consultative management an acceptable model to study the participatory relevant developmental consequences. Granted it was less than ideal, but as I will argue below, where unions are involved, provided they are well resourced and informed, there is potential for consultative management to be the empowering process called for by Elden. Moreover, I found consultation to be the model of employee participation in the Australian public service and quangos and to be the model adopted by those Australian business enterprises undergoing renewal.

An overview of the development of consultative management in Australia, however, showed the adoption by Australian managers of even token forms of employee participation to be slow, with limited beginnings in the 1970s of job enrichment schemes and token participation. Industry restructuring during the 1980s and the opening of the Australian economy

to global influences and competition at the end of the 1980s, motivated some Australian managers to adopt a new workplace culture involving genuine employee participation as an organisational strategy for renewal and job satisfaction. The model was consultative management, prompted by the national experience of bipartist and tripartist consultation, joint consultation in the public sector and legislated Occupational Health and Safety Committees in the public and private sector. The renewal strategy was supported by a Labor government committed to consultation at the national level and to promoting and facilitating joint consultation in the workplace. And these developments were supported by a change in direction of the arbitration courts.

But the adoption of consultative management did not occur in isolation or in a vacuum. It is to the political economic framework of consultative management, together with other factors that characterised a new workplace culture adopted in some Australian workplaces, that I now turn.

CHAPTER FOUR

THE POLITICAL ECONOMIC CONTEXT OF CONSULTATIVE MANAGEMENT

In the previous chapter I argued that consultative management was an appropriate form of employee participation with which to test Pateman's thesis and traced its development in Australia as part of a new workplace culture adopted in some workplaces. In order adequately to test the developmental consequences one needs to understand the political economic context in which consultative management operates and in which the developmental consequences may occur. Furthermore, one needs to be aware of changes at the shop-floor level other than consultative management which may have implications for employee empowerment. Hence my purpose in this chapter is to examine political economic issues that impacted on the workplace.

In this chapter I shall show that the Australian political economic culture was underpinned by two opposing principles; that of consensus and that of economic rationalism and changed from protectionism to one of openness. The ramifications of such change disadvantaged many, particularly those in the secondary labour force. And not all accepted the changes, while others argued that the pace of change was too slow. The change in political economic culture and the attendant restructuring, however, had implications for empowerment. Reforms not only opened up the potential for employee participation, the developmental consequences of which are described in chapter six, but reforms at the macro level in the award system, the unions and education all had profound effects on the shop-floor. Reforms at the shop-floor level also had

significant effects. Consultative management was only one of several techniques, that characterised a new workplace culture. Technologies such as continuous improvement, total quality control, buffer zone principles and computer assisted manufacture also had significant implications for empowerment at the shop-floor level. Because the focus of this thesis is empowerment, it means such factors cannot be ignored.

The focus of this chapter is the effects on the workplace of the change in political economic culture during the late 1980s and early 1990s. In this chapter I briefly describe the opposing rubrics of consensus and economic rationalism, the Accord, industry policy and the opening of the Australian economy. Such serves as a background for a more detailed consideration of those reforms at the macro-level which directly effected the shop-floor—namely union restructuring, education reforms and award restructuring—and an examination of the effects such reforms had on the shop-floor. Case studies from WGE and the Steelworks' Ironmaking Department are used as illustrations of the effects of restructuring.

I Political economic overview

There were two over-arching principles that influenced the change in political economic culture: consensus and economic rationalism or free-market liberalism. Economic rationalism guided structural reform in the latter part of the decade and a politics of consensus, exemplified in the Accord between the Labor government and the Australian Council of Trade Unions, facilitated reform implementation. The change in political economic culture included a change in state, business and union movement attitudes. State and business attitudes changed from an inward-looking protectionism to a more open free-trade culture, with some businesses opening up to international best practice and adopting a participatory rather than a confrontationalist attitude with unions. And

union movement attitudes changed from a reactive protectionism, concerned with wage earner security and distribution issues negotiated within a centralised system of arbitration, to a proactive strategic unionism, which included participation with management in production issues and wages negotiated at the enterprise level on the basis of productivity.

The Labor Party came to office at a time of economic malaise.²⁰⁶ Australia was experiencing the effects of the 1980–83 recession and slowing world trade. The effects of a serious drought and the highest current account deficit suffered by Australia since the Korean War, together with 11 per cent inflation saw unemployment exceeding 10 per cent. The confrontationalist policies of the preceding Fraser government also made it a time of national division.

The 1983 election campaign promised a Keynesian expansionist programme to address the unemployment effects of the 1980–83 recession. The promise was to fight inflation and unemployment simultaneously. With a larger than expected budget deficit for the financial year 1983–84, the government adhered to a quasi-Keynesian program. Policy was balanced between keeping inflation down by refusing to expand the deficit further and increasing employment, by allowing for a stimulatory budget. But by 1987, in the light of unfavourable trading figures and advice from treasury, the government's Keynesian expansionist philosophy became a more market oriented philosophy;²⁰⁷ that of economic liberalism commonly known as economic rationalism. Rather than create jobs by expanding the public sector, the aim became one to create jobs through a private sector recovery.

²⁰⁶In 1983, the Australian Labor Party won government with Robert Hawke as Prime Minister and Paul Keating as Treasurer. On 13th March 1993, the Labor Party, now under Paul Keating, won its fifth successive term in government.

²⁰⁷Matthew Eaton and Frank Stilwell, 'Ten Years Hard Labor', *Journal of Australian Political Economy* No. 31 (June, 1993), p. 89.

With regard to the second theme of the period, and in keeping with the objective of economic recovery, the aftermath of Fraser's confrontationalist policies were to be redressed by a policy of consensus and reconciliation. Under the incoming Hawke government, unions and business were to work together to restore the economic health of the nation. And all sections of the community were invited to work together, to restore the unity of the nation. The rhetoric of consensus, exemplified in the prices and incomes accord between the Labor Party and the ACTU (the Accord), was a particular feature of the Hawke government, to be reflected in some workplaces practising consultative management.

Under Mr Keating, the Accord and consensus remained, albeit the Accord now more in the form of a process than a compact and the rhetoric became one of reconciliation and nationalism: phrases such as *One Nation* and 'Australia's place in the world' were a feature. The rhetoric exemplified the change to an outward looking economy during the decade. Under Mr Keating, the tension between free-market doctrine and interventionism became apparent. And consensus was under threat. As the current account deficit proved recalcitrant, business leaders began to push and union leaders increased their push for state intervention to promote manufacturing growth and export. And, as the plight of the victims of restructuring and the recession became unacceptable, unions and welfare organisations pressed for a more collectivist approach to social issues. The doctrine of economic rationalism began to lose sway with the Labor government and the end of the decade saw a more mixed policy approach.

II Economic Rationalism

Economic rationalism assumes *homo economicus*. That is, the individual is motivated by self-interest and greed. It is a liberal view of human nature; that of competitive, atomistic individuals, with a concept of particular goods. Along with *homo economicus* goes a limited concept of the common good; that of the good as a public good operationalised as the sum total of individual goods based on individual preferences. Rather than a common good with transcendental qualities, it is an aggregate good, strictly utilitarian in nature. It is the instrumental or utilitarian concept of the good, that persuades policy makers to think in terms of cost benefit analysis. The result is anti-collectivist economic and public policies, illustrated in the effects of deregulation, the privatisation of the state owned instrumentalities and public service reforms. I argued in chapter two that it is the concept of a plurality of competing goods that links *homo economicus* with liberal democracy, as it is described by liberal pluralists, and allows it to sit neatly with an economic rationalist political economy.

Economic rationalism is based on the nineteenth century scientific view of a world in harmony and in equilibrium, like a smoothly running machine.²⁰⁸ It is purported to rest on classical economic tenets. But unlike the political economic theories of Adam Smith and David Ricardo, who held that specific institutional, social, political and historical factors were important in determining the development of any particular economy, economic rationalists claim a universal theory appropriate for all economies in all times.²⁰⁹ Thus, economic rationalism is just as appropriate

²⁰⁸Paul Omerod, *The Death of Economics* (London: Faber and Faber, 1994), p. 41.

²⁰⁹*ibid*, p. 42. Economists Friedrich Hayek, Milton Friedman and James Buchanan, writing in the 1970s, rejected state involvement and growth of the public sector. Chicago economists such as George Stigler, Harold Demsetz and Sam Peltzman argue against regulation, believing that state intervention and regulation of competition only breeds more powerful vested interests.

for the stable mixed economies of Britain, America and Australia as it is for the previously centralised economies of the states of the former USSR. And, unlike classical theorists, because economic rationalists view the world as an aggregate of individuals, they dismiss notions of class. Furthermore, unlike Smith, who argued for some government intervention in areas such the regulation of business practice and education,²¹⁰ economic rationalists argue that a market freed from government interference will operate rationally and the result will be an economy in harmony and equilibrium. Or to put it in more practical terms, *laissez-faire* markets are more likely to improve economic efficiencies,²¹¹ than planned economies. According to economic rationalism, state and the market are antagonistic to one another. The larger and more active the state the greater the impediment to market development. Idealistically, the state should provide the order and infra-structure for the operation of the market. Other than that, the state should only intervene in cases of market failure. The price mechanism, they argue, is a better regulator of social and economic intercourse than governments.

Thus, in the quest for small, non-interventionist government, economic rationalists advocate removal of protection for local industry from imports, deregulation (sufficient to allow free competition) of the financial sector, airlines, telecommunications and utilities such as water and electricity, the corporatising and privatising of government business and decentralisation of the labour market to enterprise bargaining. The

²¹⁰Smith argued that governments had to exist in order to prevent individuals acting against the common good. He argued that the state should hold a monopoly of the supply of money (*Wealth of Nations*, Book V) and for regulations to prevent business cartels and monopolies (Book I). Influenced by the Stoic sentiment of self-love (in its broad sense of self-development) and as a means to combat alienation, Smith also argued for state education. See Jerry Z. Muller, *Adam Smith in his Time and Ours: Designing the Decent Society* (New York: The Free Press, 1993), Chapter 3, pp. 39–62 and Chapter 11 pp. 140–153.

²¹¹Chris James, Chris Jones and Andrew Norton (eds), *A Defence of Economic Rationalism* (Sydney: Allen and Unwin, 1993), p. xxiii.

corporatising and privatising of government business is in keeping with the economic rationalist's 'crowding out' thesis, which states that a large public sector squeezes the money supply for business investment and growth. Governments should therefore rationalise their need for money by becoming more efficient, reducing their size and reducing public services, thus leaving more money and more 'room' for the private sector.

When Labor came to office, economic rationalism informed structural reforms in Britain under Thatcher and in the United States under Reagan. In Australia, the outgoing Liberal Party under John Howard (and later John Hewson) adopted economic rationalist tenets to guide its new policy formation.²¹² The 1980s 'represented the victory of the "economic rationalists"'.²¹³ The treasury headed by John Stone, held to economic rationalist principles. It advised the Labor government against any Keynesian expansionism and advocated cutting the deficit by reducing government expenditure instead.²¹⁴ Treasurer Paul Keating was particularly enamoured of the workings of treasury and his instincts coincided with the advice from Treasury.²¹⁵ And Mr Hawke appointed the anti-protectionist and pro-market economist, Ross Garnaut, as his economic

²¹²John Howard, *Future Directions with the Liberal Party* reflected both conservatism and free-market principles. It emphasised the family, the individual rights against the state and labour market deregulation. The main thrust of John Hewson's *Fightback! Taxation and Expenditure Reform for Jobs and Growth* (Melbourne: Liberal Party of Australia, 1991) was to shrink the state to the role of 'nightwatchman', privatise as many public services as possible, apply the discipline of market forces to all aspects of resource allocation and deregulate the labour market. The emphasis was on strengthening the individual against the state. A free-market maximised individual choice.

²¹³Hugh V. Emy, *Remaking Australia* (Sydney: Allen and Unwin, 1993), p. 31.

²¹⁴It is believed that reduction in the budget deficit is desirable because it supposedly allows for increased national savings and higher investment, leading to increased exports and greater employment opportunities. It is this chain of events that forms the basis of support from the labour movement for deficit reduction, even though this means reduced public expenditure and public employment. See Nazim Kadri Ekinci 'Political Economy of the Government Deficit', *Journal of Australian Political Economy* No. 31 (June, 1993), p. 142.

²¹⁵Paul Kelly, *The End of Certainty* (Sydney: Allen and Unwin, 1992), p. 59.

advisor. Why the Labor government accepted economic rationalist policies is a moot point.²¹⁶ Whatever the reason, the stage was set for the adoption of economic rationalist policies in the latter half of the decade.

However, an ideology that puts so much faith in the market as the vehicle to solve economic and social ills and an ideology that is based on competitive individuals could not ameliorate the condition of those disadvantaged by structural change during the decade. This is because 'a "free" market economy is based on inequality and is therefore incompatible with a social policy which ostensibly aims to achieve a degree of equality'.²¹⁷ And it is because the determination of price, as a function of supply and demand, requires a market of freely choosing individuals and competing conceptions of particular goods denies the possibility of a collective ethos. As the decade progressed, compensation for those disadvantaged by structural change did not keep pace with the consequent growing numbers of unemployed and those living on or below the poverty line. So while economic rationalism purported to enshrine the freedom of the individual, its attack on collective social responsibility²¹⁸ actually worked to reduce freedom, marginalising and dis-empowering a growing number of disadvantaged. By 1991-92, however, economic rationalism began to be tempered by a social justice agenda. In Prime Minister Keating's *One*

²¹⁶Yeatman argues for a 'new classing' of the public service and the Labor Party, that of neo-conservatism. Over the last two decades the social composition of the labour movement leadership has radically changed. The Labor leadership, much of the rank and file, the ACTU leadership, researchers employed by the unions, and the leadership of the white collar unions are drawn from the new class. This phenomenon may explain Labor's readiness to adopt an economic rationalist agenda. See Anna Yeatman, *Bureaucrats, Technocrats, Femocrats* (Sydney: Allen and Unwin, 1990), p. 58. Capling and Galligan canvas several other theories. See Ann Caplan and Brian Galligan, *Beyond the Protective State* (Cambridge: Cambridge University Press, 1992), pp. 123-26.

²¹⁷Adam Jambrozik, *Class Inequality and the State* (Sydney: Macmillan, 1991), p.133.

²¹⁸For an argument that the public service reforms informed by economic rationalist principles during the period had the potential to dis-empower citizens and endanger the collective nature of the public service see Yeatman, *op cit*, chapter 1 and Peter Ewer et al., *Politics and the Accord* (Sydney: Pluto Press, 1991), pp. 101-4.

Nation statement (February 1992) there were signs of a return to Keynesian solutions to the protracted recession and unemployment and in the August budget there were hints of a social democratic approach to restructuring and social justice issues.

For the greater part of the decade the principles of economic rationalism opposed those of the second theme, that of the consensus exemplified in the Accord between the peak union body and the Labor government. Economic rationalism is at odds with the collectivist ethos of unionism. This was illustrated by the economic rationalist policies of the Thatcher government in Britain which sought to rationalise the workforce, neutralise the unions, reinforce hierarchical organisations and centralise authority. It is at odds with the union objectives of job security, a better standard of living for workers and more social equality when the agenda is one of privatisation, deregulation and support for management prerogative over the hiring and firing of labour and work organisation. And it is at odds with the strategic objective of the unions' political struggle to displace market determinants in the political arena with political ones.²¹⁹ The doctrine and practice of economic rationalism seeks to insulate market mechanisms from political encroachment. It is little wonder that economic rationalism caused tensions within the Accord and for the politics of consensus.

III The Accord and the Politics of Consensus

Essentially meaning agreement, consensus is both a framework of reference and a process. In a democratic society there is a consensus on norms of values and rules of the game; values such as tolerance for others point of

²¹⁹Winton Higgins, 'Political Unionism and the Corporatist Thesis', *Economics and Industrial Democracy* Vol. 6, No. 4 (December, 1985), p. 357 and Diana Kelly, 'Trade Unionism in 1993', *Journal of Industrial Relations* Vol. 36, No. 1 (March 1994), p. 146.

view and way of life and rules such as accepting the outcome of free and fair elections for government.²²⁰ Taken to its extremes, consensus at this level can be exclusivist, marginalising those of the non-establishment. This issue was addressed in relation to liberal pluralism in chapter two. Consensus is also a process of decision making involving consultation, discussion and a degree of compromise until an agreement is reached. It is a process of decision making favoured by the New Left, as we saw in chapter two, and appropriate to participatory forms of democracy. Because all are a party to the agreement, this type of decision making is inclusivist. Hence consensus and reconciliations were terms that sat neatly in Mr Hawke's rhetoric. Agreement reached through consultation was very much a part of the Labor government's pragmatic approach to its reform agenda, both under Messrs Hawke and Keating.²²¹

The Prices and Incomes Accord between the ALP and the Australian Council of Trade Unions (ACTU)²²² and the 1983 National Economic Summit were symbolic of a consensual approach to government. At the National Economic Summit, held in April 1983, political, financial, business

²²⁰See Robert Dahl, *Democracy and Its Critics* (New Haven and London: Yale University Press, 1989).

²²¹Mr Hawke's political style of consensus and reconciliation was a deliberate contrast with Mr Fraser's divisive style of political leadership. Mr Fraser had antagonised the labour movement: a legacy of his involvement in Mr Whitlam's loss of government (Capling and Galligan, *op cit*, p. 120). Consensus was important to the Hawke government's program of restructuring. The government pragmatically appreciated that consensual reform was the way to bring about radical change.

²²²The Accord's full title is, 'Statement of Accord by the Australian Labor Party and the Australian Council of Trade Unions regarding Economic Policy'. While the Accord came into effect in the 1980s, the concept of the Accord was evident in the late 1970s. The AMWU pushed for a consensual approach to wage fixation in the late 1970s. And in 1979 the ACTU argued for an accord with the ALP. This was before the recession and rising unemployment rates that many tout as the reason for the ACTU's readiness to sign the Accord document. The concept of the Accord was first endorsed at the ALP National Conference in 1979. The architects of the Accord were Ralph Willis and Bill Kelty assisted by the ACTU's Jan Marsh. A special Union's Conference held on 21-22 February 1983, approved the Accord document.

and union leaders addressed the national economic crisis.²²³ With rhetoric of reconciliation and common purpose,²²⁴ Mr Hawke won the support of business for a return to centralised wage fixation on the terms specified in the Accord and for the Accord's economic strategy of fighting inflation and unemployment simultaneously. ACTU secretary, Bill Kelty, speaking for the 'entire union movement', emphasised national not sectional advancement. He spoke of the Accord as the vehicle of 'better understanding between unions, employers and government which meant fewer industrial disputes and a mechanism to win sustained economic growth'.²²⁵

The concept of reconciliation as a tripartite model of corporatism could not eventuate, however, because of the business sector's lack of peak body leadership.²²⁶ Nevertheless, business leaders endorsed the Accord, even though it was a compact they had not drafted and to which they were

²²³The participants included senior economic ministers, state premiers, an ACTU delegation representatives from all employer groups and business organisations and individual business people like Sir Peter Abeles (TNT), Sir Keith Campbell (Hooker), Sir Roderick Carnegie (CRA), Brian Loxton (BHP), Brian Kelman (CSR), Sir Arvi Parbo (WMC), Bill Dix (Ford), John Utz (Wormald) and Alan Coates (AMP).

²²⁴See Australian Government, *National Economic Summit Conference* (Canberra: AGPS, 1983), p. 3.

²²⁵P. Kelly, *op cit*, p. 67.

²²⁶Capling and Galligan, *op cit*, p. 120. For more on capital's failure to organise, see Doug McEachern, *Business Mates: the Power and the Politics of the Hawke Era* (New York: Prentice Hall, 1991), pp. 19–62 and 'Corporatism and Business Responses to the Hawke Government', *Politics* Vol. 21, No. 1 (1986), pp. 19–27. The politics of consensus and attempts at tripartism were also evident in the Economic Planning Advisory Council (EPAC), the re-establishment of the Australian Manufacturing Council, and less well known tripartite bodies concerned with the formation of Australia's international economic policies such as the Trade Development Council, the Trade Negotiation Advisory Group, the Commodities Trade Advisory Group and the National Pacific Cooperation Committee. See Winton Higgins, 'Missing the Boat; Labor and Industry in the Eighties' in Brian Galligan and Gwynneth Singleton (eds), *Business and Government Under Labor* (Melbourne: Longman Cheshire, 1991), pp. 15–16. These councils were all advisory bodies and soon became 'captive to their dominant constituents'. They nevertheless exemplified consensual politics (Capling and Galligan, *op cit*, p. 120).

not a party.²²⁷ And consensus prevailed at the conference.²²⁸ Business probably had no choice other than to be responsive towards the Accord. The corporate sector was disillusioned with the Liberals following the divisive experience of the Fraser years. Moreover, the Summit was followed with results. During the first years of the Accord, and under the government's expansionary fiscal policy, the economy revived and the promise of 500,000 jobs in three years was met. Inflation fell and stabilised at around 5 per cent in 1984–85 and unemployment fell to below 8 per cent in 1985.²²⁹ Whether the recovery was part of the economic cycle of 'boom and bust'²³⁰ or due to the Accord process, the recovery was nevertheless heralded by Accord supporters as a vindication of their faith in the Accord process.

Consultation continued to be a much publicised part of Labor's consensus approach to government. During the decade additional summits on taxation and youth unemployment were held, plus conferences on trade

²²⁷Peter Abeles expressed the view of business being outsmarted by Hawke, Keating and Kelty, when he said that business felt 'as though we had been invited to play singles tennis against a champion double combination'. See Sir Peter Abeles, *NESC Proceedings* (Canberra: AGPS, 1983), p. 194.

²²⁸The issue of the wages options illustrate the politics of consensus at the Summit. In order to stimulate economic growth and reduce unemployment by 4 per cent annually, Paul Keating gave the Summit three wage scenarios, namely a high wage, a medium wage and a low wage. The medium wage scenario was the Accord's option. There was support at the Summit for the low wage option on the grounds that it was best for jobs and inflation. But George Polites, the employer's representative, rejected the low wage option describing it as 'beyond the limits of consensus available at this conference'. Thus 'best results had to be surrendered to consensus results' (P. Kelly, *op cit*, p. 66).

²²⁹An increase in employment began in 1983–84 in construction, wholesale and retail trade, finance, property, recreation and communications. Much of the employment growth, however, was in the public and service sectors, while the manufacturing sector continued to perform badly in terms of investment and employment (Caplan and Galligan, *op cit*, p. 121).

²³⁰For Kalecki's description of the cyclical nature of the economy see Malcolm Sawyer, *The Economics of Michal Kalecki* (Basingstoke: Macmillan Publisher Ltd., 1985). For its adaptation to the Australian economy see Bruce MacFarlane, *Economic Policy in Australia* (Melbourne: F.W. Cheshire, 1968), Bob Catley and Bruce MacFarlane, *Australian Capitalism in Boom and Depression* (Chippendale, N.S.W.: Alternative Publishing Cooperative Limited, 1981) and Melanie Beresford and Bruce MacFarlane, 'Economic Theory as Ideology: A Kaleckian Analysis of the Australian Economic Crisis' in Paul Boreham and Geoff Dow (eds), *Work and Inequality: Workers Economic Crisis and the State Vol I* (Melbourne: Macmillan, 1980).

and manufacturing issues. All these events were televised so that the public were included in the consultation and consensus seeking. Prime Minister Keating and several senior ministers conducted a round of formal consultations with business leaders prior to his *One Nation* statement in 1992, where an agreement for a more Keynesian approach to economic recovery was sought. Business leaders in fact suggested a 2 billion dollar investment was necessary to 'pump prime' the economy.

The Accord was a bipartite agreement between the Labor party and the ACTU. It was a form of corporatism whereby the peak union body and government agreed to work together for economic recovery.²³¹ The ACTU agreed to hold real wages within a cost of living index in return for tax cuts and an increase in the social wage. The concept of a social wage to offset real wages was influenced by Swedish and Austrian corporatism.²³² Its adoption by the ACTU was a recognition that a waged income was not the only basis of living standards; that government services such as education, health and welfare were also important factors in ensuring good living standards. Under the terms of the Accord, unions accepted the settling of industrial disputes by conciliation and arbitration in return for union immunity from punitive civil laws or common law penal sanctions.²³³ The regulated wage

²³¹For a review of the many types of corporatism, see L. Panitch, 'Recent Theories of Corporatism: Reflections on a Growth Industry', *British Journal of Sociology* Vol. 31, No. 2 (June, 1980), pp. 159-87. Unlike the Western European tripartite model of corporatism which includes government, labour and business, Mr Hawke's corporatism was a bilateral model of 'corporatism without business'. Such fits with Connor's model of corporatism which need not be tripartite. See Alan Cawson, *Corporatism and Political Theory* (Oxford: B. Blackwell, 1986).

²³²For some discussion on the social wage controversy see William Brugger, *Labor Debates on the Economy* (Flinders University of South Australia, Discipline of Politics, October, 1988), pp. 14-16 and K. Norris, 'Taxes, Transfers and the Social Wage in Australia', 1975-84', *Australian Bulletin of Labour* Vol. XI, No. 4 (September, 1985), pp. 212-35.

²³³Arbitration and conciliation had been ejected by the previous Fraser government.

and ensuing industrial harmony would allow for economic recovery and growth and the long-term benefit of employment and higher wages.²³⁴

In all, the Accord has been renegotiated seven times; six times under Mr Hawke and once, in 1992, under Mr Keating.²³⁵ The adoption of a social wage and the concept of collaborating with government to increase economic growth with subsequent growth in employment, represented a break from the unions' traditional concern for a redistribution of the national income from profits to wages. In breaking with the traditional labourist wage earner security philosophy it heralded the adoption of strategic unionism discussed below.

There has been considerable debate over the success or otherwise of the Accord.²³⁶ It is not my purpose to enter into the debate here. Suffice to

²³⁴A concept of the importance of economic growth (the creation of material abundance) for long-term employee benefits (the abolition of domination and exploitation) that finds its roots in Marx's critique of utopian socialism. See Marian Sawer, 'Participation Versus Economic Rationality in Marxist Theory' in Marion Sawer (ed.), *Socialism and Participation* APSA Monograph Series, No. 24 (Flinders University, 1978), pp. 6–7. Marx criticised the utopian socialists and Proudhon for their ideas of stressing egalitarianism as an immediate goal of policy. For Marx, an egalitarian policy adopted at a low level of development would result in a levelling down which would result in poverty being spread across society. A more just system of distribution could only be achieved with the development of the productive capacity of society. See Karl Marx, *The Poverty of Philosophy* (Moscow: Progress Publishers, 1955).

²³⁵In 1995 the Accord was renegotiated for the eighth time. The continued strength of the Accord from its inception in 1983 to the mid-1990s is surprising, given the initial scepticism of many with regard to its viability, including some in the labour movement, the lack of a broad political consensus on the Accord. See Michael Costa and Mark Duffy, *Labor, Prosperity and the Nineties: Beyond the Bonsai Economy* (Sydney: The Federation Press, 1991), p. 101. And given the indifferent international record with regard to the longevity of incomes policies. See Fred Gruen and Michelle Grattan, *Managing Government; Labor's Achievements and Failure* (Melbourne: Longman Cheshire, 1993), p. 111.

²³⁶For a particularly critical account see Peter Ewer et al., *Politics and the Accord* (Australia: Pluto Press, 1991). For further critical accounts see Frank Stilwell, *The Accord and Beyond: The Political Economy of the Labor Government* (Sydney: Pluto Press, 1986), Eaton and Stilwell, 'Ten Years of the Accord' *op cit* and Shaun Carney, *Australia in Accord: Politics and Industrial Relations under the Hawke Government* (Melbourne: Sun, 1986). For the social effects of the Accord see Jamrozik, *op cit*. For a more positive account David Peetz, *The Accord and Low Income Earners* (Canberra: AGPS, 1985). For a more conventional, economist account see Bruce Chapman, *Wage Policy Perspectives on the Accord* (Canberra: ANU, 1986) and *An Analysis of the Australian Consensual Incomes Policy: the Prices and Incomes Accord* (Canberra: ANU, 1990). For straightforward accounts see Gwynneth Singleton, *The Accord*

say, because it operated within an economic rationalist framework, the Accord was confronted by a major contradiction; a contradiction that meant it did not produce its intended effects.²³⁷ For example, in the early years of the Accord the social wage was effective in offsetting real wages but after peaking in 1986 the social wage began to fall,²³⁸ real wages fell under the Accord²³⁹ and there were indications of increasing inequality during the decade.²⁴⁰

Furthermore, the potential to improve social and economic standards held in the original Accord agreement succumbed to the economic

and the Australian Labour Movement (Melbourne: Melbourne University Press, 1990) and Gruen and Grattan, *op cit*, chapter seven, pp. 111–134.

²³⁷Jamrozik, *op cit*, p. 256 and P. Kelly, *op cit*, p. 56.

²³⁸The introduction of Medicare reduced the Consumer Price Index by about 2.5 percentage points, thereby securing a wage cut of 2.5 per cent in mid 1984. And the 1984 August budget announced a tax cut for low and middle income earners, effective from November, in lieu of a wage rise. Targeting and compliance initiatives during the 1980s directed financial assistance to those most in need, substantially increasing the incomes of those at the very bottom, while some of the better off social security recipients suffered real income losses. See Gruen and Grattan, *op cit*, pp. 192–93. From ABS budget papers, Ewer et al. show a steady rise in the social wage from its nadir in 1980. In 1984 there was a marked rise, followed by a considerable rise in 1985 and 1986. There was a decline in 1987, again in 1989 and a marked decline in 1990 (Ewer et al. *op cit*, figure 10, p. 35).

²³⁹*ibid*, figure 10. In real terms, between 1983 and 1991 average weekly earnings fell at least 2 per cent, with those at the lower end of the labour market suffering a larger fall in real incomes. In 1983 the lowest decile earnings of full-time adult male non-managerial workers was 74.2 per cent of median earnings, but by 1988 this proportion had declined to 70.4 per cent; ABS figures 1984 and 1989 cited in T.A. Barton, 'Industrial Relations Legislation in 1989', *Journal of Industrial Relations* Vol. 32, No. 1 (March, 1990), pp. 131–33.

²⁴⁰Income distribution is not the most reliable indicator of inequality, due to the blurring between income and capital and other social factors of income such as housing, education and health. Nevertheless, the ABS *Household Expenditure Survey* in 1988–89 showed, that measured in terms of disposable income, the average gross income in the highest decile was 17.07 times higher than the lowest decile compared with a difference of 13.61 found in the 1984 survey; in 1989 the per capita income in the highest decile was 6.43 higher compared with 4.66 in 1984 (ABS 1986, 1990, cited in Jamrozik, *op cit*, p. 161). Increased inequality was not a peculiarly Australian phenomenon. But comparative international data suggested that inequalities in Australia increased both absolutely and relative to other countries (Gruen and Grattan, *op cit*, p. 180). The position of those living below the poverty line also worsened, despite claims to the contrary. While in absolute terms their position improved, in relative terms their position declined, thus widening the gap between rich and poor. See Peter Saunders and George Matheson, 'An Ever-rising Tide? Poverty in Australia in the 1980s' in Greg Mahony (ed.), *The Australian Economy under Labor* (Sydney: Allen and Unwin, 1993), pp. 173–80.

rationalist agenda. The original Accord included not only the price and non-wage income controls that were to be part of a package of progressive redistributive measures, but also taxation reforms of full indexation against inflation that were to be applied to income tax rates, government expenditure on the social wage, industry development policy, employee participation and reforms in ancillary areas such as occupational health and safety, health, education and immigration. But while government expenditure on the social wage in the form of universal health care and, to some extent, industry development policy survived, with succeeding Accord agreements, the emphasis shifted to the wages element and the supply side of economics. The two tier system with Accord Mark III and award restructuring under the Accord Marks IV and V, discussed below, ended the practice of wages tied to cost-of-living increases. Those on the right of Labor's political spectrum argued that the Accord was still a progressive agreement because there would be long-term benefits for all, through enhanced employee productivity. But, the change in the basis of negotiation from a needs criterion had a negative impact on those unskilled workers unable to demonstrate raised productivity (further problems with demonstrating productivity are shown below). And, with Accord VI and the acceptance of enterprise bargaining based on productivity, the negative impact was extended to the already disadvantaged members of the secondary workforce, namely women²⁴¹ and in particular part-time and migrant women and again the unskilled, particularly those of non-English-speaking background. However, the emphasis on multi-skilling and career paths in later Accords, union initiatives such as the Australian Metal Workers Union career path model, and government initiatives such as the Finn report and Carmichael's Australian Vocational Accreditation scheme

²⁴¹D. Kelly, 'Trade Unionism in 1993', *op cit*, p. 144.

opened up opportunities of empowerment for workers in the primary labour market. This is discussed below.

With regard to the politics of consensus, Mr Hawke promoted the Accord as its symbol. But power under the Accord was in fact more centralised. Under early Accords, the power of the central body of the Arbitration Commission to fix wages was enhanced and union power was centralised in the enhanced power of the ACTU. While the Accord enhanced the position of the ACTU and its leaders, in some ways it worked to dis-empower workers. For example, the Accord was used as a political tool to fix wages at a level that actually reduced worker's real wages, as mentioned above, and to reach agreements on key issues such as taxation, superannuation, and government programs that were not always for the workers' benefit.²⁴² On occasions considerable tension was generated within the union movement, as the unions were forced to follow the ACTU guidelines, even when they conflicted with their members own wishes.²⁴³ This was an unfortunate aspect of corporatism. In its willingness to trade the narrow interests of wage increases for the wider one of national economic growth,²⁴⁴ the ACTU may have dis-empowered its members.

In sum, because it operated in a free-market framework, the Accord had the effect of widening inequalities. And the changing nature of the Accord from a progressive document of social justice to a process of wages negotiation, exacerbated the inequalities. Unemployment,²⁴⁵ the direct

²⁴²Guaranteed superannuation contributions as a wage trade-off means wages forgone. For those in employment who are in that part of their life-cycle where they are saving for a home, this can be a considerable disadvantage.

²⁴³Barton, *op cit*, p. 136.

²⁴⁴Keating and Dixon call this willingness to trade narrow for wider interests a 'bargained consensus'. See M. Keating and G. Dixon, *Making Economic Policy in Australia 1983-1988* (Melbourne: Longman Cheshire, 1989), p. xi.

²⁴⁵See 'Unemployment and Participation Rate 1983-94' in David Clark, *Student Economics Briefs, 1991/92* (Melbourne: The Financial Review Library, 1991), table 32.

result of industry restructuring in the form of tariff reductions, discussed below, and of the 1990–92 recession, further exacerbated inequalities. So while consensus facilitated restructuring and a change in political culture, consensus at the level of the state was under threat.²⁴⁶ Consensus within the union movement too was threatened as unions were forced to follow the ACTU guidelines against their own members' wishes. The concept of consensus as expounded by Mr Hawke, however, legitimised consensus practiced in the workplace within the framework of consultative management. I return to this below. Pressured by welfare groups in the community and the unions, the threat to consensus at the level of the state was addressed by the Labor government with initiatives to redress the labour market disadvantage of specific groups, such as the long-term unemployed and sole parents. Newstart, Jobs, Education and Training (JET) were initiated and in 1991, as the recession continued, expenditure on labour market assistance was increased with programs such as Jobstart, Jobtrain and Jobskills.²⁴⁷ The pace of tariff reform was relaxed. And with added pressure from business, selective government intervention in industry restructuring was continued.

IV Industry Policy

In the face of a damaging current account deficit, the broad aim of structural reform was to create a more productive and competitive economy, better

²⁴⁶See Dahl, for the argument that consensus requires there be only minimal inequalities (Dahl, *op cit*). This concept of consensus with regard to inequalities, is also found in Rousseau's prerequisite for a general will to exist.

²⁴⁷Jobtrain assisted disadvantaged job-seekers to obtain employment for short-term vocational training, Jobstart provided private employers with temporary wage subsidies, if they employed the long-term unemployed and Jobskills combined work experience primarily in the local government and community sector for people unemployed for twelve months or more. Pixley argues that these schemes served to marginalise those taking part and threaten the already employed particularly those in the secondary labour market. See Jocelyn Pixley, 'Unemployment and Democracy—at an Impasse?' *Labour and Industry* Vol. 6, No. 1 (October, 1994), pp. 37–9.

integrated with the international economy, with a more diversified export base.²⁴⁸ Reforms aimed to encourage firms to develop an export culture rather than an import protection one. Deregulation was a major and early part of the strategy to create a more productive and competitive internationalised economy.²⁴⁹ It included deregulation of the financial sector and from 1988 onwards, there were infra-structure reforms and government business enterprises and monopolies were opened to competition and/or corporatised.²⁵⁰

The second part of the strategy was industry restructuring. At the instigation of the ACTU, within the original Accord document was an agreement for strategic industry policy. But economic rationalism that influenced a change in political culture away from protectionism,

²⁴⁸ Emy, *op cit*, p. 77.

²⁴⁹ Deregulation was aimed at providing wider access for investment capital for Australian industry. It included deregulating the financial sector; in 1983 the Australian dollar was floated. This policy reflected a world-wide liberalisation trend which was underpinned by Milton Friedman's belief in the virtues of flexible exchange rate regimes and prompted by the technological revolution in communication and information processing, the activities of multinational companies, the increase in world trade and the attendant closer financial links between countries, all combining to make government imposed restrictions on international capital movements and fixed exchange rates difficult to sustain. There has been considerable disenchantment with a fluctuating exchange rate with key currencies now subject to managed float and the European community operating the Exchange Rate Mechanism (Gruen and Grattan, *op cit*, p. 139).

Foreign banks were allowed entry. The entry of foreign banks followed the Martin Review Group's confirmation of the Campbell Committee's findings in February 1984. Sixteen foreign banks were invited to take up licences in 1985. The regulation on bank lending arrangements were removed. For example, the ceiling for interest rates charged by banks for business loans and new housing loans was abolished. Finally, with regard to the financial sector, controls on foreign investment were relaxed.

Deregulation affected other areas of the economy. For example, the airlines were deregulated and the Business Regulation Review Unit was appointed in 1985.

²⁵⁰ Some government assets, like Australian airlines, Qantas and the Commonwealth Bank were wholly or partially privatised. To facilitate restructuring Mr Hawke moved towards greater cooperation between federal and state governments, culminating in agreements for a National Rail Corporation, National Road Transport Commission, National Electricity Grid and National Food Authority. The progress towards cooperation paused when Mr Keating rejected the States' demands for a guaranteed fixed share of income tax revenue. Only in the mid-1990s was a resolution negotiated.

contradicted interventionist industry policy. The influence of free-market and a level playing field philosophy meant notions of industry policy came to be replaced by a policy of non-interventionism.²⁵¹ At the same time, the Accord and strategic unionism called for industry policy in the form of strategic intervention. To some extent, the Labor government managed to juggle both philosophies. During the earlier years of the decade Labor instigated ameliorative measures for viable industries in trouble. Then in the latter part, a program of industry restructuring was initiated which included removal of protection²⁵² and later, strategic industry intervention in the form of 'encouragement, facilitation and promotion of industry'.²⁵³

Although there were calls to end protection in Tariff Board reports and special commissions during the 1960s and 1970s,²⁵⁴ the actual move to end tariff protection in the 1980s marked a radical change in industry policy. Hitherto, Australia's economic policy was not an outward looking policy designed to promote export oriented industry, but rather was an inward looking policy designed to protect the domestic market.²⁵⁵ And exports in

²⁵¹Peter Ewer, Ian Hampson et al., *Politics and the Accord* (Sydney: Pluto Press, 1991), p. 76.

²⁵²That is, protection in the form of tariffs and other barriers to imports, behind which a free market operated.

²⁵³ Capling and Galligan, *op cit*, p. 10.

²⁵⁴During the mid 1960s reformers in academia (for example Max Corden) in the Parliament (for example Bert Kelly MP) and in the Tariff Board under Alf Rattigan's chairmanship, began to question the merits of protectionism, arguing that while protection may have assisted import-competing enterprises, protection was now hampering the establishment and growth of more cost-effective, export oriented economic activities and also lowered the real income of the community as a whole. From 1970 on, the Tariff Board began to review more critically the tariff rates granted for a broader range of industries. See Gruen and Grattan *op cit*, p. 142 and Stephen Bell, *Australian Manufacturing and the State* (Cambridge: Cambridge University Press, 1993), pp. 16-46.

Following the Tariff Board's lead, the Whitlam Government transformed the Tariff Board into the Industries Assistance Commission (IAC) and made a 25 per cent across the board tariff cut in July 1973.

²⁵⁵Since Federation, import protectionism was the central plank of Australia's economic development. It was a policy based on secure employment of white male breadwinners as the first priority. The protectionist policy was defensive, because it was used across the board as

the main were of unprocessed goods. Under such policies Australia improved its GDP per capita consistently over many years. Its relative economic performance, however, did not keep pace with other OECD countries.²⁵⁶ Inevitably, the assumption was that if Australia were to retain its position in terms of living standards it would have to improve its capacity and levels of competitiveness in high value-added industries to obtain greater sales in the domestic market and to increase its export market. Reliance on export earnings from unprocessed raw materials was no longer sufficient. And protectionism was recognised as inappropriate policy while other forms of promoting industry become more appropriate policies.²⁵⁷ It

a permanent fixture on the assumption that Australian industry would never be competitive (Higgins, *op cit*, p. 104). Protectionism was part of a defensive economy policy. Castles, following Katzenstein's typology, observes that Australia was unlike other small western economies who opted for openness and 'domestic compensation'. See Frank Castles, *Australian Public Policy and Economic Vulnerability* (Sydney: Allen and Unwin, 1988). For an expansion of Castle's position, see Rosemary Costello, *Welfare as Respect* unpublished thesis, in partial fulfillment Honours Degree, Flinders University (1990). Rather than pushing for a universal welfare system to break the nexus between income and employment, the unions accepted the labour market as the key distributor of incomes and thus supported the strategy of 'wage earner security'. This was a strategy that protected the position of those already employed, particularly the labour aristocracy or craft workers. The threat to wage earner security was not seen as the market economy but to be women, the unskilled labourer, immigrants and cheap imports. Thus, the white Australian policy, tariff protection, strong craft unionism and a residual welfare policy, together with an arbitration system, were chief tenets of the labour movement to safeguard wage earner security; tenets that were also held by the Australian Labor Party.

²⁵⁶By 1945 Australia had slipped from being the richest country in the world on a GDP per capita basis, along with Argentina and excluding the indigenous population, to third place behind the U. S. and Canada, to fourth behind the U. S., Canada and Sweden by 1960 and by 1989 to thirteenth place with a per capita of GDP of \$US12,000. A measurement of wealth as GDP per capita is not necessarily a true indicator of a nation's wealth. When wealth is measured as the value of disposable income, Australia fairs much better. And moreover, despite the poor showing when wealth is measured as GDP per capita, Australia still enjoys a relatively high standard of living and relatively good publicly provided facilities and standard of welfare services. Nevertheless, the point remains that relatively speaking, Australia's economic performance did not keep pace.

²⁵⁷While the 1965 Vernon Report highlighted the need for significant changes in the economy and its management, it was the Jackson Report in 1975 which found the Australian manufacturing industry to be stagnant. The report found most capital equipment was outdated, the rate of growth of labour productivity was below international comparisons, employee and management training was inadequate, shop floor communication was poor, there were marked signs of employee dissatisfaction and unrest and there were too many unions leading to counter-productive demarcation disputes. See G. Jackson et al., *Policies for*

was argued that removing protection would open the manufacturing sector to the influences of the international market. The manufacturing sector would be forced to become more competitive and in doing so would be forced to restructure and adopt new technology, new workplace organisation and new labour management practices. Hitherto protectionism had insulated the Australian domestic industry from the influence of new ideas extant in the international industrial arena.²⁵⁸

Senator John Button, Minister of the Department of Industry, Trade and Commerce,²⁵⁹ informed by an extensive tour of European and particularly Swedish industrial concerns in 1984, was convinced of the need to reform tariff protection of Australian industry. But a tradition of protectionism could not be swept away without a consensus to do so. Senator Button used the Australian Manufacturing Council (AMC) and its constituent Industry Councils to foster public awareness of the deficiencies in the manufacturing sector and the need for reform. The AMC used seminars and publications, in particular its 1986 policy document, *Future Directions for Australian Manufacturing*,²⁶⁰ together with its industry councils, each of which consulted and communicated with their relevant industry sector, to foster an acceptance of the need for reform. In all, there were eleven such councils.²⁶¹ Both the AMC and its constituent councils

Development of Manufacturing Industry, A Green Paper Vol. 1 (Canberra: AGPS, 1975), pp. 1–3.

²⁵⁸Higgins, *op cit*, p. 104. Costa and Duffy argue that Australian industry has been "bonsai-ed" on every level from training and skills, to technological change, management, trade unionism, industrial relations, marketing, investment and government policy formation (Costa and Duffy, *op cit*, p. 73).

²⁵⁹The amalgamation of the department of Industry with Science and Technology in 1984, was an indication of the government's intent to make the manufacturing sector more technologically oriented (Capling and Galligan, *op cit*, p. 134).

²⁶⁰Australian Manufacturing Council, *Future Directions for Australian Manufacturing* (Melbourne: The Council, 1986).

²⁶¹There was a council for each of the following industry sectors, Textiles, Clothing and Footwear; Processed Food, Machinery and Metal Engineering; Basic Metals; Metal

were tripartite bodies and models of consensus politics, important in fostering an attitudinal change away from protectionism.²⁶² Under the umbrella of consensus, the Hawke government embarked on two major reductions in overall tariff protection.²⁶³ In May 1988, the economic statement announced tariff cuts and in March 1991 the economic statement announced a further program of tariff cuts for the 1990s aimed to reduce tariffs to an average of 5 per cent by the year 2000.²⁶⁴

The social dislocation caused by the strategy to end protectionism was enormous. Moreover, it was a cost borne largely by the most vulnerable, *viz* unskilled non-English speaking background (NESB) males in heavy

Fabrications; Forestry and Forest Products; Paper Conversion, Printing and Publishing; Chemical and Plastics; Electrical, Electronics and Information Industries; Aerospace and Automotive.

²⁶²Capling and Galligan, *op cit*, p. 132.

²⁶³In concert with an economic rationalist agenda of liberalising protectionism, Labor's foreign policy in the second half of the 1980s aimed at liberalising the international order. Australia supported reform of the multilateral trading system through its leadership of the Cairns Group of agricultural traders in the Uruguay Round of Trade Negotiations. The aim of the Cairns Group was to act as a 'third force' in the hope of pushing the major traders towards significant short and long-term reform in the global agricultural regime. And Australian demonstrated a commitment to building regional economic cooperation in the Asia Pacific region through its Asia Pacific Economic Cooperation (APEC) initiative. Higgott argues that Australian foreign policy is more than status seeking or the agenda of 'middle power filling' or Gareth Evans' 'good international citizen', it is also related to Australia's domestic reform strategy. See Richard Higgott, 'International Constraints on Labor's Economic Policy' in Galligan and Singleton, *op cit*, pp. 221–22. The restructuring of the Department of Trade and Industry to become a mega-Department of Foreign Affairs and Trade, demonstrated Australia's foreign interests were linked with its trade (Capling and Galligan, *op cit*, p. 9).

²⁶⁴Protection of agricultural activities was also reduced under the Hawke Government. Two reports gave impetus to the Hawke government's tariff reductions. In 1989, the Hughes Report revealed Australia's export performance to be poor: H. Hughes et al., *Australian Exports, Performance, Obstacles and Issues of Assistance* (Canberra: AGPS, 1989). And the Garnaut report called for zero tariffs and other forms of protection and the abolition of all anti-dumping provisions by the year 2000: Ross Garnaut, *Australia and the North East Asia Ascendancy* Report to the Prime Minister and Minister for Foreign Affairs and Trade (Canberra: AGPS, 1989). The Australian Manufacturing Council in its 1990 report, *The Global Challenge: Australian Manufacturing in the 90s, Final Report of the Pappas Carter Evans and Koop-Telesis Study* (July 1990), advocated a less radical reduction to that of 10 per cent in all industries, except the car industry, by the year 2000. Garnaut claims the success of falling tariff protection, citing top ranking Australian manufacturing sector performance in the second half of the 1980s. See Ross Garnaut, 'Trade and Industry Policy after the Uruguay Round' in Costa and Easson, *op cit*, p. 56. Support for Garnaut's claim is found in Treasury *Budget Statement*, No. 2, 1990, Table 2, p. 217.

industry and females in the footwear and textiles industry.²⁶⁵ Access to cheaper textiles and leather goods produced abroad meant those previously employed in those areas, namely migrant women, became redundant. Poor English literacy skills and a low level of education made the transfer of NESB workers into more efficient sectors of the economy difficult. The addition of domestic commitments made the transfer of NESB female workers even more problematic. Because Australia's major trading partners in the Asia Pacific region still practiced varieties of strategic trade policy, the unilateral opening up of the Australian economy resulted in industry closure, substantial job loss and social dislocation.²⁶⁶ This, coupled with the recession brought the registered unemployment to 11.4 per cent of the workforce in 1992, with the attendant social problems of mental stress, family breakdown, crime, homelessness and poverty. The Labor government was criticised by unions, the Australian Council of Social Security (ACOSS) and other welfare organisations, for its failure adequately to compensate those disadvantaged by industry restructuring.²⁶⁷ There was pressure for government to provide more assistance for the victims of restructuring and the recession and to strengthen the social structures that help the sick and handicapped; structures that had been weakened by state governments' economic rationalist policies of winding back the state.²⁶⁸

²⁶⁵English speaking background workers may also have poor literacy skills. A senior car industry executive estimates that 50 per cent of the work force in this industry were 'functionally illiterate'. See Michael Morrissey, Maureen Dibden and Colleen Mitchell, *Immigration and Industry Restructure in the Illawarra* (Canberra: AGPS, 1992), p. 18. A high proportion of the female labour force in clothing, footwear and textiles are NESB (*ibid*, p. 46).

²⁶⁶Tony Cole, 'Australia and the World Trade Environment' in Costa and Easson, *op cit*, p. 99.

²⁶⁷Jamrozik, *op cit*.

²⁶⁸Australia already had one of the leanest welfare systems in the OECD. In 1988, Australian social security transfers as a percentage of GDP was 9.3 per cent compared with the OECD average of 14 per cent. For more on this, see Castles, *Australian Public Policy*, *op cit*.

The calls to bring back collective responsibility for the underprivileged met with some response in the Labor government.²⁶⁹ Schemes to offset redundancy, such as the Labour Assistance Scheme,²⁷⁰ and to assist the unemployed were initiated and these are listed above. Further initiatives were announced in the 1992 *One Nation* statement to assist the unemployed, such as the Career Start Traineeship Program and subsidies for the Australian Traineeship Program and the Australian Vocational Certificate. Mr Keating's espousal of social democratic values in the lead up to the 1993 election, implied a less economic rationalist approach to social problems.²⁷¹ An easing of the pace of tariff reform and strategic government intervention to assist industry was also advocated.

The unions had advocated industry plans from the inception of the Accord (industry policy was included in the original Accord document and was an integral part of the new strategic unionism). The Metal Trades Union's document *Policy for Industry Development and More Jobs* released in 1984²⁷² set forth a detailed argument in support of intervention,²⁷³ followed by the ACTU document, *The Way Forward—A Positive Plan for 1984 and 1985*²⁷⁴ which advocated specific proposals and direct intervention

²⁶⁹The Coalition Opposition, however, held fast to free-market principles of self-reliance, espoused in *Fightback!*

²⁷⁰Employees who might be made redundant were put on a training scheme instead. The state and the company each paid 40 per cent of the worker's wage, while the employee effectively paid 20 per cent by taking a cut in pay. The state also paid for expenses such as the hiring of rooms, consultancy expenses, equipment etc.

²⁷¹Emy, *op cit*, p. 160.

²⁷²Metal Trades Federation of Unions, *Policy for Industry Development and More Jobs* (Sydney: MTFU, 1984).

²⁷³The policy did not rely on tariff protection and quotas but advocated strategies like local content agreements on major resource projects, the use of government procurements to stimulate local industry and action to end export franchise restrictions on the local branches of multinational companies. The document also called for the restructuring of manufacturing policy along tripartite lines with an emphasis on industry planning.

²⁷⁴ACTU, *The Way Forward—A Positive Plan for 1984 and 1985* (Melbourne: ACTU, 1984).

to increase Australian sourcing of major resource projects. Then in 1987 the ACTU/TDC publication, *Australia Reconstructed*²⁷⁵ represented a major statement of strategic unionism. Essentially an optimistic vision for the union movement, *Australia Reconstructed* resulted from the ACTU and the Trade Development Council's mission to Western Europe in 1986 and an analysis of trade union policies in Europe, in particular Sweden. The document represented an economic blue-print for the reconstructing of the Australian economy to meet the social and structural objectives of the union movement. Under strategic unionism, the union's focus would be extended beyond the traditional one of wealth distribution (i.e. wages and conditions) to include a focus on wealth creation through economic growth and productive enhancement.²⁷⁶ The mission was particularly enamoured of the Swedish economic model of consensual industrial relations and the Swedish application of strategic unionism.²⁷⁷ The document also recommended a strategic industrial development policy, along the lines of the industry plans.²⁷⁸

²⁷⁵ACTU/TDC 1987 *Australia Reconstructed* (Canberra: AGPS, 1987).

²⁷⁶*ibid*, ch. 6.

²⁷⁷Paradoxically, major changes in the determination of wages in Sweden during the 1980s led to a breakdown, after 1990, of the model so enamoured of ACTU leaders. See Don Rawson, 'Swedish Wage Policy and Australia', *Australian Journal of Political Science* Vol. 26, No. 1 (1991), pp. 95–110 for a full account. For a critical account of the Swedish change of direction to monetary policy see also Magnus Rymer, 'Assessing SAP's Economic Policy in the 1980s: The "Third Way", the Swedish Model and the Transition from Fordism to Post-fordism', *Economic and Industrial Democracy* Vol. 15, No. 3 (August, 1994), pp. 385–482. Costa and Duffy also point to the recent failure of the Swedish model (Costa and Duffy, *op cit*, p. 105).

²⁷⁸*Australia Reconstructed* marked a radical change in union objectives, the document's recommendations were not implemented by the Accord. Perhaps this was because Australia lacked the prerequisites for a successful consensus industrial relations policy of the magnitude outlined in *Australia Reconstructed*. The success of the Swedish corporatist model depended on its high union density and public support for unions. High union density in Sweden was brought about by union organised employment-related services (like the unemployment benefit system and training), and the long period of Social Democratic government which was sympathetic to union activity and which facilitated a consensual culture. See Winton Higgins, 'Industrial Democracy and the Control Issue in Sweden' in E. Davis and R. Lansbury (eds), *Democracy and Control in the Workplace* (Melbourne: Longman Cheshire, 1986), p. 268.

Finally, in 1990 the manufacturing unions, led by the AMWU published their *Australian Manufacturing and Industry Development: Policies and Prospects for the 1990s and into the 21st Century*.²⁷⁹ And in its submission to the Federal government's 1990 Industry Policy Statement, the ACTU stated that it would 'oppose tariff reductions unless they are part of a total package including positive industry assistance initiatives and structural adjustment assistance'.²⁸⁰ There was, however, a tension between the formal position of the ACTU with regard to industry policy as espoused in the original *Statement of Accord*²⁸¹ and the implicit support it lent to ensuing economic policies of the ALP. Following the dictates of economic rationalism, each of these commitments were reversed under succeeding Accords.²⁸² This was despite the reiteration at each successive ACTU Congress, for a more interventionist industry policy as espoused by the ACTU in 1983.

While the ACTU advocated industry policy, business leaders too began to call for forms of targeted industry intervention.²⁸³ But, the then

²⁷⁹ACTU, *Australian Manufacturing and Industry Development; Policies and Prospects for the 1990s and into the 21st Century* (Melbourne: ACTU, September, 1990). The report called for intervention in the form of a risk sharing development fund, measures to accelerate the take-up of advanced manufacturing technologies and the introduction of a selective depreciation allowance. These proposals were supported by both the left and right of the union movement via the support of the ACTU Industry Development Committee (Ewer et al., *op cit*, p. 17).

²⁸⁰ACTU, *Policies and Prospects for the 1990s*, *op cit*, p 127.

²⁸¹For empirical support for the ACTU's formal position on interventionist industry policy see Stephen Anthony, 'Industry Policy and the ACTU: Divisions between Theory, Formal Policy and Practice', *Journal of Australian Political Economy* No. 31 (June, 1993), pp. 41-56.

²⁸²*ibid*, p. 41.

²⁸³Targeted intervention was variously named New Protectionism, where assistance was given to ETMs export oriented industries and Strategic Trade Theory, where assistance was targeted at winners. Business leaders argued that elimination of tariffs alone was insufficient to create a thoroughly competitive market. Business leaders called for a 'wholly coordinated national vision' with leaders from manufacturers in non-resource processing industries calling for an industry policy to address the particular weaknesses of Australian manufacturing, strengthen growth in particular sectors and assist industries to get established in highly competitive world markets (Emy, *op cit*, p. 129).

Industry Assistance Commission (IAC) and Treasury advocated a free-market position. In its 1988–89 *Annual Report*,²⁸⁴ the Commission was highly critical of all attempts by government to provide assistance to Australian industry, seeing it as only delaying the industry's need to become internationally competitive.²⁸⁵ The report argued that 'picking winners' among other things, only served to maintain a 'preferment mentality' whereby industry looked first to government for assistance. The probable result was the taxpayer supporting losers rather than winners and a 'rent seeking'²⁸⁶ that prospered under protectionism. It argued that strategic trade policy was unlikely to benefit Australia, given the small size of its market and its lack of strategic position at the fore-front of any major industries.²⁸⁷ And in its *Strategic Trade Theory: the East Asian Experience* (1990),²⁸⁸ the Commission argued that as the burgeoning economies of Japan, South Korea, Taiwan, Singapore and Hong Kong were relative free-market economies, Australia was justified in adopting a neo-classical policy.²⁸⁹

Despite the Commission's opposition to targeted assistance, the overall direction of the Hawke government was cautious support of particular industries, while at the same time reducing tariff protection and

²⁸⁴Industry Assistance Commission, *Annual Report for 1989–90* (Canberra: AGPS, 1990).

²⁸⁵The Commission questioned the efficacy of replacing tariff protection with the alternative measure of selectively assisting industry; that is the Harvard School's 'picking winners' strategy.

²⁸⁶Rent seeking behaviour is where industries extract benefits and concessions or 'special rents' from government (Emy, *op cit*, p. 61).

²⁸⁷Higgott, *op cit*, p. 12

²⁸⁸IAC, *Strategic Trade Theory: the East Asian Experience* Information Paper (Canberra: AGPS, November, 1990).

²⁸⁹Chapman shows the IAC's position to be incorrect and argues that the free market has never existed, even during the 'golden days' of free growth in early 19th century Britain and late 19th century America. He argues that intervention was common and widespread. See Paul Chapman, 'Australian Industry—Surely Not 'No Policy' in Costa and Easson, *op cit*, p. 73.

promoting deregulation and free-trade. Government support of industry did not represent a change in policy direction. In its early years of office, the Hawke government had already given sectoral assistance to isolated industries to meet particular contingencies, namely the steel, car, textiles, clothing and footwear, and heavy engineering industries, as well as the Multifunction Polis, and various *ad hoc* decisions to assist industries threatened with demise and employee layoffs like the subsidies for Kodak's Australian operations.²⁹⁰ The car plan, the 1984 steel plan and the 1986 heavy engineering plan, a concession to the Australian Metal Workers Union demands which later became the Metal Based Engineering Programme in 1989, were three prominent examples of sectoral assistance.

The Steel Industry Plan 1984–1988 was a particularly innovative and positive example.²⁹¹ Moreover it was the basis for consultative management adopted at the BHP's Port Kembla Steelworks (this relationship is described in chapter five). As such it is worth outlining this particular example of sectorial assistance. The Steel Industry Plan honoured a pre-election promise to the Federated Ironworkers Association. In exchange for assistance and a guaranteed 80–90 per cent of the home market, BHP bound itself to a \$800m investment program. The ACTU and Steel unions bound themselves to annual productivity targets, to Accord-related wage movements and to prescribed dispute-settling procedures. The Steel Industry Authority credited the plan with considerable effectiveness, in the achievement of its immediate objectives in the areas of investment,

²⁹⁰Kuhn, *op cit*. Typically, these programs provided some assistance in the form of government grants or some temporary relief from import competition in exchange for some undertakings from the employers and unions of the relevant industry. Undertakings included a commitment by firms to recapitalise and an agreement by unions to changes in work practices or dispute settling procedures.

²⁹¹Higgins, *op cit*, 'Political Unionism and the Corporatist Thesis', p. 114.

productivity and market share.²⁹² Targets for investment, employment, productivity and steel prices were met and surpassed.²⁹³ How much this was due to the Steel Industry Plan or simply recovery from the recession and a drop in the value of the Australian dollar is a moot point.²⁹⁴ What the Plan did, however, was pave the way for the Steel Industry Development Agreement and the potential for workplace participation. This is discussed in detail in chapter five.

The success of targeted industry assistance policy had a social cost. Under the Steel Industry Plan and subsequent Steel Industry Development Agreement, at the Port Kembla Steelworks for example, BHP cut its workforce by over 50 per cent. Between November 1981 and June 1983 BHP reduced its Port Kembla Steelworks workforce by 7000. By 1989 the workforce stood at 9850, having been 22,000 in 1981.²⁹⁵ The social dislocation experienced by those directly involved and by those indirectly involved in other areas of the economy in the Illawarra area have been well documented.²⁹⁶ While the Steelworks survived and thus prevented a social and economic cost of enormous proportions, the job losses that did occur in

²⁹²SIA, *Review of the Steel Industry Plan* (Canberra: SIA, 1988). The adoption of the Steel Plan has been regarded by many as a success in turning the Australian Steel Industry around and making it internationally competitive. Their productivity target of 350 tonnes per man [sic] year (tpmy) was met in 1984. But the achievement of international competitiveness is a moving target. The American producer USX achieved 579 tpmy in September 1987, China Steel Corp of Taiwan 493 tpmy in 1986 and Japanese mills are commonly achieving in excess of 550 tpmy and are targeting 800 tpmy. See Costa and Duffy *op cit*, p. 82. BHP's investment reached \$1.228b by June 1987. By the end of 1988 BHP had spent \$1.6b in new investment. See House of Representatives Standing Committee on Finance and Administration 1987, *Report: Australian Iron and Steel Industry* (Canberra: AGPS, 1987), pp. 13, 14, 26 and 40.

²⁹³Jon Stanford, 'Industrial Policy in Australia' in *Industrial Policy in Australia and Europe* (Robert Menzies Centre for Australian Studies, University of London, 1991), p. 41.

²⁹⁴Caplin and Galligan, *op cit*, pp. 184–85.

²⁹⁵Of the jobs lost, 26.2 per cent were due to natural attrition, 15.3 per cent were retrenched and 58.5 per cent took Voluntary Retrenchment Schemes (Morrissey, Dibden and Mitchell, *op cit*, p. 32).

²⁹⁶*ibid.* Also see Julianne Schultz, *Steel City Blues* (Harmondsworth: Penguin Books, 1985).

steel and related industries in an area so reliant on these industries nevertheless impacted throughout the whole Illawarra region. And again, it was the most vulnerable, namely the unskilled and those with non-portable skills that bore the brunt of the long-term economic survival of the region. In fairness to government, attempts were made to cushion the blow. In the first half of the decade, the Labor government assisted the unemployed with training/labour market programs such as the Wage Pause Program, the Community Employment Program and the Labour Adjustment Training Agreement. And in fairness to BHP with regard to the Steel Plan, BHP promoted schemes to assist the unemployed later in the decade. It provided \$160,000 in 1989 and a \$500,000 in 1990 and 1991 to the South Coast Employment Development Project whose role it was to assist in diversifying the economic base of the region and to provide skill development and training to unions and employees.²⁹⁷

Whatever the merits of free-market position, undoubtedly some industries benefited from government assistance; the steel industry, and the car industry and other growing industries who received sectoral assistance such as information technology and pharmaceuticals.²⁹⁸ And the IAC's fear of a 'preferment mentality' was hard to sustain in light of the Hawke government's narrowly targeted and generally limited time period of assistance. The Steel Plan, for example, was an initiative that ran for a strict five year period, with the aim of being short-term assistance to facilitate an

²⁹⁷BHP, *The Steel Industry Development Agreement Handbook; Slab and Plate Products Division, BHP Steel, Port Kembla* (BHP, 1989).

²⁹⁸It is arguable that the industry reforms were beneficial. Between 1982–83 and 1990–91, manufacturing output grew by more than 20 per cent. Between 1986–87 and 1990–91, Australian exports had grown by over 9 per cent a year with the fastest growth in total manufactures at 16.9 per cent and ETMs at 18.6 per cent a year. Between 1981–82 and 1991–92, total manufacturers had risen from 19.6 per cent to 27.3 per cent of total exports. ABS figures cited in Emy, *op cit*, p. 152. Moreover, there were signs of a number of small and medium-sized high-tech firms emerging, producing high value added goods. See Paul Keating, *One Nation, op cit*.

independent, viable and competitive industry. Moreover, the rationale for targeted incentives was that they may cause changes in institutionalised attitudes and behaviour, such as in management/labour relations, which had been retarded by Australia's history of protectionism.²⁹⁹

In the face of Treasury and Industry Commission opposition, but in the context of the recession, growing unemployment and a deficit current account, the government announced a series of industry policy statements in March 1991, collected in the publication *Building A Competitive Australia*.³⁰⁰ Policies included significant changes to tariff protection, which would further expose the Australian economy to international pressures—this was despite the failure of the GATT round at the end of 1990³⁰¹—and initiatives directed at facilitating industry restructuring, with strategic intervention to assist selected industries who could demonstrate best practice. Initiatives directly relevant to the shop-floor³⁰² included the Australian Best Practice Demonstration Program (which was aimed at accelerating the spread of best practice reforms and an improved workplace culture throughout Australian industry), labour market structural adjustment assistance (that is, financial assistance for union amalgamation campaigns and for legal costs involved in the amalgamation process), continuation of the workplace reform program (which was introduced in

²⁹⁹Stutchbury, *op cit*, p. 221. Positive assistance measures to industry may also help to soften political resistance to the removal of import protection.

³⁰⁰Australian Government, *Building A Competitive Australia* (Canberra: AGPS, 1991). Statements by Prime Minister, Bob Hawke, Treasurer Paul Keating, Industry Minister John Button on March 12, 1991.

³⁰¹Failure of the 1990 General Agreement on Tariff and Trade discussions, disappointed those who were expecting freer world trade.

³⁰²Other policies included changes to wholesale tax, a depreciation allowance for business and continuation of the tax concession for research and development, now set at 125 per cent. This was to provide cost reductions for business and assist business to become more internationally competitive. Other initiatives included improvements to export facilitation in the car plan, initiatives to build forestry industries and changes to the Export Finance Insurance Corporation.

1988 as part of government strategy to increase the pace of award restructuring and workplace reform)³⁰³ and new initiatives for training programs. These policies were, on the whole, welcomed by the ACTU.³⁰⁴

In 1992 Paul Keating's *One Nation* statement announced further initiatives to assist industry. This was followed by a change in tariff policy. Instead of lowering tariffs to zero, as had previously been implied, Mr Keating announced that tariffs would not go below the level announced by Mr Hawke in March 1991.³⁰⁵ A break with the economic rationalist doctrine espoused by the Industry Assistance Commission was implied, when Mr Dawkins announced changes to the Commission. It was to be renamed the Industry Commission with a new head and a new charter to cooperate with industry in targeting areas where Australia enjoyed comparative advantage. The Commission was moved away from its hitherto strict free-market principles.

The August budget in 1992 contained further initiatives for assisting industry³⁰⁶ as did Mr Keating's *Investing in the Nation*,³⁰⁷ delivered prior to

³⁰³Workplace reform was assisted by several initiatives in the 1988–89 budget; namely Workplace Resource Scheme to provide advisory and consulting services for firms involved in reestablishing and improving competitiveness; Workplace Change Support Scheme covered a range of special projects involving employee participation; and Industrial Participation Training Schemes to train management and union staff in participative practices and organisational change.

³⁰⁴Michael Easson, 'Sunbeams, Cucumbers and Industry Policy' in Costa and Easson *op cit*, pp. 126–27.

³⁰⁵Emy believes this was due to electoral dismay at the cost of tariff reduction expressed in the Wills by-election of April 1992. A previous Labor Party but then independent candidate, who campaigned on a populist platform of social injustice which he blamed on Labor's industry policy, won convincingly.

³⁰⁶Initiatives included assistance to exporters entering new markets, a new working capital guarantee facility for export-oriented firms short of working capital, a continuation of the 125 per cent allowance for Research and Development and increased funding for the CSIRO. These initiatives came on top of previously announced further structural assistance in the Textile Footwear and Clothing industry and rural sectors, and spending on roads, training and education.

³⁰⁷Paul Keating, *Investing in the Nation* (Canberra: AGPS, 1993).

the 1993 elections.³⁰⁸ Increases in social spending were also announced. Finally, Senator Evans released *Australia in Asia*, listing eighteen initiatives to help Australian business improve their export performance in Asia. These latter initiatives implied a softening of free-market principles, but the fact that Mr Keating did not announce an industry policy *per se* and appointed Mr Griffiths as Industry minister rather than the more pro-interventionists Mr Crean or Senator Richardson was perplexing and implied difficulty in ejecting strict economic rationalist principles.³⁰⁹

V Education and Training Reforms

Industry was assisted by reforms in education and training. Such reforms dovetailed with award restructuring and had implications for shop-floor empowerment as we shall see below. The 1980s witnessed a change from Donald Horne's notion of Australia as the 'lucky country',³¹⁰ to Mr Hawke's concept of Australia as the 'clever country'. In order for Australian industry to become internationally competitive, the paucity in the number of educated and skilled workers and 'clear thinking people' needed to be addressed.³¹¹ Towards the end of the decade there were reforms in education to this end, instigated by Mr Dawkins, the then minister for Education and Training. Reforms began with the establishment of the

³⁰⁸Measures to assist industry included a cut in the company tax rate from 39 per cent to 33 cents in the dollar, bringing Australia more into line with south-east Asian countries, and a promise that the Reserve Bank would facilitate bank lending to small and medium business.

³⁰⁹Emy, *op cit*, p. 164.

³¹⁰This term coined by Horne referred to Australia's high standard of living based on its unprocessed resource-rich economy. See Donald Horne, *The Lucky Country* (Melbourne: Penguin Books, 1964).

³¹¹In comparison to other OECD nations, Australia's spending on education was low. In 1989, state expenditure on education was 4.72 per cent of GDP making Australia seventeenth out of twenty-four OECD countries. The OECD average was just over 5 per cent. The level of education was also low, with the 1981 Census showing just over half the adult population had left school between the ages of thirteen and fifteen. In 1981, 71 per cent had no formal post-school qualifications (Emy, *op cit*, p. 102).

Department of Employment, Education and Training in 1987, an amalgamation of departments that heralded Mr Dawkins' intention to tailor higher education resources to 'the national goals of industrial development and economic restructuring'.³¹² Areas requiring education funding were identified as science and technology, and business and management studies. There was a change in emphasis to one where teenage years were seen as a period of vocational preparation instead of drifting into unskilled labouring and clerical work.

It was agreed that provision was required to upgrade skills and qualifications in industry. This was to meet an increasing need for people to operate 'high tech' equipment on the shop-floor, for example automated and computer operated design and processing equipment. The needs of jobs requiring a higher level of all round industrial and workplace competence demanded attention, as did the need for formal on-going training to create a more flexible workforce, under award restructuring and multi-skilling, and a need for training in business management. The first strategy to meet these needs, was to make industry responsible for industry and business training. Under the Training Guarantee Scheme, all firms with an annual payroll over \$212,000 were required to contribute 1 per cent of the payroll to training expenditure, effective from 1990–91. In 1992 the levy rose to 1.5 per cent, with the potential for variation above this level for selected industries. There was some opposition to the scheme with concern centred around the definition of training, which excluded most on-the-job training, and the

³¹²Dawkins, cited in Capling and Galligan, *op cit*, p. 145. Reforms included abolition of the binary divisions between universities and the college system, which increased the number of universities from 20 in 1988 to 36 in 1992 and initiatives to encourage study and research in a number of priority areas. For Dawkins' reforms in tertiary education see Neil Marshall, 'Tertiary Education' in Brian Galligan, Owen Hughes and Cliff Walsh (eds), *Intergovernmental Relations and Public Policy* (Sydney: Allen and Unwin, 1991), pp. 225–233 and Don Smart and Janice Dudley, 'Education Policy' in Randall G. Stewart and Christine Jennett (eds), *Hawke and Australian Public Policy* (Melbourne: Macmillan, 1990), pp. 212–19.

impact on small business.³¹³ Of those who participated in the scheme, BHP Steelworks and WGE both apportioned more than the required 1 per cent towards training.³¹⁴ Training itself was problematic for some smaller industries, because of the paucity of training courses available.³¹⁵ This became apparent during research at WGE and is described in chapter five. Larger enterprises like the Steelworks were much better equipped, however, with the resources to meet the demands of training. In the case of the Steelworks, for instance, there were in-house training facilities for operators and tradespeople at Steelhaven. BHP Warrawong Training Centre was specifically built to meet staff and waged employee training needs in human development areas such as word-processing, inter-personal communication, problem solving, trouble-shooting, committee procedure and the like. Technical colleges and University resources were additionally required to meet the needs of an industry seeking to be globally competitive. These resources were used by both WGE and the Steelworks. But again there were problems with the availability of suitable courses. At the time of writing, Wollongong University in the Illawarra area has addressed this need with a range of scientific, technological and business management courses. Generally, surveys indicated mixed success with the training guarantee scheme. There was rising expenditure on training, albeit from a low base, in both the private and public sector but employers in the

³¹³P.J. Armstrong, 'Employer Matters 1989', *Journal of Industrial Relations* Vol. 32, No. 1 (March, 1990), p. 150.

³¹⁴It was in excess of 4 per cent at both enterprises (interviews Majella MacKinlay, Human Resource Manager, Ironmaking 11/5/93 and Tom Gallo, managing director, WGE 14/7/93). This is in keeping with a general trend across industries. The Australian Graduate School of Management and CCH, *National Survey of Training and Development Practices* (Collins and Hackman, 1991) showed 98 per cent of those surveyed spent more than 1 per cent of payroll with over half spending in excess of 2.6 per cent. See Andrew Smith, 'Australian Training Development' *Asia Pacific Journal Human Resources* Vol 32, No. 2 (Winter 1993), p. 67.

³¹⁵Boxhall argues that the majority of Australian enterprises are too small to support and provide sophisticated internal labour market training (cited in Smith, *op cit*, p. 73).

manufacturing sector believed the scheme has been only marginally effective in improving skills.³¹⁶

The second strategy was instigated in 1990 with a move to modernise Technical and Further Education (TAFE) colleges as a more effective way of meeting industry's needs. The 1991 Finn Review of post-compulsory education³¹⁷ and the 1992 Carmichael Report the *Australian Vocational Certificate Training System*³¹⁸ argued for restructuring school and TAFE to break down the division between work and learning and to establish better access routes to vocational education and training for young Australians. The core idea behind both reports was to develop a more flexible system of training to develop the skills required by the rapidly changing nature of work and the workplace. At the core of the Finn report were seven key areas of competence to help prepare young people for employment, namely language and communication, maths, scientific and technological understanding, cultural understanding, problem solving and interpersonal communications. The government agreed that Finn's seven areas of competence should be a compulsory feature of all post-compulsory education. And the Mayer Committee was appointed in 1992 to recommend appropriate descriptions for the seven areas. Its 1993 report, however, was not well received.³¹⁹

Carmichael's key recommendation was to merge all existing forms of traineeships and apprenticeships within a new national Vocational

³¹⁶Smith, *op cit*, pp. 65–7 and 69.

³¹⁷Brian Finn, *Young People's Participation in Post-compulsory Education and Training: Report of the Australian Education Council Review Committee* (Canberra: AGPS, July 1991).

³¹⁸Laurie Carmichael, *The Australian Vocational Certificate Training System: Report by the Employment and Skills Formation Council (National Board of Employment, Education and Training)* (Canberra: AGPS, March 1992).

³¹⁹Emy, *op cit*, p. 231, note 57. Carmichael in particular and educationalists objected to Mayer's insistence on placing competency-based training at the centre of the new training scheme (Smith, *op cit*, pp. 65–74 and 69).

Certificate Training System. The Certificate would be gained through a combination of work experience and study. A more systematic integration between schools, TAFE and employers was recommended for better career paths. Carmichael recommended school year twelve should have on-the-job training and that there be access to structural training course at commencement of work. The new Certificate was competency rather than time served based and was intended for trainees in semi-skilled, trade and technical occupations. To enforce national training standards, in 1992 the government instigated the Australian National Training Authority to run both TAFE and training and labour market schemes run by the commonwealth.³²⁰

Little progress was made by the end of the decade with the Finn recommendations. The cost of introducing the program was probably an inhibiting factor. The Carmichael recommendations were being adopted, however. Using the Ironmaking department of the Port Kembla Steelworks as an example, the concept of competency based rather than time served base for qualifications and promotion was operational in Ironmaking workplaces. Resentment caused by this issue became apparent during research of Ironmaking workplaces. Career paths using the Carmichael model were proposed for one Ironmaking workplace at least.³²¹ And national standards were used to accredit in-house courses where appropriate; thus giving workers portable skills. The implications of

³²⁰Following the Job Summit in 1992, to compensate for the unemployment caused by restructuring and the recession, Mr Keating announced four training initiatives, involving subsidies to employers and direct payment to trainees; the vocational training course for young people out of work for more than one year, the Career Start Traineeship Program for young people who had not completed twelve years of schooling, funds to introduce the Carmichael Australian Vocational Certificate and subsidies to employees who hired trainees under the Australian Traineeship system. These initiatives meant there were four training schemes extant in Australia, apprenticeships, the Australian Traineeship Program, the Career Start Traineeship Program and the Australian Vocational Certificate.

³²¹A detailed proposal was tabled at the Energy Services Consultative Committee meeting, 18/1/94 (Journal notes).

training and award restructuring are discussed in more detail below. At this point it is necessary to address union restructuring, because it was under the union movement's adoption of strategic unionism that award restructuring became possible.

VI Strategic Unionism and Union Restructuring

Under the bipartite corporatist arrangement of the Accord, prior consultation with the unions was required on virtually all government decision-making.³²² In return, the government sought union responsibility. As mentioned above, this elevation of the union movement together with the change from the traditional wage earner security philosophy heralded the phenomenon of strategic unionism. Strategic unionism represented a break from the traditional reactive process, concerned with issues of distribution with negotiation as the means of communication between unions and management, to a proactive process, concerned with issues of production and with participation as the means of communication between competent and informed unions in production issues and management.³²³ Strategic unionism is developmental in the sense that in order to participate in production issues, unions are encouraged to develop a high level of competence with regard to technological, workplace organisational and managerial knowledge to be adapted to union insights in the workplace and the productive process.³²⁴ While the Steelworks' union officials indicated

³²²ACTU access to government was reinforced by the personal links between government and union movement leaders such as Simon Crean, Bill Kelty and Martin Ferguson from the union side and Bob Hawke, Paul Keating, Ralph Willis, Peter Cook, and later Crean who had all been officers of the union organisation, from the government side (Gruen and Grattan, *op cit*, pp. 60 and 116).

³²³Hugo Levie and Ake Sandberg, 'Trade Unions and Workplace Technical Change in Europe', *Economic and Industrial Democracy* Vol. 12, No. 2 (May, 1991), pp. 231–58.

³²⁴Levie and Sandberg, *op cit*, p. 238. Unions may have special investigatory groups, employ outside advisors and run education courses aimed at members.

that lack of resources and time hampered this developmental aspect of strategic unionism,³²⁵ strategic unionism, nevertheless, opened up the potential for the development of competence and consequently for empowerment through more meaningful participation at the managerial level.³²⁶ At the shop-floor level where new management philosophies call for worker involvement in production issues, union competency assumes greater importance. Union competence can reach a level such that management becomes dependent on union know-how and in-put.

Again, within the Accord there is a contradiction in strategic unionism. The elevation of the union movement from the industrial economic level to the political economic level, meant the interests of the union movement become submerged with those of capital.³²⁷ Because 'The Accord [gave] the ACTU a greater involvement in the economic policy than at any time in history.'³²⁸ the union movement increasingly concerned itself with the creation of wealth as well as its distribution.³²⁹ A fact

³²⁵Interview Andrew Whiley, union official FIMEE, 13/5/93.

³²⁶See Levie and Sandberg, *op cit*, for examples of successful union participation with management due to thorough preparation through independent trade union work. In particular, see pp. 244 and 248.

³²⁷There is nothing new in the harmony between unions and capital. In the 1890's the unions turned to parliamentary representation and reform within the system rather than mass activism as the way to social reform. The Australian Workers' Union perceived that if unions were to promote the general and material welfare of the members, then a desirable objective was harmony between capitalist and labour (Ewer et al. *op cit*, p. 3). As early as 1928, the radical theorist, Selig Perlman called for union collaboration with management over production issues as a means to save jobs. Cited in Jean-Marie Rainville, 'Participative management, traditional management and industrial disputes: A case study', *Labour and Society* Vol. 15, No. 3 (1990), p. 313.

³²⁸R. Castles and J. Hagan, 'The ACTU and the Accord' *Current Affairs Bulletin* Vol. 63, No. 10 (March, 1987), pp. 4-11. The union influence in national economic policy-making due to the Accord, is reiterated by Lansbury and Davis. See Russell Lansbury and Edward Davis, 'The Hancock Report and Industrial Democracy', *Journal of Industrial Relations* Vol. 27, No. 4 (December, 1985), p. 545.

³²⁹Bill Mansfield, 'Trade Unions and the Challenge of Change' in Costa and Easson, *op cit*, p. 191. Mansfield, at the time of writing, was an assistant secretary ACTU.

exemplified in Bill Kelty's observation of the 'hopeless employer organisations' who are

lucky they have a government and unions ... prepared to accept the need for profits, accept the need for growth, not only on the basis of money being put into the hands of employers, but on the basis of money being put into the hands of employers so they can employ people.³³⁰

In return for privileged access to economic policy, the union establishment imposed on the union movement discipline and restraint.³³¹ By restraining wages growth and industrial unrest and by facilitating industrial reforms to make industry more competitive and profitable, under the Accord unions were employed by capital as agents of social control.³³²

Through the various versions of the Accord, unions facilitated structural changes in the labour market that secured improved labour productivity through the wage system. This is discussed below. But, while the principle of wage increases in return for productivity improvements, negotiated at industry and enterprise levels, aided capitalism, it had negative implications for the secondary labour force, as mentioned above. Union officials, too, individually played a key role in securing increased productivity for management under the two tier system and award restructuring. For example, 'the central office of the AMWU sent back a deal to an AMWU steward because it involved a trade-off of wages in return for the lifting of industrial bans',³³³ instead of in return for productivity

³³⁰Kelly, *op cit*, p. 68.

³³¹Gruen and Grattan, *op cit*, p. 59.

³³²Leo Panitch, 'The Development of Corporatism in Canada', *Studies in Political Economy: A Socialist Review* No. 1 (Spring, 1979), p. 76.

³³³*Australian Financial Review* (30 July, 1987), quoted in P. Kelly, *op cit*, p. 67.

increase. And drawing on the Steelworks as an example, through their involvement in cross-functional groups and in working groups formed by Consultative Committees to consider cross departmental issues, union officials directly contributed to the increased efficiency and production at Port Kembla Steelworks and presumably to its increased profits.³³⁴ Working within these groups, union officials initiated and facilitated production enhancing and cost reduction schemes. These groups are discussed in more detail in the ensuing chapter. While unions facilitated capital's profit making they also accepted massive redundancies at the Steelworks in the cause of the greater good of the industry's survival.³³⁵ Thus unions aided and abetted capitalists, whilst neglecting to promote the immediate interests of union members,³³⁶ in that many lost their jobs. The union involvement in redundancies, however, paved the way for union involvement in organisational change as I shall show below and in the following chapter.

Both the Left and the Right of the political spectrum were critical of the ACTU's involvement in the Accord. The Left criticised the ACTU for being co-opted and its strength sapped by capitalism and the Right regarded the ACTU as illegitimately influencing government.³³⁷ Moreover, as I argued above, under the Accord power became more centralised at the national level and many of the progressive intentions of the original Accord were lost. But the Accord gave the union movement the right to be consulted in important policy areas such as superannuation, award restructuring and social policy. This right of consultation at the national

³³⁴Profits from steel rose 66 per cent in 1993–94 to \$537m.

³³⁵Australian Steel Industry Unions are not alone here. Unions in the European Community have acquiesced to huge lay offs of steel industry workers. See Ewart Keep, *Social Dialogue and Restructuring in the Community Steel Industry* draft Initial Report (Coventry: Department International Relations, Warwick University, 1994).

³³⁶Panitch, 'The Development of Corporatism', *op cit*, p. 87.

³³⁷Gruen and Grattan, *op cit*, p. 112.

level opened up the potential for union and union member empowerment. And the Accord process itself, opened up the potential for workplace empowerment through award restructuring and the new workplace culture which gave portable social and practical skills to workers. This potential for empowerment is explained more fully below.

The new pro-active involvement in the economy under strategic unionism called for a restructuring of the union movement.³³⁸ Three key strategy documents were published, namely *Australia Reconstructed* (1987), discussed above, *Future Strategies for the Trade Union Movement* (1987) and *Can Unions Survive?* (1989).³³⁹

Australia Reconstructed recommendations for union restructuring included central coordination, strong local union and workplace organisation, predominantly industry-based unions and a small number of larger unions.³⁴⁰ The document, *Future Strategies for the Trade Union Movement* identified a number of threats to the survival of the movement, including declining union membership³⁴¹ and relevance, and New Right

³³⁸Costa and Duffy, *op cit*, p. 101 and Winton Higgins, 'Political Unionism and the Corporatist Thesis', *Economics and Industrial Democracy* Vol. 6, No. 4 (December, 1985), pp. 357–58. As early as 1984, the Committee of Review into Australian Industrial Relations Law and Systems chaired by Keith Hancock, called for union amalgamation to pool resources for workplace decision making and supported the Jackson (Committee to Advise on Policies for Manufacturing Industry) and Myers (Committee of Inquiry into Technological Change in Australia) Committees' call for government legislation to facilitate union amalgamation. The Hancock Report favoured the development of industry unionism to rationalise bargaining and lessen the frequency of demarcation disputes. See Lansbury and Davis, 'The Hancock Report', *op cit*, pp. 546–47.

³³⁹ACTU, *Future Strategies for the Trade Union Movement* (Canberra: ACTU, 1987). P. Berry and G. Kitchener, *Can Unions Survive?* (Canberra: Industrial Printing and Publicity, 1989).

³⁴⁰ACTU/TDC, *op cit*, p. 175.

³⁴¹Union participation rates are under 40 per cent and declining to the point where the unions have a problem of legitimacy. Unions represent only one third of employees in the private sector. The unions have little impact in the service sector, which is the fastest growing sector of the economy. Between 1986 and 1993 there was an 8 per cent fall in membership from 45.5 per cent to 37.6 per cent (ABS cited in *SMH*, 4/7/94). Victoria suffered the greatest rate of fall in membership with 41.4 per cent in 1992 falling to 37.8 per cent in 1993. Unemployment and Jeff Kennett's (State Premier) anti-union campaign are probable factors here. In NSW the rate of union membership actually rose slightly between 1992 and 1993, from 37.9 per cent

anti-union policies and practices espoused in Britain, America and by the Coalition opposition in Australia. The movement's inability to respond to the changing structure of the workforce, to technological change and to the internationalisation of the economy were seen as the major threat to union viability.³⁴² The document called for the consolidation of the movement's organisational base, via rationalisation of union structure, improved inter-union communication, recruitment campaigns and the provision of high levels of services to union members. *Can Unions Survive?* reiterated the problems outlined in *Future Strategies* and reinforced the need for amalgamation, recruitment and services. The document predicted a continuing decline of union density to 25 per cent by the year 2000³⁴³ and a potential period of crisis for the movement. Despite the ACTU's position of influence with the Labor government, the document claimed that the ACTU no longer spoke for the majority of workers.³⁴⁴

Union reorganisation and amalgamation was adopted at the 1987, 1989 and 1991 ACTU Congresses. It was argued that because the current union structure was based upon the craft or occupation of the individual union member, the result was a large number of unions each representing

in 1992 to 38 per cent in 1993. Costa and Duffy do not see the falling participation rate as a direct threat to union survival. Rather they recognise it is an international phenomenon, indicative of union success and the consequence of the changing nature of economic activity. They predict that declining rate will 'bottom out' and unions will find an appropriate role to fill in Australian society (Costa and Duffy, *op cit*, p. 118). Di Kelly lists the rise in unemployment, changes in workplace structure, state government and employer tactics and the removal of automatic deductions of union dues as causes for the fall in union density (D. Kelly, 'Trade Unionism in the 1993', *op cit*, p. 136). It is of interest to note that in 1994 union density in the United States stood at 14 per cent.

³⁴²Markey argues that the centralised and outdated nature of the Public Service Association (PSA) in NSW discouraged workplace participation in the early 1980s. This and other factors such as health and safety issues, technological change and sexual harassment prompted PSA restructuring. See Raymond Markey, *Employee Responses to Technological Change in State Employment: A Case Study of the New South Wales Public Service* (Riverina: Riverina-Murray Institute Press, 1988), pp. 28–38.

³⁴³At the time of the document's publication union membership was below 40 per cent of the workforce.

³⁴⁴Berry and Kitchener, *op cit*, p. 15.

its members in an enterprise. This was in contrast to the Swedish and German situation of one or two unions per enterprise. Amalgamation along industry-based lines was seen as a way to reduce the number of unions per enterprise. It was argued that amalgamation would serve to strengthen the union movement in the face of falling membership and reduced influence. And union amalgamation would husband limited resources and multiply expertise while at the same time facilitate the process of workplace change.³⁴⁵ Since the late 1980s, a large collection of old craft-style unions have been amalgamated into twenty or so industry super-unions with Bill Kelty forcing the pace of union amalgamation in 1993, to counter the threat of anti-union legislation proposed in the Liberal opposition's *Fightback!* agenda.³⁴⁶

The rush to amalgamate, caused logistical problems of supernumery union officials and redundancy payments. Amalgamation *per se* can be problematic. For example, large unions can lose relevance to their members, weakening membership adherence;³⁴⁷ the unique problems and specific needs of an assortment of members now married in one union may not fit a uniform standard approach; industry-based mega-unions can pose a logistical problem of servicing members when there are limited resources and scattered members among many workplaces; and mega-unions run the risk of over bureaucratisation and consequently become less democratic.

³⁴⁵The increasing complexity of workplace production and technology issues has overburdening the resources of Swedish unions, to the detriment of individual member's interests. See Higgins, 'Political Unionism and the Corporatist Thesis', *op cit*, pp. 371-72.

³⁴⁶*SMH*, 4/7/94. See Di Kelly's overview of union amalgamation in Australia (D. Kelly, 'Trade Unionism in the 1993', *op cit*, p. 138).

³⁴⁷For example the Automotive Metals and Engineering Workers Union (AMEWU) amalgamation with the Association of Drafting, Supervisory and Technical Employees union resulted in half the latter's members leaving the new union, because the AMEWU was deemed to be unresponsive to their needs (*SMH*, 4/7/94).

Costa and Duffy want a flexible approach to union restructuring,³⁴⁸ arguing that a single solution of union amalgamation will produce a situation out of step with trends in industrial and workplace restructuring. For example, large unions operating on the principle of economies of scale are out of step with the current trend in business towards smaller planning or business units and an industrial environment that includes both mass production and small specialised production runs. While a few mega-unions might be inappropriate to meet the current needs, the old craft based unions are also inappropriate. Unions need to accommodate the 'Post-Fordist' worker whose broad skill base contrasts with the traditional narrow-skilled craft worker and the low skilled worker; flexible specialisation and new consultative management structures; different enterprise structures and production practices and unions need flexible industrial relations policies to accommodate the overall business strategy of an enterprise.³⁴⁹ Other factors which may also need to be taken into consideration include the individual union's past industrial relations experiences, the state of the economic environment, product market, the type of technological change and the stage of implementation of change. All of such factors may influence the unions approach to the new workplace and production practices.³⁵⁰

If the need for a flexible approach to restructuring was submerged by the rush to amalgamate, the attendant economies of scale should provide union officials with the resources, education and technical skills necessary

³⁴⁸Costa and Duffy, *op cit*, pp. 106–29.

³⁴⁹'Targeted differentiated services' following market research is advocated (*ibid*, p. 127).

³⁵⁰Frank Carr, 'Introducing Team Working—a Motor Industry Case Study', *Industrial Relations Journal* Vol. 25, No. 3 (September, 1994), pp. 199–209, A. Fox, 'Corporatism and Industrial Democracy: The Social Origins of Present Forms and Methods in Britain and Germany' in *Industrial Democracy International Views* (Coventry: Industrial Relations Research Unit, University of Warwick, 1978) and S.H. Slicher et al., *The Impact on Collective Bargaining on Management* (Washington: The Brookings Institute, 1986).

to cope with Australia's entry into the modern global economy; a move that meant a change in union role to strategic unionism. In industries that adopted best practice, for example, it required union participation with management to improve production efficiencies, with a shift in the emphasis for empowerment away from wages to portable skills and job autonomy. For their part, it meant a change in management attitudes towards employees and unions, from one of confrontation under 'scientific management' to one of consensus under consultative management. The changed attitudes had some destabilising effect on the shop-floor but at the same time opened up the opportunity for employee empowerment. Award restructuring exemplified these changed attitudes and facilitated empowerment of waged employees.

VII Award Restructuring

To reiterate, the aim of the original accord was to stimulate economic recovery and thus employment growth, but to prevent a repetition of the wages explosion under Mr Whitlam and Mr Fraser.³⁵¹ Accordingly, wages were kept down through the Accord process. It was a centralised and fixed process of wages negotiation with wage rises fixed to the consumer price index and handed down by the Full Bench of the Arbitration Commission (to become the Industrial Relations Commission in 1989) and unions agreeing to a 'no extra claims' clause. The result of the first Accord was that real wages fell.³⁵² This has been discussed above.

³⁵¹A weakness demonstrated in the union's acceptance of Mr Fraser's wage pause in 1982. Much of the domestic cause for the early 1980s recession and high unemployment rate of over 10 per cent with 100,000 jobs lost in the Metal Trades Industry was largely blamed on the unions' push for high wages increases in the early 1980s. The policy had disastrous effects on union members and the unions lost strength and legitimacy (P. Kelly, *End of Certainty*, *op cit*, p. 63).

³⁵²Accord Mark II introduced occupationally defined award-based superannuation, whereby employers made a superannuation contribution representing 3 per cent of employee wages.

The period 1985 to 1987 witnessed a worsening current account deficit, along with a rapid depreciation in the value of the Australian dollar and a substantial deterioration in the terms of trade.³⁵³ The current account deficit became the dominant concern. Fiscal, monetary and wages policies were tightened, without achieving the objective of reducing the deficit. The balance of payment crisis of the mid 1980s made it clear that the single strategy of a centralised deal to control nominal wage inflation would not be sufficient to generate sustainable economic growth. Industrial relations, the wage system and the labour market had to play a part in improving the supply-side efficiency of the economy if Australian workers were to enjoy higher real wages and material living standards. As the economy opened to global competition it became apparent to government, union and business leaders that Australia's arcane and rigid award system with its plethora of complex awards,³⁵⁴ concessions, privileges, restrictive practices and demarcations must be addressed. Gradually the ACTU and the government accepted that a more decentralised and less regulated industrial relations system was required to lift the economy's productivity performance: evidence of the advancing influence of economic rationalism.³⁵⁵

The Accord was renegotiated according to this agenda, with a shift to an emphasis on the supply side of the economy, together with the shift towards decentralisation. To offset falling real wages, the ACTU became increasingly willing to accept wage-tax trade-offs and to accept that productivity in addition to cost-of-living criteria should be part of wages

³⁵³The terms of trade deteriorated by about 2 per cent on average over the previous thirty years. It then became particularly acute between 1985 and 1987, deteriorating by about 15 per cent.

³⁵⁴The Business Council estimated there were some 2000 awards in Australia (Emy, *op cit*, p. 91).

³⁵⁵Costa and Duffy, *op cit*, p. 74.

policy.³⁵⁶ In March 1987, full indexation was abandoned for the 'two-tier' wage system, as part of the Accord Mark III agreement.³⁵⁷ And, as indicated above, the focus of the wages policy became one of tying wages to productivity and efficiency rather than to the cost of living. The two-tier wage system replaced full wage indexation with a first tier flat (general) wage increase and a 'decentralised' second tier (case by case) increase of up to 4 per cent, based on enterprise level negotiations to increase productivity and efficiency.³⁵⁸ Accord Mark III thus provided an entry for economic rationalists who were advocating enterprise bargaining and an end to centralised wage fixing. It did, however, mark the beginning of an award system geared to increase the skills and training of waged employees.

The period 1988 to 1989 saw more rapid growth in the economy and boom conditions in property markets. But the current account continued to mount to almost 34 per cent as a share of GDP during 1989-90 compared with 13.5 per cent during the last year of the Fraser government. Monetary policy was tightened to reduce domestic demand. While there was some curtailment of the demand for imports, the concurrent depressed demand for Australian-made products served to further undermine the conditions for productive investment. And as the decade advanced the economic problems were increasingly underlined by the problem of poor productivity. Award restructuring aimed at enhancing production efficiency of employees was advocated as a means of addressing the productivity problem.

³⁵⁶Stilwell, 'Wages Policy and the Accord' *op cit*, p. 30.

³⁵⁷ACTU, *Discussion Paper: A Blueprint for Changing Awards and Agreements* (unpublished memo, 1989) cited in Ewer and Hampson, *op cit*, p. 43.

³⁵⁸The two-tiered wage fixing system was resented by rank and file union members, because of its focus on productivity off-set bargains. It increased the distrust between shop-floor and management, thus poisoning the atmosphere for the ensuing award restructuring (Costa and Duffy, *op cit*, p. 140).

The ACTU support for award restructuring was expounded in the 1989 ACTU Congress and ACTU *Discussion Paper: A Blueprint for Changing Awards and Agreements* (known as the 'Kelty Plan'), where the union movement called for changes to work organisation. The ACTU Congress outlined several principles pertaining to skills, career paths and training. The Congress stated that each work level should be capable of undertaking a broad range of skills consistent with the training provided and no work level should be regarded as 'unskilled'. The structure of each work level should allow for and encourage career opportunities for all employees. And the employer should provide the opportunity for sponsored education and training where necessary, to allow employees to avail themselves of career opportunities. Management's recognition of the higher levels of skill and knowledge should mean changes in the nature of supervision with devolvement of responsibility for quality and throughput to the shop-floor. Finally, opportunities for participation in broader decision making in the enterprise should be built into the work organisation.³⁵⁹ This call for employee participation in decision making represented a reawakening of an agreement made in the original Accord, that, hitherto, had been shelved.

The ACTU used the February 1989 National Wage case as a forum to pursue its *Blueprint* strategy for award restructuring. The ACTU contended that the restructuring should accommodate training, skill development and career opportunities necessary for increasing remuneration and personal fulfillment. Essentially the *Blueprint* called for three steps; set a minimum wage, broad-banding by establishing across industry six to eight skill levels, and provide career paths through education, training and service. The ACTU approach was rejected by employer associations, which called for a

³⁵⁹Mansfield, *op cit*, p. 197-98.

wider and more flexible agenda.³⁶⁰ But, during the 1990 election campaign, senior executives of some Australian larger corporations, like BHP and BTR Nylex, expressed their support for the existing system of award restructuring. And the MITA argued that the two tiered bargaining process had satisfactorily increased the enterprise focus.³⁶¹

The 1989 National Wage Case award accepted the ACTU's recommendation that it deal with award restructuring to reduce the impediments to productivity and efficiency gains. In 1989 the 'structural efficiency' principle³⁶² was introduced by the Industrial Relations Commission to facilitate award restructuring.³⁶³ The 'structural efficiency' principle replaced the 'restructuring and efficiency' principle (referred to as the two-tiered wage system above) as the wage fixing principle. Under the structural efficiency principle wage increases could be justified

if the Commission is satisfied that the parties to an award have co-operated positively ... and are implementing measures to improve the efficiency of industry and provide workers with access to more varied, fulfilling and better paid jobs. The measure to be considered should

³⁶⁰Armstrong, *op cit*, p. 142. The CAI and the BCA saw award restructuring as a positive development, but rejected the union efforts to link wage rates across industries, arguing instead for separate industry awards. They also argued for widening the agenda to include items such as standard working hours, penalty rates, part-time and contract labour, union demarcation and union structures. See Russell Lansbury, 'Industrial Relations in Australia and Sweden: Strategies for Change in the 1990s', *Economic and Industrial Democracy* Vol. 12, No. 4 (November, 1991), p. 531.

³⁶¹Doug Wright, Director of the NSW Branch of the MITA 1990, cited in Gruen and Grattan, *op cit*, p. 132.

³⁶²The structural efficiency principle is, in essence, an enterprise agreement, where the Industrial Relations Commission ratifies a wage rise where proof of award restructuring can be demonstrated.

³⁶³Award restructuring was a product of the August 1989 National Wage Case decision and was in keeping with the system of centrally administered Accord-based bargaining.

include...establishing skill-related career paths which provide an incentive for workers to continue to participate in skill formation ...³⁶⁴

Thus productivity was tied to wages through retraining and multi-skilling of employees. The Industrial Relations Commission's aim in award restructuring was to create fewer more broadly defined job classifications linked by skill levels.³⁶⁵ In effect, broad-banding was multi-skilling because each position combined several skills. For example, at the Port Kembla Steelworks, rather than there be stackers and pilers who performed a set task with a separate pay structure, these positions and tasks were broad-banded to become an operator performing several tasks. It was hoped that broad-banding would not only simplify the award system, but would also provide a career path during the working lives of employees, by encouraging employees to gain further skill and competence. The award would also encourage employees to gain a number of skills so that they could perform a number of jobs in the workplace. Multi-skilling as part of award restructuring was introduced with Accord Mark IV in 1989-90.

There was considerable support from the government for the 'Kelty Plan', including funds for restructuring and pressure on employers to

³⁶⁴Australian Industrial Relations Commission, *National Wage Case: Reasons for Decision* (Melbourne: 1989), p. 21.

³⁶⁵The Port Kembla Steelworks, for example, had a complicated wage structure incorporating elements based on workers' skills and activities in the workplace, plus elements based on wider considerations external to the workplace. There were five elements, namely the basic wage, a margin for skill, allowances and special rates, bonuses and overtime. While some elements could be negotiated, others such as bonuses and overtime were decided subjectively, often by supervisors. At Port Kembla Steelworks, broad-banding of job and skill classifications was a task undertaken by the South Coast Development Project (SCDEP) skills audit in 1989, when 360 job classifications were reduced to nine. In the initial steps of developing a training and career path module, each department used working groups to identify skills extant and skills required for each level of training. Much of the SCDEP audit has been 'shelved'; for many, a source of irritation and scepticism about surveys (interview, Training Coordinator, Energy Services, 13/1/94). The many labourer classifications based on individual tasks were broad-banded into an operator classification at three levels. Eight core operator skills were identified. A labourer with five out of the eight skills was trained in the missing three skills and reclassified as an operator (interview, Rosie Duncan, HRO, Sinter Plant, 17/2/94).

invest more in training. The government announced 2.7 million dollars for the establishment of four workplace restructuring centres to assist unions and employers with restructuring, followed by a further 12 million dollars to provide restructuring assistance. Progress with implementing these reforms varied across industries and was generally slow.³⁶⁶ In some areas, such as in banking, the metal trades, postal delivery, the federal public service, vehicle assembly, aviation, telecommunications and building, progress was substantial.³⁶⁷ While in other areas, such as the meat industry there was no progress, with either or both parties refusing to discuss the issues or unable to reach any agreements. And in other areas progress was poor, with agreements made at the industry level meeting problems with implementation at the enterprise level.³⁶⁸ This is understandable, given the logistical problems with implementing multi-skilling and demonstrating productivity. It can be difficult to maintain all the skills under a broad-banded position. For example, where there might be twelve production operators there might be five different job rotations. By the time an operator rotates to the fifth job, skills might be lost (or absent), necessitating retraining.³⁶⁹ In this instance, multi-skilling becomes counter-productive. Productivity is a problematic term. Under the structural efficiency principle, parties to a negotiated wage deal must demonstrate measures to increase productivity. Measures might include training programs to increase employee production, changes in the organisation of work or changes in

³⁶⁶Paul Keating, *One Nation*, *op cit*, p. 53. The Industrial Relations Commission, in its April 1991 Wage Case Decision, expressed concern at the narrow scope and slow pace of the award restructuring process. The Commission assessed that after three years of award restructuring, there had been little impact at the enterprise level. See IRC, *National Wage Case April 1991*, p. 22.

³⁶⁷S. Crean and M. Rimmer, *Australian Unions—Adjustment to Change* (Clayton: National Key Centre in Industrial Relations, Monash University, 1990).

³⁶⁸Barton, *op cit*, p. 137.

³⁶⁹Interview, Duncan, *op cit*.

work practices which will improve efficiency. There are problems, however, with determining the efficacy of measures to improve productivity. How does one measure productivity?³⁷⁰ And moreover, there is a finite limit to the number of measures to improve productivity, that can be introduced in any one workplace. The problems associated with demonstrating productivity were recognised with legislation in July 1992, which relaxed the Commission's strict guidelines.³⁷¹ The logistical problems of implementing the restructured award was reflected in the figure of only 5 to 10 per cent of the work force employed under Federal awards operating under an enterprise productivity agreement by mid 1992.

Although Accord Mark III and award restructuring under the structural efficiency principle paved the way for enterprise bargaining, the government and ACTU were at that time holding to centralised wage fixation and to the wages principle; a position epitomised by the positions they both took during the airline pilots' dispute.³⁷² To offset this, however, there were some developments in enterprise bargaining. In December, for example, the Industrial Relations Commission ratified the first single shop union agreement in Australia between Federated Ironworkers Association and the Southern Aluminium Proprietary Limited.³⁷³

³⁷⁰Stilwell points to the complexity of the 'increased wages only through increased productivity' argument because it rests on the measurement of productivity as labour productivity rather than 'total factor productivity' based on labour, land and capital. Stilwell, *op cit*, p. 48. And, in practical terms, how, for example, does one increase the productivity of a child-care worker, where legislation limits the number of children per carer and where there are a limited number of in-service training courses available? Even in areas where productivity might be measurable, there are limits to productivity improvements. For instance, there are cases of skilled trade maintenance people improving their productivity by bargaining away tea-breaks and simply working longer hours. Minimal regulations protect employees in these cases.

³⁷¹Port Kembla Steelworks circumvents the problem of the structural efficiency principle by using work value as the wage fixing principle.

³⁷²Barton, *op cit*, p. 133.

³⁷³*ibid*, p. 133.

The centralised nature of the labour market and the perceived strength of the union movement led the business community to push for further decentralisation of the labour market.³⁷⁴ And the dry economic rationalists of the Liberal opposition, as early as 1986 and Accord Mark III, argued that centralised wage fixing and highly regulated labour market was too inflexible and retarded economic growth. They called for the elimination of compulsory arbitration, compulsory unions and the 'closed shop' and the development of enterprise unions and enterprise bargaining. The OECD too, called for a more flexible Australian labour market, pointing to the Australian labour market's inability to respond to the changing circumstances of international competition.³⁷⁵ It argued that the centralised nature of the labour market may have led to smaller wage differentials than those found in most western countries. This adversely effected continuous work commitment, skill acquisition and expenditure outlays for training, demonstrated by private firms.³⁷⁶ Inadequate training subsequently had a detrimental effect on economic growth because it adversely affected the industry's ability to use new technology and to adjust to change.

Gradually the government and the ACTU came to accept the core idea of enterprise bargaining, while retaining the centralised role of the Commission to ratify agreements. But while the April 1991 National Wage Case reinforced the 'structural efficiency' principle as the primary focus of centralised wage fixing, the Commission refused to endorse further enterprise bargaining as requested by the government and the ACTU and as

³⁷⁴Approximately 80 per cent of employees were covered by minimum wage awards set either by the Federal Industrial Relations Commission (IRC) or by state wage tribunals.

³⁷⁵Stutchbury, *op cit*, p. 154.

³⁷⁶Gruen and Grattan, *op cit*, p. 148.

agreed to in Accord Mark VI.³⁷⁷ The Commission deemed that the ACTU lacked the maturity to treat enterprise bargaining as anything other than a wage-raising device. The Commission's decision marked the development of a rift between the government and the ACTU combined and the Industrial Relations Commission. Then in October 1991, the Industrial Relations Commission gave considerable ground by accepting that enterprise bargaining was necessary. The Commission said it was prepared to approve collective enterprise bargaining agreements under Sections 112 and 115 of the Industrial Relations Act (these sections provided for 'consent awards' and 'certified agreements'). Of the ten principles laid down by the Commission, the most important required enterprises to 'be consistent with the implementation of the "structural efficiency" principle' prescribed by the April 1991 decision. It required enterprises to establish a 'consultative mechanism' for workers and management to negotiate over productivity. Unions and employers also had to demonstrate that wage increases were based on implemented measures to improve efficiency. Enterprises could make their own bargain and the Commission was prepared to restrict its role to one of conciliator if required. The Commission's decision marked a further step in the transition of Australia's industrial relations and wage-setting system away from centralised control. And the call for enterprises to establish consultative mechanisms for negotiation opened up the potential for new management techniques and employee participation.

In 1992, Paul Keating's *One Nation* economic statement heralded further decentralisation of wages' negotiation with the claim that:

³⁷⁷ACTU secretary Bill Kelty argued that union members had become complacent under a system of automatic wage increases. With enterprise bargaining workers would have to win their wage rise. And because ABS figures showed that unionised workplaces fared better in enterprise deals, union membership would rise as a consequence of across the board enterprise bargaining. Enterprise bargaining was thus a means of addressing the decline in union membership (SMH, 4/7/94).

The focus of reform has now shifted from the industry and award level to the individual workplace to generate market liberalisation, structural adjustment and other micro-economic reforms ... Workplace bargaining provides clear and direct incentives for the parties to seek out and share the maximum possible productivity gains. Real wage increases not supported by productivity gains are illusory, being eroded inevitably by higher prices, and eventually will only undermine job prospects. Workplace bargaining encourages the parties directly involved to accept responsibility for their industrial relations practices and outcomes.

While adhering to wage rises linked to productivity as espoused in the *One Nation* speech, legislation was brought down in July of 1992 that removed the Commission's strict criterion of wage increases contained in enterprise bargains be linked to improvements in productivity. Moreover, the legislation shifted the Commission's role from a centralised supervision of enterprise bargaining to a concern with protecting minimum rates. The legislation stipulated more general guidelines to enterprise bargaining, to accommodate the difficulties encountered in demonstrating productivity.³⁷⁸

Overall, the legislation was not well received by employers. They feared the Commission's earlier concerns of union immaturity might be realised and preferred the Commission maintain its role in upholding the 'structural efficiency' principle. The Metal Trades Industry Association and the Confederation of Australian Industry, previous supporters of the government's managed decentralisation, withdrew their support. Without the IRC's presence to check what they perceived as the unions' single minded focus on pay, the Business Council of Australia's position became

³⁷⁸The Public Service Unions in particular had experienced difficulties in demonstrating productivity increases.

attractive to them; that of one award per workplace, with employees allowed to bargain for themselves without the presence of a union.³⁷⁹

Then after the 1993 election, in a speech to the Institute of Company Directors,³⁸⁰ Mr Keating signalled a further reduction in the role of the IRC and a further move away from centralised wage fixation. He emphasised the priority of workplace agreements between employers and employees based on genuine productivity bargains, although the arbitration tribunals would still provide minimum safety nets for low-paid workers. At the time, the government adhered to the ACTU's position that employees were best represented by unions and argued that enterprise agreements be negotiated with unions. The unions quite rightly argued that enterprise bargaining without union involvement would allow the skilled to benefit at the expense of the unskilled. The provision of a safety-net was aimed at supporting the unskilled disadvantaged in enterprise bargains.³⁸¹ Mr Keating's speech, however, left a question mark over enterprise bargaining in non-unionised workplaces.

The award restructuring marked a significant move away from centralised and protected wage fixation and was illustrative of the shift in political economic culture. It underpinned a new workplace culture that at the time of writing was implemented by a handful of Australian enterprises. This is discussed below. Award restructuring with its broader skilled-based classifications reversed the residual Taylorist principle that provided for management control of the labour process. It opened up the

³⁷⁹Emy, *op cit*, p. 96.

³⁸⁰*The Australian* (22nd April, 1993).

³⁸¹Enterprise bargaining particularly disadvantages women, who tend to be casual or part-time and not unionised. For more on the potential for enterprise bargaining to disadvantage women, see M. Burgman, 'A Mistaken Enterprise', *Australian Left Review* No. 119 (July, 1990), pp. 15-16.

potential to return some control of the labour process to the workers,³⁸² within the limitations of capitalist relations of production. It was this empowering potential of award restructuring that sections of the Left in the union movement found attractive. In award restructuring the Left saw the recognition by management that a narrow skills base was no longer adequate to meet competitive demands and a growing understanding by management that a Taylorist-style direction and control of the workforce was no longer enough to generate the levels of production necessary for enterprise survival. Therefore, some of the more optimistic in the union movement viewed award restructuring as the mechanism for the transformation of society.³⁸³ To some extent this view of award restructuring is correct. While I recognise that award restructuring has negative implications for some, the emphasis on skill and training acquisition and on employee involvement in production issues opens up the possibility of employee empowerment. It is the contradictory and empowering potential of these two issues that I now turn. Case studies from WGE and the Ironmaking department of the Port Kembla Steelworks are used as illustration.

Multi-skilling and career path opportunities can have empowering effects if skills are portable and recognised outside the enterprise. Workplace specific skills held by blast furnace operators, for example, currently dis-empower these operators by binding them to the cast house floor. This strengthens the Steelwork's internal labour market and management prerogative over training, conditions and remuneration. And workers bound by restricted skills are vulnerable to redundancy, once technological change overtakes their job. Moreover, moulding the worker

³⁸²Costa and Duffy, *op cit*, p. 154.

³⁸³*ibid*, p. 155.

to suit a particular process prevents the worker from seeing themselves in a social context, thus restricting the development of social skills. The ACTU recognised the dis-empowering nature of workplace specific skills in its *Award Restructuring: Guidelines for Organisers*, when it sought to remove the task-based work of the existing Metal Industry Award. This outdated award reinforced Taylorist attitudes, because it gave the intellectual content of the work to technicians and other specialists while production work was divided into numerous repetitive tasks. To replace the old award, the AMWU proposed a skill-based classification structure. The distinction between the skills of an employee or group of employees and tasks was an integral part of the union's approach to award restructuring. The union called for formal training for production workers to enhance skill. Set in a framework of national accreditation, the award structure was to reflect technological changes and the needs of industry, while at the same time providing the worker with portable skills.

The ACTU used the AMWU's document as the basis for its *Blueprint* on award restructuring. The Port Kembla Steelworks has essentially adopted the document's philosophy. From a combination of the Finn, Carmichael and Mayer Reports, HRO's and trainers, in consultation with the shop-floor, are developing a traineeship structure beginning in the schools and progressing to core generic modules and training in specific applications at the Steelworks. In keeping with the recommendations of the Finn report, core skills are not strictly technical in nature, but include communication skills, trouble-shooting and problem solving skills. In keeping with the Carmichael Report, entrance to and progress through the course is competency not time based. Accreditation for the program is via the Australian Vocation Certificate, giving portable skills to those entering the program. Developing training modules and specific applications that give portable skills to mechanical and electrical maintenance personnel has

proved to be relatively straight forward. Developing a module that will give operators portable skills, however, is proving to be more difficult. Currently proposed is a generic course for production operators that can be assessed under the Australian Vocational Certificate, with additional training in workplace specific skills.³⁸⁴ Under this traineeship structure it is possible for workers to advance from the production line, through skilled trades, to advanced engineering and management. Thus, in fulfilling one of the aims in the ACTU *Blueprint*, training opens up the opportunity of a wider socio-political possibility, that of empowering workers who have hitherto received enterprise-based training in a narrow range of process-specific non credentialled skills leaving them tied to the company and to the one job for life.³⁸⁵

The AMWU award restructuring model also has important implications for the disadvantaged in the labour market. In its recognition of prior learning, award restructuring potentially advantages women and migrant employees. And the objective criteria of training and competence, rids career paths of the discrimination of favouritism and 'right place right time' reliance on promotion; a phenomenon experienced by operators at the Steelworks prior to award restructuring.³⁸⁶ But the new criteria of multi-skilling and technological qualifications instead of on-the-job experience, is a two edged sword. Employees are prepared for career advancement, but their career paths are restricted. This is because as shop-floor workers assume more skill and responsibility, the need for supervisors

³⁸⁴Training programs in various stages of development were tabled at both the Energy Services and Rail Operations meetings I attended (Journal notes).

³⁸⁵Ewer et al. go one step further to argue that it is training where the potential for empowering workers lies, rather than participatory schemes. Ewer et al., *op cit*, pp. 151-54.

³⁸⁶Interview Steve Quinn, Secretary, Illawarra Branch, Australian Metal Workers Union, 2/6/93.

is reduced,³⁸⁷ along with a step in the career path from operator to management.³⁸⁸ One of the Steelworks' management's aims in multi-skilling workers is in fact to reduce a level of management, with the eventual aim of self-managed teams working under set procedural guidelines. This phenomenon of Foucauldian surveillance by paper work is discussed below.

Added to the reduced number of supervisors required in the workplace is the change in requirements for promotion. For example, at the Steelworks supervisors often worked their way up through the hierarchy of wages classifications and managers held degrees in areas appropriate to the productive process, e.g. metallurgy and engineering, and rose through the technical ranks to their senior position. Management of workers was adaptive in line with their technical bias, rather than in line with any management skills.³⁸⁹ But the new imperative of effective training of supervisors and managers, expertise in human resource management and a closer involvement at the workplace by industrial relations officers, means a change in supervisor and management training to one of social interaction and communication skills. A change that became evident during the Energy Services group interview, when a maintenance tradesperson observed:

You can really tell the supervisors of today have been down here [Warrawong Training Centre] and done a lot of people courses. In the old days a foreman was a foreman. He'd been through the mill and he

³⁸⁷Conversation with the training coordinator for Energy Services (Journal notes).

³⁸⁸Interview, training coordinator, Energy Services, 13/1/94. And an Energy Services superintendent reported on the changing role of supervisors, 'It is no longer the case that good operators make good supervisors. Now that the responsibility for the operation of jobs is delegated to the shop-floor, the supervisor's role is essentially one of communicator and developer of team-work'. Report tabled Energy Services Consultative Committee meeting, 26/10/93 (Journal notes).

³⁸⁹D. Kelly, *Technology, Work and Management*, *op cit*, p. 161.

was your foreman. He was just one of you. Now you can really tell. They come down here once a month and get their injection of BHP corpuscles you know. You can tell, the way they speak to you, ... the way they grease you up. Its an art-form. They've all been trained in this art-form down here.³⁹⁰

Thus, not only are career paths restricted by the number of supervisory positions required but by the changing nature of supervision and method of promotion. The new emphasis on human relations skills, means that supervisory positions can be accessed by those external to the workplace who are trained in business management.

Award restructuring calls for multi-skilling. Multi-skilling negates demarcation and creates a flexible workforce, offering more challenging, more varied work and under the terms of award restructuring, more remuneration. Functional flexibility is therefore of benefit to workers. But in negating demarcation, functional flexibility removes a defense mechanism in the workplace and becomes a potential threat to some employees. For example, under Total Operation Performance (TOP), introduced under the Steel Industry Agreement as the Steelworks' version of Total Production Maintenance (TPM), operators are trained in simple mechanical and electrical repairs. It is a form of multi-skilling that produces 'operator maintainers'.³⁹¹ That is, operators are taught lower order trade skills of problem targeting, running adjustment tasks and minor maintenance. The benefit to the production worker is more responsibility and more variety in the job. But the prestigious position and job of tradespeople is threatened. The threat experienced by tradespeople became most evident during my observation of the Sinter Plant Consultative

³⁹⁰Semi-focused group interview, Coal Preparations, 21/4/94.

³⁹¹Ewer et al., *op cit*, p. 129. For more examples of the negative effect of flexibility, see D. Kelly, 'Trade Unionism in 1990', *op cit*, p. 145.

Committee meeting. A long standing dispute between the FIMEE official and management over the introduction of TOP in the Sinter Plant was discussed at the meeting. The issue at the meeting concerned operators cutting off frayed belt rubber to prevent the frayed piece jamming the production equipment. Prior to TOP, a maintenance tradesperson was called to do the job. So keenly did the FIMEE official feel the threat to tradespeople, that a ban on operators using any tools, including scissors, was in place. Tradespeople quite rightly felt threatened. After all, an operators wage is less than that of a tradesperson and it makes management sense to reduce the number of tradespeople, as operators become proficient in minor maintenance and repairs. Multi-skilling is thus potentially empowering for some because it provides more varied work, portable skills and job security; a result of the employee's increased value to the employer.³⁹² But it also potentially means job loss for others, because employees capable of performing a multitude of tasks means less workers are required.

Multi-skilling production operators means the mystique attached to craft work is also under threat, by the proven abilities of those without a craft. This weakens the hitherto strong presence of tradespeople in the workplace. Maintenance tradespersons are traditionally more militant than production workers. By offering production workers a limited career path that includes enterprise-based training in lower order maintenance tasks, maintenance trades are squeezed out of the workplace. When major maintenance work is required contract maintenance workers are called in; a contentious issue already present at the Steelworks.³⁹³ Thus a potential

³⁹²According to Human Capital Theory, the employer has a vested interest in keeping the trained employee over a period of time to enable a return of capital invested in the training. And according to the theory of Internal Labour Markets the employer benefits from the employee being able to perform many tasks with proficiency and to use new technology to its fullest advantage.

³⁹³Contract maintenance tradespeople are already contracted by the Steelworks. Tradespeople from WGE are among them.

consequence of multi-skilling operators is that labour solidarity is weakened.

The position of the more qualified tradespersons is potentially enhanced by multi-skilling and the introduction of new computerised technology. Multi-skilling tradespeople in acquiring work-cover licences to operate cranes and forklifts, threatens the jobs of operators but it enhances the multi-skilled tradesperson's position. Moreover, freed from the frustrations of minor maintenance tasks now performed by multi-skilled production operators, the more qualified tradesperson is enabled to undertake more demanding work. And this is required, with the nature of maintenance labour changing as the capital equipment becomes more complex and expensive. While the traditional plant shut-downs to overhaul machinery is still practiced, the emphasis has moved to planned maintenance, diagnostics and condition monitoring performed on the production control computers. The future of labour in manufacturing will probably be a combination of skilled maintenance and production monitoring, where the emphasis moves to reliability rather than sheer output. And with the advent of computerised production, the ratio of skilled maintenance workers to operators will change. With these developments in mind, there is potential for the position of the highly skilled maintenance tradesperson to be enhanced. Thus multi-skilling potentially weakens labour solidarity by reducing the mystique and militancy of skilled trades-work, while at the same time, because of the added introduction of complex computerised production systems requiring maintenance, it potentially enhances the position of the skilled tradesperson.

Multi-skilling has further potential for weakening labour solidarity. Within multi-skilling, there is the potential for a segmented workforce. Not all workers want to or are capable of the training required for multi-

skilling; particularly as international competitiveness involves a race without a finishing line, and thus a lifetime approach to training and education. There is the potential for those who are capable and want to multi-skill and train, to form a more highly paid labour aristocracy with job security and probability of a career path, in part eventuating because of the investment in the employee by the employer. While those who are incapable, the poorly educated and the illiterate and the older employees who feel threatened by change join the expendable lower paid unskilled secondary labour market.³⁹⁴ In time, this potential for segmentation will be redressed by the Carmichael scheme, with the higher level of education acquired for entry for production operators.

At the time of writing, however, labour segmentation was a real threat at the Steelworks. In areas such as the Sinter Plant and the Blast Furnaces for example, there was considerable resistance to training, mostly due to fear of failure. Two case studies serve to illustrate this. An operator in the Sinter Plant, who agreed to training for career advancement, on the day training was to commence, reported sick. According to a Sinter Plant supervisor, this was not an uncommon response to training and was due to fear of failure.³⁹⁵ Some operators in the soon to be decommissioned No. 2 Blast Furnace were resisting retraining. All operators in the No. 2 Blast Furnace were at operator three level and highly skilled, but because they were not accredited they had to acquire accreditation in order to be selected for employment in the soon to be commissioned No. 6 Blast Furnace. Despite assurances from their superintendent that he would personally assure all pass the exam no matter how long it took, some remained

³⁹⁴Ewer et al., *op cit*, p. 40.

³⁹⁵Conversation with senior shift supervisor, Sinter Plant (Journal notes).

resistant, fearing formal training and the written exam.³⁹⁶ This fear is understandable, particularly given the number of non-English-speaking background (NESB) waged employees. Unfortunately, those who are not accredited will probably be relegated to labouring jobs or invited to take voluntary retirement when the No. 2 Blast Furnace is decommissioned. A chance remark by a shunter from Rail Operations served to highlight the threat of labour segmentation. After complaining that not all pulled their weight with the changes at the Steelworks he announced, in a cavalier fashion, that he 'would sack the lot of them'.³⁹⁷ Multi-skilling is thus a two-edged sword, providing the potential for rewarding and secure employment on the one hand and providing a threat to those unprepared for change on the other. And it is a further threat to labour solidarity, as the line between the primary and secondary labour market becomes more sharply drawn.

The emphasis on multi-skilling as part of award restructuring has contradictory implications for the shop-floor. The adoption of a new workplace culture under award restructuring also has contradictory implications. Award restructuring paved the way for the adoption, in some industries, of a new workplace culture. This is, 'a state of mind and a set of ways of organising in the workplace that differs sharply from the traditions of Henry Ford and the second Industrial Revolution early this century'.³⁹⁸ The new workplace culture emphasises the importance of the human resource factor in enhancing production.³⁹⁹ To access this human resource,

³⁹⁶This became evident during discussion following a report tabled by the training officer at the No. 2 Blast Furnace CC meeting (Journal notes).

³⁹⁷Conversation with a shunter from Rail Operations involved with the Coal Bridge Working Group (Journal notes).

³⁹⁸Ralph Evans, 'The Global Challenge Report and the Clash of Paradigms' in Michael Costa and Michael Easson (eds), *Australian Industry What Policy?* (Australia: Pluto Press, 1991), p. 24.

³⁹⁹Evans claims the new workplace culture impacts favourably on productivity and quality and cites data collected by the Massachusetts Institute of Technology from 58 car assembly

the workplace is restructured and new relations between management and workers are developed.⁴⁰⁰ Award restructuring highlights the human resource factor in production and facilitates the appropriation of skills required for the new organisational structures and new relations between management and workers. In this way, award restructuring serves to underpin the new workplace culture.

VIII New Workplace Culture

The adoption of a new workplace culture has been slow to develop in Australia.⁴⁰¹ Only a handful of firms have proceeded far with its adoption, namely parts of BHP (the Port Kembla Steelworks in particular), Tubemaker, Amecon⁴⁰² (and of course the other area of my research, WGE). The Australian Workplace Industrial Relations Survey (AWIRS) found that only a small fraction of Australian workplaces engaged in external benchmarking, though most have internal performance targets which focus more on cost than quality, service, customer satisfaction or timeliness.⁴⁰³

plants around the world to support this contention. While the data shows productivity per labour hours to be greater and defects per standard vehicle to be less in those car assembly firms who have adapted the new workplace culture, Evans does not canvas other possible causes for these improvements; viz the cyclical factor. BHP SPPD has increased production with a 20 per cent increase in annual productivity in the year 1993 to 1994, with steel production rising to 575 tonnes per worker in the year. But while the indication supports TQC as a possible cause, it is difficult to prove that the new workplace culture is entirely responsible for enhanced productivity.

⁴⁰⁰Using elements of the BCA agenda, the Australian Manufacturing Council publication, *The Global Challenge* points to the importance of human resource factors in the development of an internationally competitive Australian manufacturing base and calls for the replacement of the 'old' workplace culture with a 'new' workplace culture (Ewer et al., *op cit*, p. 77). Michael Porter's *The Competitive Advantage of Nations* also draws attention to human factors.

⁴⁰¹Evans, *op cit*, p. 24.

⁴⁰²*ibid*, p. 24. Evans finds that original equipment maker (OEM) networks overseas, especially in Japan, to be a 'major force in driving the adoption of the New Workplace Culture'.

⁴⁰³Ron Callus, Alison Morehead, Mark Cully, John Buchanan, *Industrial Relations at Work: The Australian Workplace Industrial Relations Survey* (Canberra: AGPS, 1991), pp. 93-4.

The BCA Survey in 1988 revealed approximately '40 per cent of large Australian workplaces had some kind of quality circle, employee group, semi-autonomous work group, productivity improvement group or similar employee improvement group'.⁴⁰⁴

The new work culture can be characterised by Continuous Improvement, an umbrella for technologies such as statistical quality control in the form of Total Quality Management (TQM), Total Quality Control (TQC), Just-in-Time (JIT) and Benchmarking.⁴⁰⁵ It can be further characterised by advanced hardware such as robotics, Computer Aided Design (CAD), Computer Integrated Manufacture (CIM) and Computer Aided Manufacture (CAM).⁴⁰⁶ Finally, the new workplace culture can be characterised by flatter and often team-based organisational structures with more quality responsibility given to operators, multi-skilling and continuous skill development, continual attention to improvement of quality and productivity and the sharing of broad common goals among

⁴⁰⁴Frederic G. Hilmer, 'Beyond Benchmarking and Continuous Improvement: A Challenge to Management' cited in Costa and Easson, *op cit*, p. 170. Evans attributes the slow adoption of the new workplace culture to high labour turnover (commonly 30 per cent per annum), shortage of skills, severe language difficulties (he cites 55 per cent of manufacturing employees are born overseas), the frustrations between unions and management and the small number of OEM networks in Australia (Evans, *op cit*, p. 25). Some of these issues are being redressed by education and union restructuring.

⁴⁰⁵Benchmarking and continuous improvement have Japanese/American origins. Goals for a continuous improvement program are set by benchmarking. Benchmarking is measuring how well an enterprise performs and carries out each activity in its business system in comparison to other enterprises, which are actual or potential competitors internationally, or top performers carrying out similar activities in another industry. Some industries are moving beyond benchmarking to seeking improvement based on standards and performance not achieved elsewhere, or to inventing entirely new standards. The benchmark becomes the best possible level of performance, irrespective of whether any enterprise has achieved this level. For example, the benchmark for companies using just-in-time would be zero inventories, for companies using a total quality management program would be zero defects, zero waste, or nil delays in manufacturing cycle times or customer response times and in the case of energy services the benchmark would be perfect energy conversion.

⁴⁰⁶For an explanation of these and other advanced hardware terms see Jacques Rojot, 'Employers' Response to Technological Change' in Alan Gladstone et al., *Current Issues in Labour Relations: An International Perspective* (Berlin and New York: Walter de Gruyter, 1989), pp. 29–31.

management and employees. The old Taylorist hierarchical management techniques are inappropriate to the new workplace culture. Hence participatory schemes such as consultative management are an integral part of the new workplace culture. I will consider the implications for waged employees of each characterising issue in turn. Multi-skilling and continuous training have already been considered above. A detailed empirical description of consultative management can be found in chapter five.

The emphasis for enterprises seeking to become and remain competitive is on inexorable, continuous performance improvement. Continuous improvement is supported by processes such as TQC and award restructuring. The Japanese Toyota Production model, as I outlined in chapter three, is characterised by small, on-going steps (KAIZEN).⁴⁰⁷ Improvement is embedded in the values of the enterprise, where workers are consulted about production improvement and about setting their own detailed production targets. The European model can be characterised by discontinuous improvement, involving rapid change. In this case, improvement is revolutionary and transformative in nature, typically with massive reorganisation of the workplace affecting most jobs and causing hardship and dislocation. The change is mostly carried out by top management usually recruited from outside the enterprise, with minimal consultation and participation. The time span for improvement is compressed to one or two years, followed by a period of continuous improvement. Removing protection from a manufacturing sector can precipitate discontinuous improvement in the same way that deregulation can precipitate rapid change in an industry such as banking. Whether

⁴⁰⁷Siegfried Roth, 'Japanisation, or Going Our Own Way? New "Lean Production" Concepts in the German Automobile Industry' in Kevin P. O'Kelly, Chris Jecchinis and Edward L Zammit (eds), *Employee Participation in the Introduction of New Technologies: a Global Comparative Study* unpublished draft, p. 10.

continuous or discontinuous improvement, the end goal is a constantly advancing target, which pushes employees to go beyond the limits of current design and work practices.

As mentioned in chapter three, the quest for continuous improvement can have negative effects on employees in the form of stress associated with the requirement to meet a constantly advancing production and quality target.⁴⁰⁸ Instability is another negative effect. For example, during interviews at the Steelworks instability caused by constantly changing management became evident. In Energy Services, departmental managers were constantly changed to facilitate continuous improvement and changing goals. Managers with their particular philosophy, goals and pet projects changed at approximately two yearly intervals. The idea was to prevent complacency and habit forming behaviour and to bring a fresh view-point and new ideas to the department. When quick results were not forthcoming, senior BHP management replaced the new manager with another. Workers found the constant change of management not only destabilising, but pointless. They felt they rarely completed a project before a new manager was appointed with a whole new philosophy for the department and a fresh set of goals and projects. Workers felt cynical about the mounting pile of paper work and the dossiers of information that they had gathered only to be filed away in a forgotten cabinet drawer with the arrival of the new manager. Workers questioned the purpose of their employment and each new manager was greeted with, 'How long are you staying?'⁴⁰⁹

⁴⁰⁸Research highlights a strong relationship between the way work is organised, stress and ill health. See Lynne Tacy and Richard Gough, 'The Impact of Technological Change on Organisations and Jobs' in Department of Employment and Industrial Relations, Working Environment Branch, *Participation in Change; readings on the introduction of new technology* (Canberra: AGPS, 1987), p. 7.

⁴⁰⁹Interview with the training officer, Energy Services, 13/1/94.

While a case may be made that it is often difficult for a long-term manager, steeped in the current beliefs and operations of the department to perceive the need for change or indeed have the 'stomach' to instigate discontinuous change, given the close bonds that inevitably form over a long-term relationship with workers in the department, the instability and cynicism in the department were negative by-products of continuous improvement. Disruption to teamwork was a further negative by-product. With continuous improvement the emphasis on technological credentials calls for managers trained outside the workplace.⁴¹⁰ As mentioned above, unlike the traditional system of internal promotion, where managers having risen through the ranks were known to the shop-floor, managers were now strangers who have little opportunity to develop a close teamwork relationship with their shop-floor.

Just-in-Time and Total Quality Control are the second of the new workplace culture issues to be considered. JIT and TQC can be described as complimentary philosophies: JIT relies on total quality while JIT gives impetus to TQC. Essentially, JIT means matching the production process with the market place. The aim is to have no shortages, no stockpiling and no waste. TQC means building quality into a product or service. Under the TQC philosophy, quality is defined as satisfaction of customer requirements. Thus, TQC is customer driven.⁴¹¹ TQC also involves an inclusive gradualist approach to continuous improvement; that of 'small step improvements', which 'involves everyone'.

Drawing on Michael Foucault's, *Discipline and Punish: the Birth of the Prison*, Sewell and Wilkinson argue that the combination of JIT and

⁴¹⁰The internal labour market at Port Kembla Steelworks is now marginalised at the operator/supervisor level.

⁴¹¹For a fuller description of TQC and JIT, see N. Oliver and B. Wilkinson, *The Japanisation of British Industry* (Oxford: Basil Blackwell, 1988) and G. Sewell, 'Management Information Systems for JIT Production', *Omega* Vol. 18, No. 5 (1990), pp. 490-503.

TQC is an efficient method of supervision, surveillance and control in the workplace.⁴¹² This method of surveillance was mentioned above with regard to multi-skilling and the introduction of procedural guidelines mooted for the Steelworks. In its extreme form it is found in workplaces which also use electronic methods of employee surveillance, such as closed-circuit video-cameras, electronic fault tracing and recorded customer responses which are linked to computer-based information banks.⁴¹³ Because surveillance is everywhere and knowledge of wrong doing is accumulated and stored, discipline is achieved. Their analogy between Foucault's panopticon surveillance and knowledge as the basis of power is clear. 'Scientific management', they argue, with its machine pacing, fragmented work tasks and supervisor-monitored compliance with specified work procedures and norms of output and planning has been replaced by a Foucauldian surveillance, of self-monitoring, where workers push themselves to meet production targets that they themselves have set.

Where once compliance was gained through threat of sanction and money incentives, under JIT/TQC regime, compliance is achieved by a discipline instilled by the regime's operationalisation. For example, shift production and quality targets are set by production teams and their members are collectively held responsible for attaining the targets. Productivity performance is measured against anything from daily (or even more frequent targets) to monthly targets. And production and quality achievements are publicly displayed. All factors that combine to impose discipline on production operators. Even quality itself can be a form of control, as workers attracted by the quality goal are coopted by

⁴¹²Graham Sewell and Barry Wilkinson, "'Someone to Watch Over Me': Surveillance, Discipline and the Just-In-Time Labour Process', *Sociology* Vol. 26, No. 2 (May, 1992), pp. 271-89.

⁴¹³Tacy and Gough point to the monitoring of employees behaviour and quality outcomes facilitated by computerised systems (Tacy and Gough, *op cit*, p. 6).

management.⁴¹⁴ A further method of instilling discipline is through flexible work practices. In some workplaces, under TQC, responsibility for quality can be easily pin-pointed, because multi-skilled production workers perform many tasks to reduce set-up times and increase efficiency. Thus, for example, the grinder cannot blame the turner for poor quality because both operators are one in the same. Because workers are allowed discretion in deciding how they will achieve production and quality targets and because they are held responsible for quality, Sewell and Wilkinson argue JIT/TQC is an instrument by which management can appropriate the intelligence of its workforce while retaining centralised control.

While not all of Sewell and Wilkinson's argument applies to the workplaces of the two enterprises of my study, it does have some relevance, particularly at WGE. Sewell and Wilkinson argue that their Foucauldian model of discipline can be applied to the surveillance and control of human activities that are governed by rules and circumscribed by contingencies of time and space. Such is the situation at WGE. As part of its TQC philosophy, at the time of writing, WGE was an Australian quality endorsed company. This meant that each job was undertaken in accordance with set quality procedures, Sewell and Wilkinson's rules. This required the production workers to check each part of the job against set quality guideline and to sign their name against each task completed. It was a procedure requiring self-monitoring in compliance with rules. Thus, while waged employees at WGE enjoyed job autonomy, because of TQC they did not enjoy job control. The decision on how the job could be done was already decided by quality procedures. That is, responsibility was 'devolved under the condition of a strict monitoring of compliance with instructions'.⁴¹⁵

⁴¹⁴Constance Lever-Tracy, 'Fordism Transformed? Employee Involvement and Work-place Industrial Relations at Ford', *Journal of Industrial Relations* Vol. 32, No. 2 (June, 1990), p. 85.

⁴¹⁵Sewell and Wilkinson, *op cit*, pp. 279–80.

While there was provision for employees to suggest changes to the quality guidelines, the employee was effectively controlled by the customer demand for quality via the written rules. The perception of workers at WGE was that this form of supervision by rules was more intrusive (or more 'robotic' to use one employee's words) and meant less autonomy than the old way of supervision by a person.⁴¹⁶ So, at WGE, while tactical responsibility had been decentralised by devolving responsibility for quality to the waged employee, strategic control had shifted to the customer and rules.

Sewell and Wilkinson's argument has some relevance for the Steelworks. Production operators participated in setting their own production and quality targets in the Consultative Committee. And production and quality achievements were publicised on notice boards, in quarterly business reviews and in the in-house newspaper, *Kembla News*. Teamwork success stories were a particular feature of the paper. Production achievements, however, were publicised monthly rather than hourly. Thus it was not a case of 'management by stress'⁴¹⁷ as described in Sewell and Wilkinson's more extreme case studies, nor was self-monitored compliance as extensive as their argument describes. However, at the time of my study, set procedures were being written for each job, with the short-term aim of reducing the need for supervisors and the long-term aim of self-managed work teams.⁴¹⁸ This will, I believe, have implications for self-monitored surveillance.

TQC threatens empowerment because it potentially means more control in the face of newly won job autonomy and shop-floor responsibility. But because TQC involves continuous improvement and

⁴¹⁶Semi-focused group interview WGE, 12/10/93.

⁴¹⁷Frequent measuring of performance against targets is a form of 'management by stress' (Slaughter cited by Sewell and Wilkinson, *op cit*, p. 279).

⁴¹⁸Conversation with the training coordinator for Energy Services (Journal notes).

the attendant requirements for training and involving the shop-floor in company goals, TQC opens up the potential for empowerment through the acquisition of skills discussed above and through employee consultation to be discussed below.

Computer Integrated/Aided Manufacture, together with continuous improvement requirements for the continuous introduction of new technology, is the third issue of new workplace culture for consideration. The advent of computerised technology and the rate of technological change puts great pressure on workers to keep abreast of the change. This was an issue appreciated in the 1970s. 'The speed of technological advance has been so tremendous during the last decade that the useful life of the knowledge of many of those trained to use computers has been about three years'.⁴¹⁹ The speed of work is an added pressure. The introduction of computerised technology has increased the rate at which machines can turn raw material into profits.⁴²⁰ This means that production targets can be constantly moved and the production machinery will keep pace. At the Steelworks, for example, production targets were constantly being met, surpassed and revised.⁴²¹ The stress on employees to continuously increase production must eventually take its toll. While the stress associated with the need to

⁴¹⁹Cooley citing Norman Macrae, Deputy Editor of the Economist, January 22 1972, in Mike Cooley, *Architect or Bee?* (Sydney: Transnational Cooperative Ltd, 1980), p. 10.

⁴²⁰Di Kelly describes how the introduction of the new basic oxygenated steelmaking technology has increased the rate of metal conversion. At the time of writing in 1989, she describes the number of taps from the BOS furnace as having more than doubled for each shift since the BOS' introduction in 1972 (D. Kelly, *Technology, Work and Management, op cit*). And as each new production target is set, it is surpassed. This incredible increase in the rate of steelmaking stresses workers in a chain reaction; the workers immediately involved, blast furnace operators as they keep pace with the demand for more iron, coal preparation, sinter plant and rail operators as they keep pace with demand for raw materials and energy services operators as they keep pace with the demand for energy and oxygen.

⁴²¹As I moved from one notice board to another showing upwardly mobile graphs that illustrated the rate of production and from one Consultative Committee meeting to another tabling reports of surpassed production targets, I wondered where it would all end (Journal notes).

keep up may have negative implications, computerised technology requires new skills from workers; that of concentration, physical coordination with the technology and fine judgement rather than rule of thumb.⁴²² This opens up the potential for empowerment through the acquisition of new portable skills.

Technological change has also resulted in a change in the organic composition of capital, so that the productive process is becoming capital intensive rather than labour intensive. And the more automated and computerised the plant becomes the more efficient the worker becomes, particularly with the addition of efficiency-based remuneration rewards. The result is that less work is required of employees. Reduction in overtime and unemployment may be the real rewards for efficiency. At the same time there is a growth in the white collar administration, management and scientific areas of employment. This growth area in employment and the added pressure it imposed on shop-floor employees became evident during a semi-focused group interview at the Steelworks. The increasing number of engineers and analysts of various kinds, engaged at the administrative level, was described by one operator as 'the spreading branches of a tree', that served to produce more work for production operators. Although 'they are not our direct supervisors, they all thump work down to us',⁴²³ adding pressure to the already reduced number of production operators.

Technological transfer has given some workers greater bargaining power. The high cost of the equipment and greater interdependence of worker with technology, makes the worker a more valuable asset.⁴²⁴ So

⁴²²D. Kelly, *Technology, Work and Management*, *op cit*, p. 216.

⁴²³Group interview, Energy Services, *op cit*.

⁴²⁴Cooley, *op cit*, p. 60.

while the technological transfer means some operators' jobs have been lost, the employer's dependence on others has increased, potentially empowering these workers. But the computer automated process tends to separate workers from one another. Workplace communications become remote, because they tend to be via the centralised control room through an *intercom* or public address system. Technological transfer also serves to marginalise those of non-English speaking background (NESB) in the workplace. Threatened and unable to communicate their fears, these workers can only resist the changes. Those of NESB are also marginalised by the new management practice of consultation, as mentioned below. The collective power of workers, born out of a collectivist workplace ethos, is thus undermined by the introduction of technology. A further source of collectivism, that of on-the-job training which gave workers a strong workplace identification and ethos, has been undermined by training off the job in institutions external to the workplace. The trend away from informal methods of skill acquisition to formal external methods is supported by the questionnaire survey data analysed in chapter six.

Computerised technology has removed much of the dehumanising and hazardous work for waged employees. For example, at the Steelworks few would regret the passing of the open hearth method of steelmaking with the attendant four deaths a year and countless incidents of burns, and its replacement with the computerised technology of the Basic Oxygenated Steelmaking (BOS); or regret the removal of employees from the dust laden air of the old Sinter Plant to the relatively cleaner air of the computerised Sinter Plant with its sophisticated dust extraction technology; or the research designed to replace employees with robots to unblock the flow of molten iron running at 1500 degrees centigrade in troughs on the cast house floor. But the operation of computers can be routine and boring. With the introduction of computerised technology, for example, an

operator's job at the Steelworks becomes one of monitoring rather than operating production machinery. So routinised is their work, that level three operators in the Sinter Plant enjoy a break from the clean, air-conditioned control room by returning to the noisy and hot production floors. And in the Energy Services department, where previously an operator five operated and monitored the pumps of the No. 1 pumping station on-site by the harbour, now an operator three monitors the pump from the control room in No. 2 Blower Station. Prior to computerised production control, servicing the No. 1 pumping station was a pleasant duty. The operator could have a spell in the fresh sea air down on the inner harbour, away from the grit and noise of the Steelworks, enjoy a chat with the contract divers and watch the huge tankers from foreign ports come and go. Contrast this with sitting in front of a computer screen for an eight hour shift!

Finally, computer assisted production means the level of control has moved from the production process to the control room.⁴²⁵ Many have pointed to the deskilling nature of the new technology as a new form of Taylorism.⁴²⁶ CAD in the Blast Furnaces at the Steelworks exemplified a shift in control together with a loss of prestige. In the Blast Furnaces, the computer identified problems in the mix which the operator was then directed to rectify. In pre-computerised days, founders assessed the flow of molten iron-ore by eye. This is not to imply that analysts did not play a role then, as they do today. The point to be made is, that casting floor operators acquired a skill that was highly respected. Because the skill was superseded,

⁴²⁵See H. Braverman, *Labor and Monopoly Capital: the Degradation of Work in the Twentieth Century* (New York: Monthly Review Press, 1974), chapter 9, pp. 184–235, in particular p. 212.

⁴²⁶Cited in Tacy and Gough, *op cit*, p. 4.

the prestige associated with this otherwise hazardous and unpleasant job was lost, opening up the potential for alienation.

Worker alienation is relevant to the final factor in the new workplace culture, namely the introduction of new management techniques in the form of consultative management. Like the other issues considered above, consultative management has both a negative and positive impact on the shop-floor. The operationalisation of consultative management in the form of consultative committees and improved communications give the appearance of a harmony of interests between management and labour or what the BCA calls a 'common caring and purpose'.⁴²⁷ This is because participation in committee work demystifies the role of experts and managers and provides participants with a professional stake in the system itself.⁴²⁸ But in the harmony of interests workers can be incorporated into the goals and culture of the employer and in doing so subjugate their own interests. An example of this was evident in the Steelworks' Ironmaking department, where supervisors talked of cutting costs and making more profits as though the enterprise were their own.⁴²⁹ And waged employees, having participated in setting production targets in Consultative Committees, were coopted into increasing their efforts to achieve and even surpass the target.⁴³⁰ And furthermore, even while they realised participating often meant suggesting ways to implement decisions already made by management and suggesting ways to reduce their own numbers, many waged employees continued to cooperate with management in a joint

⁴²⁷BCA, *Business Council Bulletin* (June ,1990).

⁴²⁸R. Martin, *Trade Unions in Australia* (Harmondsworth: Penguin, 1977), p. 100.

⁴²⁹Conversations with various supervisors in the Ironmaking department of the Steelworks (Journal notes).

⁴³⁰Each Consultative Committee sets the production targets for their area as part of their Business Plan.

effort to meet company goals. The conundrum for waged employees, together with their cooption by management to meet company goals, was evident from the following exchange during a semi-focused group interview with Energy Services employees:

But we've got that PIMS idea to save 40 per cent. And our superintendent came back and he said, 'Listen fellahs, get some ideas of how we're going to reduce things'. And we're saying, 'Oh well, you can reduce here with less readings, you don't have to go there to do this, we're going to try and save money that way'. And he's saying, 'But oh, we only need half of you guys'. After you've come up with all these ideas! You've got these fellahs who think its really important. They [superintendents] have their wages blokes - they'll [waged employees] have their light blue shirt on [light blue shirts are worn by staff, but waged employees too are permitted to wear them]. They'll go everywhere with them and think, 'Oh yeah, I've got my light blue shirt on, this is my mate the superintendent'. But really, they're sort of cutting their own throats.

You explained that very well!

Well it happened in the Plate Mill. The same thing. They [management] all said, give us ideas. They [operators] gave them ideas and their work was halved. Thanks for your work, see you later. ... So that's how I see this consultative committee; as a sort of a sneaking way to try and - you know. What they're [management] saying is, 'we'll involve you blokes and we'll talk about it'. But eventually they're making the decision and eventually the way you're going to see it is their way.⁴³¹

The reference to the light blue shirts is of interest, not only because it illustrated the cooption of at least one waged employee, but also because permitting all to wear the same clothes was a deliberate policy of management to try and break down the hierarchical division between

⁴³¹Group interview Energy Services, *op cit.* PIMS refers to Production Improvement Management Services, which is a team contracted to direct workplaces throughout the Steelworks to improve efficiency and cut costs.

management and waged employees. This policy and the one to encourage staff and waged employees to eat together, essentially failed, as waged employees steadfastly wore their dark blue boiler suits and resisted attempts at communal dining.⁴³² And attempts by some staff to wear navy blue were rejected by waged employees, proud of their differentiation.⁴³³ The subjugation of waged employees' own interests in the coopted quest for company goals was clearly evident in the reference in the quote above, to halved numbers following employee suggestions for efficiency.

Consultative management, through committee participation, encourages the shop-floor to get rid of traditional workplace divisions between the craft worker and labourer; that is the trades employee and the production worker. Once these divisions were a defence mechanism to protect craft workers, respected by workers and generally management alike. But now divisions are softened by friendships and tolerance facilitated by committee participation. Hierarchical divisions between management and waged employees are also softened by committee participation. The softening of divisions within the workplace was illustrated by the following comment from an operator during a group interview with Coal Preparation waged employees, when the operator referred to becoming acquainted with a maintenance tradesperson and then management:

What I felt with this committee, you get to know more people. I never knew them before. Well, I never knew ... [the tradesperson] before. But now we're on this committee and now a few times when I'm on shift work, a few jobs that ... [the tradesperson] and I do - its not there's this guy, what does he do; you know? I already know him. So that's

⁴³²Conversation with the senior shift supervisor, Sinter Plant (Journal notes). Workers may not like dining with supervisors because they enjoy the chance to get away from management. The canteen becomes an area of private activity when management is refused access.

⁴³³Interview Peter Corkish, *op cit*.

good. And even those in supervision; those high up. You can more easily talk to them, having spoken with them in this forum.⁴³⁴

While the division between trades and operators was still evident in the Sinter Plant under the impending threat of Total Production Maintenance, described above, the role of participation in Consultative Committees, in softening resistance to this scheme, became evident during the group interview with Coal Preparations. All the waged employees interviewed were Consultative Committee participants and an atmosphere of warm friendship amongst the operators and tradespeople was most evident during the interview. When asked about multi-skilling, an operator inclined his head towards the tradesperson beside him and said, in a good-humoured way:

We're looking at getting into the maintenance part of it [multi-skilling]; when we eventually get the go ahead from these blokes.⁴³⁵

But while there is less division in the workplace, consultative management may serve to marginalise. In order to have meaningful input into the decision-making process, adequate information from management is an obvious prerequisite. And because workers need to be able to comprehend and criticise proposals from management and to conceptualise and articulate their own ideas,⁴³⁶ a lack of adequate education and, in particular, lack of English languages skills, is an obvious barrier to workplace participation; a barrier with the potential to marginalise those already disadvantaged in the workplace.

⁴³⁴Group interview Coal Preparations, *op cit*.

⁴³⁵*ibid*.

⁴³⁶Ewer et al., *op cit*, p. 131.

That workers appreciate the empowerment potential of consultative management is evident from an observation made by a tradesperson, during the Energy Services group interview. This observation followed the long exchange above, concerning operators coopted by management to increase efficiencies while reducing the number of operators employed.

I mean it [the consultative committee] is a double edged sword isn't it, because its also a place where you can fight back, which we haven't done very successfully.⁴³⁷

As employees' interests merge with those of management and the company, the links between workers and unions at the shop-floor level can be threatened. This threat became evident during my observation of the No. 2 Blast Furnace Consultative Committee meeting. Even though union officials and delegates were very much a part of the consultative process at the Steelworks, there was an air of impatience evident amongst the waged representatives at the CC meeting, whenever the FIMEE official objected to the introduction of twelve hour shifts.⁴³⁸ The strength and relevance of union representation at the company level meant, however, that the links at this level were not under immediate threat. At WGE, while unions were encouraged at the workplace and held a monthly meeting for all members during the company's time, the implementation of consultative management meant at least one of the union's roles, that of addressing grievances, was redundant. The monthly general meeting of shop-floor workers with management, coupled with the extra-ordinary meetings, gave waged employees immediate access to management, circumventing the need for union representation on the worker's behalf. The unions were

⁴³⁷Energy Services interview, *op cit.*

⁴³⁸No. 2 Blast Furnace Consultative Committee meeting (Journal notes).

excluded from the 4 per cent productivity agreement, for example.⁴³⁹ Moreover, WGE management actively encourage workers to come directly to them with problems and ideas.⁴⁴⁰ Such direct consultation at the shop-floor level, gives management the means to undermine the authority of the union. Consultation can become a 'cosy arrangement' between management and worker with the unions excluded. Some companies in fact deliberately use consultation to exclude the unions.⁴⁴¹ In sum, consultative management can mean unions are not only alienated from the workers, but become redundant.

On the other hand, consultative management in some enterprises, such as the Port Kembla Steelworks and WGE, represents a pragmatic recognition on the part of management of the need for union involvement in the workplace. Such recognition means an end to the old, confrontationalist style of management which excluded unions.⁴⁴² At the Steelworks, as I will show in the following chapter, the steel unions were involved in the Steel Industry Development Plan and the implementation of Consultative Committees.⁴⁴³ Unions participate in Consultative Committees at all levels. But as with participation at the national level in

⁴³⁹Tom Gallo, managing director of WGE, negotiated a 4 per cent productivity package directly with WGE's workers. This included the wage rise being paid as a bonus until such time as the package was approved by the Industrial Commission. The unions learned of these negotiations after the event.

⁴⁴⁰ Interview Peter Hamlet, Quality Manager, WGE, 23/7/93.

⁴⁴¹ Interview Steve Quinn, union official AMWU, *op cit.*

⁴⁴² Exclusion of unions from the Steelworks was BHP's prevailing strategy prior to the 1980s. Union officials were not allowed access to Steelworks unless accompanied by a security guard and the company induced competition between workers through wages differentials and access to promotion through the internal labour market.

⁴⁴³ There will always be a place for unions at the Steelworks, because consultation with such a large work-force necessitates a representative system. Moreover, under the Steel Industry Development Agreement, Consultative Committees cannot deal with wages and conditions, this being the province of management and the Steel unions. So the Steel unions retain this traditional role.

the Accord, unions are in danger of losing their traditional bargaining role to protect member's interests. The Accord at the national level and Consultative Committees at the enterprise level have assumed the bargaining process, while the movement has assumed a capitalist oriented role to enhance production and profits for the company. By shifting bargaining to committees, union officials may be forced into a retrieval position to protect their members interests, rather than a proactive one.

Cooption under the consultative process diffuses the conflict over shop-floor rights. Because waged employees feel they can 'talk to management' through the committee, the potential for conflict is diffused.⁴⁴⁴ While one cannot directly attribute the reduction in industrial conflict to the consultative approach,⁴⁴⁵ taking the Steelworks as an example, one can say that the consultative approach has reciprocally changed management and union attitudes towards each other. Management are now more comfortable with unions, believing that they know how to work in tandem with the unions.⁴⁴⁶ Similarly, union attitudes have changed towards management, with unions talking to management 'off the record'; something that would not have occurred at the Steelworks ten years ago.⁴⁴⁷ This atmosphere of mutual trust and cooperation obviously has benefits for both management and union members. While the capitalist benefits through increased production and

⁴⁴⁴Interview Warwick Macmillan, formerly secretary of the South Coast Employment Development Scheme and instrumental in setting up the Steelworks' Consultative Committees, 28/4/93.

⁴⁴⁵Unemployment and reduced availability of overtime, as mentioned above, could also be factors. A reduction in the number of strikes is also an Australia wide phenomenon. The Accord may be a factor here.

⁴⁴⁶Interview Majella MacKinlay, Manager Human Resources, Ironmaking, 11/5/93. Macmillan also observed 'The change in [the Steelwork's] management attitudes to their workers and to the unions has been amazing' (Interview Macmillan, *op cit*).

⁴⁴⁷Interview MacKinlay, *op cit*.

industrial harmony, the worker benefits by job security, more job control and by developing the skills to access higher levels of control, together with those improvements to occupational health and safety, which are the direct result of consultation.⁴⁴⁸ But the main benefit of union involvement in workplace participation for employees is the potential for empowerment. The shift from task-centred participation of the organisational maintenance strategy and job enrichment schemes, to the organisational renewal strategy involving union participation in production issues, means potential for power-centred participation and the redistribution of power to employees. For example, a situation where well resourced and informed unions can confront management with an autonomous and realistic alternative for the enterprise's development is potentially more empowering than one where employees have no alternative and must concede to management the initiative in the timing and manner of implementing organisational and technological change.⁴⁴⁹ In cooperating with management and in workplace participation, unions are motivated to form their own autonomous strategies for the enterprise and in doing so become a qualitatively stronger and better resourced organisation at the industry level. Employee participation is a mobilising factor for industry unionism.⁴⁵⁰ This potential for unions has already been demonstrated in the wholesale enterprise reconstruction at the government Aircraft Factory (renamed Aerospace Technologies of Australia), the resource development project of the North-West Shelf Oil and Gas Project and the industrial intergration scheme such

⁴⁴⁸Occupational Health and Safety Committees were introduced into the workplace by legislation in 1986.

⁴⁴⁹Higgins, 'Industrial Democracy and the control Issue in Sweden', *op cit*, pp. 264–68.

⁴⁵⁰*ibid.*

as the South Coast Employment and Development Project in the Illawarra region of New South Wales.⁴⁵¹

Consultative management is indeed a two-edged sword. It has the potential to empower the worker, but a Foucauldian surveillance is instilled in the workers as they are bound by the imperatives of production targets, that coalesce their interests with those of the company's. There is potential for greater job satisfaction as old divisions are broken down, allowing better team work, a sense of belonging through a common purpose and a widened knowledge of the job. But the defences provided by the old divisions are gone. While workers may individually defend their interests, there is a need for a vibrant union movement that distinguishes the interests of the worker from those of the employer's, to ensure that employee participation empowers the employee and does not just benefit the company. The union's role is to make sure that the Consultative Committee is not a rubber stamp for management decisions, that management's expropriation of intelligence under the consultative approach does not become exploitative, that workers do not become disenchanted through inappropriate expectations or through an over-zealous use of management prerogative⁴⁵² and that workers are provided with the tools and the support to enable them to consult effectively.⁴⁵³

⁴⁵¹See Raymond Markey, 'Industrial consultation for regional development; industrial democracy Port Kembla-style', *Work and People* Vol. 13, Nos 1 & 2 (1988), pp. 14-18.

⁴⁵²A criticism of Consultative Committees is that 'management can reject the workers' view without explanation and without any power or sanction on the part of the workers'. Consequently there is a danger that workers become disenchanted with consultative management because they have been limited to an advisory and consultative role which is then ignored (*Report of the S A Committee, op cit*, p. 30).

⁴⁵³Alexander and Green point to the inexperience of management and unions with the joint consultation process and to the need for union representatives to undertake training programs to improve their consultative skills and to comprehend the activities of the enterprise (cited in Lansbury and Marchington, *op cit*, p. 71).

In order to fulfil this role, unions must be well informed. They need to understand the enterprise's management and organisational problems as well as—if not better than—management, and to understand and accurately assess the effect of proposed changes on union members' interests. Without well resourced and informed union vigilance, devolving responsibility to the employees simply leaves management free to concentrate on making decisions that have the greatest repercussions on its employees and society as a whole. Examples might include investment decisions concerning reallocation abroad, plant closure or expansion and the like. Because such upper level decisions become constraints on decision making at all levels, it is important that unions participate at the upper level. Such considerations are particularly apt in the case of conglomerate ownership of the means of production,⁴⁵⁴ where even local management may be ignorant of proposed changes and powerless to alter the externally imposed course of events. A strong union participation may oblige the board of management of the parent holding company to disclose and negotiate proposed changes.

Unions have an important role to play in nurturing the potential of employee participation in the consultative management form; a role that finds support in Elden's study. Because Elden's workplace was not unionised, he believed the democratic potential of the workplace reorganisation was under threat. During his research, it became obvious to him that management's long-term plans were to humanise rather than to democratise the workplace.⁴⁵⁵ Officially the steel unions viewed the

⁴⁵⁴Higgins, 'Industrial Democracy and the Control Issue in Sweden', *op cit*, pp. 264–5.

⁴⁵⁵J. Maxwell Elden, 'Political Efficacy at Work: The Connection Between More Autonomous Forms of Workplace Organisation and a More Participatory Politics', *American Political Science Review* Vol. 75, No. 1 (1981), p. 51.

consultative approach as 'a reasonable result'.⁴⁵⁶ Although the traditionally more militant unions have many reservations, the pragmatic view prevails. Any worker involvement in decision making, even if it is 'only to decide the colour of the toilet walls is better than no involvement at all'.⁴⁵⁷ But, more importantly with regard to the potential for power sharing, unions perceive consultation as a recognition by management, that labour is not just raw material but comprises intelligent conscious beings.⁴⁵⁸ This gives unions the opportunity to extend the consultative process and to raise questions about how labour should be organised. Because well resourced unions can build on the opportunities provided by the consultative approach, provided they have the capability to keep up with or even ahead of management and production issues, the implications for union involvement can be viewed positively.

IX Conclusion

In this chapter I posited the development of consultative management, discussed in chapter three, in the context of macro economic policy and the change in the Australian political economic culture from defensive protectionism to openness, which occurred during the first decade of Labor government (1983–93). I described the opposing philosophies of economic rationalism and consensus evident during the decade in which consultative management operated and in which the developmental consequences of such would be assessed. Finally I demonstrated the effects of macro

⁴⁵⁶Interview Andrew Whiley, union official FIMEE, 13/5/93. This is not at odds with AWIRS data which indicates an overall positive union response to Consultative Committees (Callus et al., *op cit*, p. 172).

⁴⁵⁷Interview Warwick Tomlins, ETU Official, 31/5/93.

⁴⁵⁸Interview Paul Matters, Secretary South Coast Labour Council, 22/6/93.

economic policy on the shop-floor, in particular the potential-for some-for empowerment.

The change in political economic culture was forced by Australia's economic malaise, demonstrated by a fall in its share of world trade, rapidly declining manufacturing industries and the realisation, in the face of declining world prices for commodities, that Australia could no longer rely on its natural resources and commodity exports. Economic rationalist principles and the politics of consensus gave impetus to and facilitated macro-economic policy respectively.

Right from the start of the decade the political rhetoric stressed consensus and reconciliation as the way forward and led first to bipartite and later tripartite agreements. The rhetoric was exemplified initially by the Accord, a bipartite arrangement between the Labor government and the labour movement's peak body, the ACTU. The Accord was an agreement whereby the ACTU and the government cooperated to support capital in order to help the economy recover, with subsequent long-term benefits for union members. Consensus at the macro level, however, had contradictory effects. The Accord and the politics of consensus facilitated industry restructuring by fostering harmonious industrial and community relations. And the Accord elevated the union movement to the policy making level, where it was able to exert pressure, with varying degrees of success, in areas such as the social wage, superannuation, industry policy and in award restructuring. But the Accord had its price for the ACTU, because their elevated position meant trading-off union members' interests. Many of the social justice issues included in the original Accord were lost with subsequent renegotiations which shifted wages negotiations from needs based considerations to 'supply side' or production requirements.

Through their partnership in the Accord, unions were instrumental in the political economic change. Influenced by a visit to Western Europe

in 1986, the ACTU leadership adopted strategic unionism largely informed by the Swedish corporatist model. Strategic unionism expanded the union's role from a reactive negotiating one, based on conflict, to a proactive participatory one, based on a harmony of interest, that of seeing business flourish. Like its cooperation with government in the Accord, the unions' co-operation with capital in production issues had contradictory implications. Strategic unionism meant union participation in workplace change at the national level through its partnership in the Accord and at the enterprise level, in some enterprises, through its partnership in consultative management. But in participating in the workplace, unions accepted redundancy. Moreover, unions were faced with member estrangement when, in keeping with strategic unionism, unions began restructuring with the aim of reducing the large number of craft based unions to around twenty industry-based mega-unions. Following Costa and Duffy, I argued that a single approach to restructuring was problematic.

While consensus began with the first decade of Labor government, economic rationalism was most influential in mid-decade. Its adoption by Australian policy makers reflected a trend in the developed world, best illustrated by the Thatcher, Kohl and Reagan governments. It had two central tenets: the efficacy of the market and the claim that policies needed to trade off efficiency and equity. The operation of the market and the price mechanism resulted in a rational, healthy and equitable (viewed in the narrow sense of procedures or negative rights) economy, with individuals freely exercising choice. Government had little place in economic or social policy except to correct incidences of market failure. This free-market doctrine was reflected in deregulation, the corporatisation and privatisation of state services and the move to end protectionism.

In 1989, after a period of consensus seeking and under the umbrella of the Accord, policies of reducing protection for the manufacturing (and

rural) sector were announced. Prior to this, ameliorative assistance had been given to industries in need, in return for some form of restructuring in technology and work practices. The steel industry was one such assisted industry. The policy to remove tariffs was not, however, at the expense of all industry intervention. Against Treasury's and the Industrial Assistance Commission's advice, after 1991, the government adopted a policy of targeted industry intervention. Such illustrated a weakening of a strict economic rationalist position and government recognition of pressure from the unions and business leaders. In response to pressure from union and welfare organisation leaders, government also moved to redress the situation of the victims of restructuring and later the recession.

Opening the Australian economy exposed Australian industries to the forces of global competition and revealed the need to restructure not just industry but education, training and the award system. Restructuring characterised by new concepts in technology, work organisation and management were adopted to a varying extent by Australian manufacturing industries. A new workplace culture was adopted in some enterprises. Industry policy after 1991 encouraged the adoption of new work practices by tying financial assistance to best practice. Financing new work practice schemes and workplace restructuring assistance centres extended the reach of the new policy. The new workplace culture was characterised by continuous improvement and benchmarking, involving statistical philosophies such as total quality control and just-in-time, technology such as computer assisted manufacture and new management attitudes such as consultative management. Continuous improvement had contradictory implications for the shop-floor. It opened up the potential for empowerment through job autonomy, by devolving responsibility for quality and production through-put to the shop-floor and by its requirement for continuous training. But the pressure of meeting constantly moving

targets and keeping abreast of new technology was potentially stressful and the self-monitoring and set procedures associated with TQC and JIT reversed the potential of job autonomy by instilling a more invasive form of discipline.

The combination of training and award restructuring resulted in the possibility of empowerment for those in the primary labour force through the acquisition of portable skills. Award restructuring was aimed at enhancing worker productivity and the subsequent productivity of the manufacturing sector. The Industrial Relations Commission agreed with the ACTU *Blueprint*, known as the Kelty Plan, which emphasised that the need for productivity meant, among other things, better trained workers. Thus, the restructuring and efficiency principle that underpinned the April 1991 wage decision, emphasised career paths linked to training and skills. And multi-skilling was part of the Accord mark IV agreement. This potentially empowered employees through access to more varied and fulfilling jobs and enhanced employee value to employers. Skill training was reinforced by reforms in education; the Carmichael Accreditation Scheme being the most relevant. It, together with the restructuring and efficiency principle, potentially empowered employees through the acquisition of portable skills. This broke the nexus of enterprise specific production skills, which served to tie workers to one place of employment for life, enhance management prerogative and restrict employees' social development. But not all were potentially empowered. Those who were unable or unprepared for the push to multi-skill and to train for accreditation—those largely in the secondary labour market—were potentially marginalised. Their position was further eroded by the move towards enterprise bargaining. Paradoxically, the potential for some in the primary workforce for career paths was limited, in spite of training, due to changes in supervision philosophy. Finally, although the position of the

highly skilled tradesperson was enhanced by the introduction of complex technology and the operationalisation of continuous maintenance to ensure continuous production, multi-skilling potentially weakened labour solidarity as the position of skilled tradespersons was threatened by multi-skilled operators.

The Kelty Plan explicitly advocated that employee participation, in the broader decision making of the enterprise, be built into work organisation. And the Industrial Relations Commission ruled that employees be consulted in production issues during wage bargaining. Consultation of employees was also a feature of management philosophy in the new workplace culture. The pragmatic requirement to consult workers over the introduction of new technology and new work practices led some enterprises to adopt consultative management as part of a new work culture. Thus, almost by default, award restructuring and industry restructuring put employee participation, a part of the original Accord, back on the agenda. The politics of consensus legitimised consensus in the workplace in the form of consultative management. As with the macro level the effects of consensus on the shop-floor were two-edged. I argued that cooperation in workplace committees improved workplace relations while at the same time negated the demarcation between trades and operators; a defence mechanism that protected the interests of both. It also blurred the distinction between management's interests and those of the employees, such that employees submerge their own interests with those of the company's. In the subjugation of employee interests the position of the unions was also threatened, by employees by-passing unions and dealing directly with management. The push towards enterprise bargaining without union involvement, towards the end of the first Labor decade, added to the threat of union irrelevance. I argued that a strong union

presence is required to facilitate an efficacious consultative process and to ensure that employee's interests do not succumb to those of management.

In this chapter I have described the political economic context in which consultative management operated and is to be assessed and I have demonstrated that consultative management was only one of several factors with implications for empowerment. In chapter three I argued that consultative management is not employee participation in any democratic sense. Because employees merely provided in-put into decisions that were made by management there is not parity in decision making. Nevertheless, the potential for employee empowerment through participatory relevant socio-political development, even in this limited form of participation, will become evident in chapter six when I describe the empirical evidence. I argue that a strong union presence in the award and consultation process is required, however, to nurture the potential of such employee participation. The following chapter describes the adoption of a new workplace culture and consultative management at BHP's Port Kembla Steelworks and WGE.

CHAPTER FIVE

CONSULTATIVE MANAGEMENT AT PORT KEMBLA STEELWORKS AND WGE

In response to the political economic changes, described in the previous chapter, BHP's Port Kembla Steelworks (the Steelworks) and a small heavy engineering concern, WGE Pty Ltd. (WGE) adopted consultative management as part of Total Quality Control and a new workplace culture. This chapter describes consultative management in these enterprises. The enterprises were chosen because of their contrasting size; the Steelworks plant being part of the BHP company (Australia's largest manufacturing company) with a large waged employed workforce of some 7,000 and WGE being locally based with a small contracted waged workforce of some 134. The contrast in enterprise size and nature should provide a more thorough examination of the socio-political developmental consequences of employee participation in consultative management. Both enterprises have a predominantly blue-collar unionised workforce and both adopted TQC and consultative management in the same year, namely 1989, although the Steelworks began adopting a more consultative attitude towards its employees some years prior to 1989. Their adoption of a new workplace culture was in response to a crisis of enterprise survival. Of interest is that each have adopted contrasting consultative principles. Consultation at the Steelworks is predominantly a representative method; that of a plethora of Consultative Committees and Working Groups, with decisions made on the basis of consensus and where management prerogative is strictly retained. On the other hand, at WGE, while a consultative committee and working groups are used, the workforce is consulted directly by a general

meeting of all waged employees, with decisions based on the majority principle and where management prerogative, though still retained, is relatively relaxed. The difference in the method of decision making invites an analysis of the efficacy of consensus and the majoritarian principle, with regard to the democratic process and employee empowerment.

The Steelworks and WGE are set in Wollongong, some eighty kilometres south of Sydney, in the Illawarra area of New South Wales. The Illawarra region is one of the most highly unionised in Australia, because it has a narrow, heavy industrial base, largely steel, other metals and coal mining, all of which are traditional strongholds of unionism. While, as discussed in chapter four, unionism as a whole in Australia has fallen in recent years to just under 40 per cent, the Steelworks and WGE enjoys virtually 100 per cent density. On the other side of the coin, the region suffers a high level of unemployment, with some Wollongong suburbs recording up to 40 per cent unemployment. Much of this is due to the huge number of lay-offs by the Steelworks since 1980, described below. The Steelworks and the University of Wollongong are the two major areas of employment in the Illawarra region. Finally, the area is the most multi-cultural in Australia. This is largely due, again, to the Steelworks and its policy to gain access to government sponsored unskilled immigrant labour in the 1950s; a policy that has resulted in a large immigrant population, many of whom have poor literacy skills, particularly in English. This has added to the current unemployment problem.³⁰²

The chapter describes each enterprise and its consultative structure as part of TQC and a new workplace culture, including descriptions of the structures for information sharing and training as integral parts of the consultative structure. The problems of marginalisation caused by

³⁰²See Michael Morrissey, Maureen Dibden and Colleen Mitchell, *Immigration and Industry Restructure in the Illawarra* (Canberra: AGPS, 1992).

resistance to change are raised. The final section concerns the efficacy of the two contrasting methods of consultation, namely consensus and the super-majoritarian principle, with regard to employee empowerment.

I BHP's Port Kembla Steelworks

The Australian steel industry consists of a total monopoly by Australia's largest corporation, the BHP Company, which operates three integrated steelworks and related establishments in the metal industry and has extensive holdings in natural resources. Its largest integrated steelworks is at Port Kembla, near the city of Wollongong.³⁰³ In the post-second world war era the steel industry as a whole, and the Port Kembla steelworks in particular, grew rapidly, relying greatly on the large-scale immigration which occurred then, for a large unskilled workforce. The Steelworks' workforce included Macedonians predominantly, Croats, Lebanese, Italians and Vietnamese, to name only the major ethnic groups.

Of the thirteen unions recognised at the Steelworks, the majority of process operators belong to the Federation of Industrial Manufacturing and Engineering Employees (FIMEE) and the majority of metal tradespeople belong to the Automotive Metals and Engineering Workers Union (AMEWU). The Electrical Trade Union (ETU) and Association of Draughting Supervisory and Technical Employees have a significant number of members. Prior to the organisational change described below, all unions had a tradition of militancy at the regional level. For its part, BHP management also traditionally adopted a militant approach to industrial relations, refusing to negotiate on matters of managerial prerogative, resisting improvements to wages and conditions and even preventing site

³⁰³The Port Kembla steelworks has double the employment and output capacity of BHP's second largest steelworks at Newcastle. Whyalla has a third smaller steel producing plant. At Kwinana BHP has a steel rolling plant and unused iron-making facilities.

visits by union officials unless accompanied by an armed company guard.³⁰⁴ The industrial relations culture could, thus, historically be described as the antithesis of employee consultation.

A New Workplace Culture

The catalyst for change occurred at the beginning of the 1980s, when the international steel industry entered a crisis because of the recession and growing competition from new producers. BHP management was caught off guard. The 'resources boom' of the 1970s led BHP management to expect a production boom in the early 1980s.³⁰⁵ Their insular policies, reliance on cheap labour and price advantages in raw materials to remain competitive, little capital investment and rejection of the warnings of impending disaster for the Australian steel industry that came from the steel unions³⁰⁶ meant they were ill-prepared for the early 1980s recession and the international steel industry crisis which developed in 1982. In 1981 BHP announced the industry was in crisis. Heavy losses in steelmaking threatened closure of the steelworks. From November 1981 to June 1983 the company reduced its workforce at Port Kembla by 5000, representing a 25 per cent reduction. At the end of 1983 a further reduction of 2000 occurred.

In 1983, BHP approached the Labor government and requested massive assistance. BHP's approach coincided with the Fisher Inquiry's recommendation, in May 1983, for a Steel Industry Crisis Plan and the

³⁰⁴D. Kelly, *Technology, Work and Management: Workplace Industrial Relations in Steelmaking at Port Kembla, 1967-87* unpublished thesis in partial fulfillment of M. Comm. Honours (University of Wollongong, 1989), p. 79 and supported by Matters (interview Paul Matters, Secretary South Coast Labour Council, and formerly locomotive driver in rail operations at the Steelworks, 22/6/93).

³⁰⁵Management boasted of their intentions to expand and to increase their labour force in the 1980s (interview Steve Quinn, Secretary AMEWU, 1/6/93).

³⁰⁶AMWSU (later to become the AMEWU) organised a public seminar in Sydney in 1978 regarding concerns for the future of the steel industry. BHP refused an invitation to attend (*ibid*).

newly elected Labor Government's commitment to national industrial development through bipartism and tripartism, already discussed in chapter four. It also coincided with an earlier approach to the Labor shadow government from the steel industry unions to develop the Steel Industry Plan which was to come into operation when Labor came into office.³⁰⁷ Negotiations between the government, BHP, the ACTU and steel union representatives began in the middle of 1983.

In August 1983 the Steel Industry Plan was agreed. This was outlined in chapter four and I describe the Plan in more detail here. The Plan was implemented on 1 January 1984, to operate for five years. In a tripartite arrangement, government agreed to assist the steel industry by giving bonuses to domestic purchasers of Australian steel,³⁰⁸ BHP agreed to massive capital investment in new technology³⁰⁹ and the unions agreed to wage restraint in accordance with the Prices and Incomes Accord (described in chapter four) and to improve productivity in return for consultation over the changes. The Steel Industry Authority was established to monitor, analyse and report on the Plan and on the parties within it.

An important part of the agreement was the specific BHP/Steel Unions Accord, which stated that unions were to be consulted on the

³⁰⁷Interview Graeme Roberts, Secretary FIMEE, 9/6/93.

³⁰⁸Government agreed to provide \$70.1m bounty payments annually on certain types of steel and to impose import quotas on certain products.

1983 was only the second time in the history of the Steel industry that there was conscious government intervention into the industry. The other time was during WW11 when the steel industry was a protected employment area. Government intervention allowed for a strong union presence and worker participation at the workplace level. But the days of management/union consultation quickly reverted to the old style of total management control once the war was over and government intervention ceased. Once again, the company organised the workers and there was no toleration of unions. In fact, management particularly targeted the militant unions and those with communist leaders, like the F.I.A. and the Federation of Engineers and Firemen.

³⁰⁹BHP was expected to invest some \$800m over five years in capital equipment to induce productivity increases and better steel quality.

implementation of the Steel Industry Plan. This reflected the political rhetoric of consensus at the time and the philosophy for consultation espoused by the Accord. The agreement committed BHP to the consultative process and demanded a new level of mutual trust between unions and management across the steel industry. As a result, BHP management began to implement a new human resource management style. For their part, the Steel unions were prepared to accept joint responsibility for the design and management of organisational changes, including restructuring. The need for survival made the traditionally militant Steel unions pragmatic. The AMEWU, for example, came a long way from the statement of its predecessor in 1974;

At all times it is absolutely essential for the workers and their Unions to remain independent of all forms of accommodation within capitalist society ... Whilst recognising the growing pressures for involvement in these schemes supported by Employers and Government circles, this Union rejects such involvement.³¹⁰

to a union official's expression of pragmatism in 1993,

we need to be able to introduce technology rapidly and catch up with our competitors. The only way we can do this is through union participation in decision making.³¹¹

It is of interest to note in passing, that although consultation was part of the Steel Industry Plan and although government professed a commitment to employee participation in general, as espoused in the Accord, government

³¹⁰AMWU Commonwealth Conference Decision, 1974, cited in Alastair Crombie, 'Industrial Democracy—Job satisfaction or Social Transformation' in Robert L. Pritchard (ed.), *Industrial Democracy in Australia* (Australia: CCH, 1978), p. 69.

³¹¹Interview Quinn, *op cit*.

intervention was restricted to 'subsidising capital rather than assisting the unions to democratise ... the work-force'.³¹²

Prior to the Steel Industry Plan, there was an authoritarian style of management, necessitated by the sheer size and the characteristics of the workforce.³¹³ In 1982 the workforce numbered 22,000, steelmaking was a labour intensive industry, requiring 'brawn and not brain' and the workforce was multi-lingual, multi-cultural and largely non-English speaking. Authoritarian management meant the workforce was seen as part of the 'raw material of the production process, with no intellectual capacities'.³¹⁴ Industrial relations were of an adversarial nature, as mentioned above. This was evidenced by the high number of registered disputes in the 1970s and the heavy reliance on arbitration to settle even minor disputes. A low level of trust existed between management and unions. From interviews, Kelly found that 'workers, union officials and industrial officers alike, recollect[ed] many instances of deep mutual suspicion and mistrust' between BHP management and steel unions in the 1960s and 1970s.³¹⁵ BHP management described themselves as having a 'reputation for being tough, for being a hard-liner ... '³¹⁶ And a union official

³¹²An observation made by Paul Matters (second interview Paul Matters, Secretary South Coast Labour council, 2/7/93).

³¹³*ibid.*

³¹⁴*ibid.*

³¹⁵Kelly, *op cit*, p. 78.

³¹⁶From 'An area that cannot be ignored', *BHP Review* (September, 1977), cited in D. Kelly, *op cit*, p.77. Burgman describes a history of inhumane working conditions, the strict adherence to a master-servant workplace culture and antagonistic industrial relations at the Port Kembla Steelworks since its inception in 1928. See Beverley Burgman, 'Working in Steel City' in Verity Burgman and Jenny Lee (eds), *Making a Life A People's History of Australia since 1788* (Melbourne: McPhee Gribble Publishers Pty Ltd., 1988).

claimed in 1978 that 'BHP has the most pernicious and vindictive industrial relations in Australia, with the exception of Utah'.³¹⁷

The adversarial nature of industrial relations and the rising number of strikes in the late 1970s forced management to a pragmatic reassessment of their attitudes towards unions and workers. Thus prior to the 1983 Steel Industry Plan there were hints of a change to a more human relations management style at the Steelworks. For example, a new emphasis on human relations management education for supervisors, demonstrated management's recognition of the need to change its management style, even though the unchanged pattern of strikes threw doubt on the effectiveness of this human relations education.³¹⁸ The Margins/Hours case provided further evidence of a change in attitude. The case was decided in 1982 and provided for easier access to members for union officials and the development of some formal mechanisms for consultation and dispute resolution.³¹⁹ This specific agreement from management to consultative procedures and to closer communications with union officials was not only indicative of a shift in management attitudes to industrial relations at the Steelworks prior to the 1983 Steel Plan but consequently had 'a significant effect on the nature of union-management relations at Port Kembla'.³²⁰ The appointment of John Clark as General Manager at Port Kembla in early 1982

³¹⁷National Office of the AMWSU, 1978 cited in D. Kelly, *op cit*.

³¹⁸The level of strikes fluctuated markedly. 1981 saw a record number of hours lost, with a sharp decline in the early part of 1982, followed by a record number of employees involved in strike activity during the latter part of 1982. 1983 saw a marked reduction in the number of strikes which was sustained until the time of my study. See graph of 'Strike Hours per Wages Employees 1967-86' in D. Kelly, *op cit*, p. 258. Kelly's findings were substantiated by Majella MacKinlay, Manager Human Resources, Ironmaking (interview, 11/5/93).

³¹⁹The dispute settlement procedure moved in hierarchical lines. Grievances were conveyed to supervisors, then to superintendents and so on. Industrial action and recourse to tribunals was to be the last resort. The aim was to prevent the former response to disputes, that merely had served to escalate minor disputes.

³²⁰D. Kelly, *op cit*, p. 87.

was also indicative of the trend towards a more human relations style of management. John Clark had a genuine respect for the unions' positive role in the workplace,³²¹ as did others prior to 1983;

In 1979 there were men like ... [Superintendents of Industrial Relations] who held a genuine belief that continuous confrontation was counter-productive and that the unions had a positive role to play in production.³²²

Although there were hints of a change in management attitudes away from the traditional strict authoritarianism, it was the steel industry crisis and the resultant Steel Industry Plan with its requirement of management consultation with unions over proposed changes, that provided the catalyst for real change.

Then at the end of 1988 the Steel Industry Plan term expired, giving rise to a need for alternative arrangements. The *Australia Reconstructed* document had been published in 1987;³²³ overseas studies of the steel industry had been conducted; the restructuring and efficiency principle under Accord mark III, which forced industries like the metal industry to provide trade-offs to unions in the form of consultation³²⁴ had been handed down in 1987; another \$1.2m for steelworks' capital investment had been committed by BHP; and the requirement that Unions and workers be

³²¹MacMillan states that Clarke was subsequently transferred to 'Siberia', because of his liberal views (interview Warwick MacMillan, formerly of the South Coast Employment Development Project, 21/4/93).

³²²Interview Diana Kelly, lecturer industrial relations, University Wollongong and long-time researcher of industrial relations at all three BHP Steelworks, 10/6/93.

³²³ACTU/TDC, *Australia Reconstructed* (AGPS: Canberra, 1987). Steve Quinn, a party to the Steel Industry Development Agreement, believes this document influenced the Agreement (interview Quinn, *op cit*).

³²⁴Interview Miyo Shane, union delegate Tin Mill Consultative Committee and trainer Warrawong Training Centre, 6/5/93.

consulted for restructuring to be realised had been recognised by the Steelwork's management. It was against this background, that negotiations between management and the Steelworks' unions resulted in a bipartite agreement, the Steel Industry Development Agreement (SIDA). It operated from June 1989 for three years, with provision for joint review and an extension of the agreement in 1992. In April 1992 the Steel Industry Agreement (SIA) became effective, until September 1995.

The opening up of the Australian economy to global competition and influences meant that SIDA's targets included increased productivity and reduced costs,³²⁵ world best practice and a commitment to a Total Quality Control environment through application of four principles: satisfy your customers, continuous improvement through small steps, control through measurement and statistics and involve all employees in improvement. The principle of continuous improvement was already operational with the introduction of Computer Assisted Manufacture under the Steel Industry Plan and continued under SIDA. CAM allowed flexible end production and the first principle of customer satisfaction to be met. The third principle of control through measurement involved setting production and quality targets against which improvement was measured. The small steps for continuous improvement and targets were set out in a business plan for each department in the Steelworks. As I shall show below, the consultative structure was instrumental in developing the business plan.

The last principle to involve everybody was a recognition by management that if the Steelworks were to become more productive it would need to become more efficient, flexible in work practices and competitive. For these goals to be realised, measures were required to

³²⁵Targets included productivity gains of 340,000 tonnes of 'right' slab per month by May 1993 and 350,000 by May 1994 and cost reduction from \$250m by May 1993 and a further \$44m by May 1994. See BHP Steel, Slab and Plate Products Division, Port Kembla Steelworks, *The Steel Industry Development Agreement Handbook*, p. 7.

provide employees who implemented decisions with the opportunity to help make those decisions. That is, employee participation was necessary. Thus consultation became part of the Steelworks' TQC commitment.³²⁶ SIDA provided the opportunity for elected union representatives to participate in the process of reviewing performance and planning future directions. This was called 'consultation for improvement', because it was believed that consultative procedures would result in increased employee commitment and job satisfaction, which would promote the objectives for improved efficiency and productivity. Consultative Committees formed the basis of the consultative structure. Consultation for improvement continued under the SIA, together with the implementation of Total Operation Performance (TOP) as part of the TQC commitment.³²⁷ TOP was the Steelwork's version of multi-skilling operators under the Total Productive Maintenance principle discussed in chapter four. All four TQC principles were supported by award restructuring.

The change towards a more human relations style of management to its culmination in consultation for improvement and formalised method of employee participation in Consultative Committees, was a pragmatic response to the need of industry survival. It was not, as I raised in chapter three and shall show below, employee participation in the democratic sense, because management prerogative was retained.

³²⁶The Australian Steel Industry was one of the first industries in Australia to adopt a consultative approach to employee participation.

³²⁷BHP, *SIDA Handbook*, *op cit*, p. 13. BHP supervisors and Steel Union officials attended an 'awareness' seminar and workshop on *Total Productive Maintenance* 1992, organised jointly by the Centre for Advanced Manufacturing and Industrial Automation and Coopers and Lybrand Consultants. The Seminar literature states that TPM combines the principles and practices of preventative maintenance with those of TQC and Total Employee Involvement. TPM 'is based on "autonomous" maintenance by the operators'.

Consultation for Improvement and Consultative Committees

Under the SIDA consultation was defined as

a voluntary process through which union members will be encouraged to share in problem solving and decision making within their area of competence. ... [The] arrangements provide for union and employee input before Management decides on action affecting its employees'.³²⁸

From its inception then, consultation was not considered to be employee decision making. Management prerogative would be retained and workers' participation in the decision making process would be restricted to providing in-put. In other words, the consultative approach provided the opportunity for employees to present evidence for and give opinions on decisions to be made by management and to give suggestions on the implementation of decisions already made by management.

Consultation for improvement followed the principles contained in the ACTU/Confederation of Australian Industry's *Joint Statement, on Participative Practices*.³²⁹ It provided for 'a commitment to a decentralised consultative process in a stable and productive industrial relations environment', for consultative mechanisms to 'ensure full provision of information and adequate time to consider and discuss information, related matters and proposals' and a 'commitment to ... any decisions reached by the consultative process'.³³⁰ The commitment to a 'stable and productive industrial relations environment' was largely addressed by an agreement by management to no compulsory retrenchments of employees who were

³²⁸BHP, *SIDA Handbook, op cit*, p. 5.

³²⁹ACTU/CAI, *Joint Statement, on Participative Practices* (Canberra: AGPS, 1988).

³³⁰BHP Steel, Slab and Plate Products Division, Port Kembla Steelworks, *Steel Industry Development Agreement Handbook, Consultation for Improvement Implementation Agreement*, p.1.

members of those unions which were parties to the Agreement, provided that the other objectives of the Agreement were met.³³¹ During the operation of SIDA there was 'stable industrial relations' demonstrated by the reduction in the number of work hours lost due to industrial action. Whether this was due to SIDA or a reflection of an OECD wide trend in strike reduction is a moot point. The fact was that the consultative process operated in a stable environment.

The agreed structure to meet the 'commitment to a decentralised consultative process' was Consultative Committees (CC).³³² At the time of my study, the consultation structure operated at a number of levels (see Appendix A). The National Steel Industry Consultative Committee was concerned with corporate BHP Steel policy. At BHP Port Kembla there existed a Divisional Consultative Committee and beneath this were twenty Departmental Consultative Committees. Depending on the size of the workforce, the type of work performed and the location of the work-place, within a department, there could also be Sub-committees or Sub-group Committees. For example, in Ironmaking, the Blast Furnaces had a Joint Blast Furnace Consultative Committee with one Sub Committee for each of the three operating blast furnaces and the remaining nine work areas in Ironmaking each had a Consultative Committee. The Tin Mill had a departmental Consultative Committee and thirteen business unit Sub-Groups, each pertaining to the thirteen different processes in the Tin Mill. The Sub-Committees and Sub-Groups reported back to the Departmental Committee.

³³¹BHP, *SIDA, Program Implementation*, *op cit*, p. 5.

³³²Corkish claims 'consultative committees were the key thing to come out of SIDA' (interview Peter Corkish, Human Resources Manager, Supply and Services, SPPD, formerly Superintendent Industrial Relations and instrumental in setting up the Consultative Committees, first interview, 12/5/93).

The shift in human relations culture that the Steel Industry Development Agreement represented meant the unions had a difficult time selling SIDA to their members, with resistance to change throughout the workforce. The potential for marginalisation caused by residual resistance is described below. At the time of SIDA's implementation, a joint management/union effort persuaded workers of the benefits to be gained and information about Consultative Committees was disseminated through meetings and training sessions. Problems also occurred in establishing the committees. Sometimes it was difficult to agree on how to select the members of particular committees. For example, because Maintenance covered several unions there was concern that not all unions would be represented on a committee. Poor literacy and numeracy skills and inexperience with committee procedure amongst union delegates was a major problem experienced. To address the former, English courses were developed in-house at BHP's Warrawong Training Centre. To address the latter, the SIDA provided for a preliminary one day 'team-building' workshop for committee members and where necessary courses, including Trade Union Teaching Authority (TUTA) course modules, 'aimed at developing interpersonal and meeting skills and matters relating to general skills enhancement'.³³³ Consultants, working with the steel unions, developed the training courses.

In general, it was the responsibility of all Human Resources Managers to ensure that their Consultative Committees became effective. To fulfill this brief it was necessary, in some areas, to extend the one day training course. Rail Operations was an example. Rail Operations was a traditional militant area and it was expected that this business unit would be resistant to change. Consequently, an outside consultant spent three days training

³³³BHP, *SIDA Consultation for Improvement Implementation Agreement*, p. 6

their Consultative Committee, with the result that the Rail Operations' CC was at the time of my research, one of the better organised and effective Committees in the Steelworks.³³⁴

The first meeting of all the Consultative Committees in a department was a training work-shop, where staff and waged delegates were taught committee procedure. By the end of the session the committee's constitution, modelled on the divisional constitution, was written. And, to provide a purpose for the next meeting, issues were developed for ensuing discussion and an action plan proposed. Once a committee was established and operational, and as new members joined the committee it was up to each committee to recommend what training was required. Rather than repeatedly run a general committee procedures training course, training became targeted to the specific requirements of the committee: for example, report writing and presentation.³³⁵

Membership and Operation of Consultative Committees

The Divisional Consultative Committee was comprised of the General Manager, the senior management group and senior steel union officials. Ten members from departmental committee were invited to attend the Divisional Consultative Committee meeting as observers. Time was allocated for these members to raise issues and questions. The Divisional Committee met quarterly. It dealt with plant-wide issues and monitored the progress of SIDA and later SIA. At each meeting the members received

³³⁴Second interview Peter Corkish, 12/9/93.

³³⁵From my observation, many had received training in report presentation; white-boards, texta-colour illustrations on butchers-paper, graph illustrations and overhead projectors were regularly used. An analysis of 250 Australian enterprise agreements during 1991-92 revealed committee procedure training and protection of the rights of Consultative Committee members was not unusual. See Russell Lansbury and Mick Marchington, 'Joint Consultation and Industrial Relations: Experience from Australia and Overseas', *Asia Pacific Journal Human Resources* Vol. 31, No. 3 (Spring, 1993), p. 70.

a report on the progress towards the Division's performance targets, they identified problem areas and considered corrective action.

Membership of the departmental Consultative Committee was made up in the following way:

- a) a maximum of five departmental representatives including the officer in charge of the department, key officers in production, maintenance, quality control, administration and (where appropriate) marketing, and
- b) employee representatives of the various units in each department, and where possible of each shift (the Tin Mill Consultative Committee, therefore, had thirteen employee representatives, one from each of its production units).

Committee members were released from their normal duties to attend meetings during normal working hours, at normal rates of pay. Where they attended a meeting outside and additional to their normal shift hours, members received overtime rates of pay. Waged employee representatives were elected at a specially convened meeting. Because of the high union density extant at the Steelworks, waged employee representatives were typically union delegates. Delegates served two year terms, with half due for re-election annually. They could stand for re-election at the conclusion of their term. In practice there was little turn-over of delegates, although it was possible for dissatisfied shop-floor employees to recall a representative mid-term. The limited turn-over of delegates was problematic, because it potentially led to domination by the few. I return to this issue below. Management normally nominated its representatives on the basis of aptitude. Specific groups, notably supervisors, might elect their own representative.

The total membership of the Committee was limited to fifteen, with delegates out-numbering those of management. A quorum consisted of at least three delegates and two management representatives. Union officials

might be invited to attend Committee meetings as observers or advisors. The general manager could attend a meeting should an issue warrant it. Meetings were held bi-monthly or as required at the discretion of the Committee. The Committee chairperson was normally a delegate, nominated by the Committee and rotated amongst its members in an agreed manner. In practice the chairperson was often renominated. The blast furnaces had exceptions to delegates as chairs, in that Superintendents occupied the Committee chair. The practice emerged in order to facilitate the operation of the original Consultative Committees and the Committee members had continued with the practice. A minute secretary was nominated by the Committee and was usually a management representative with note-taking skills and access to office facilities. Minutes of the Committee meeting were required to be posted on the notice board within ten working days of the meeting.

According to the agreement 'consultation and participation must enable shop-floor involvement in future plans and directions of the Company'. Delegates were charged with informing the shop-floor of decisions and actions of the Committee at specially convened meetings held during work time. My information was that Rail Operations was the only business unit that had formal report-back meetings; a result of union demands and the specially tailored committee procedure training mentioned above. Rail Operations held four meetings on two days during the week following the Consultative Committee meeting; two each at 1320 and 1720 hours. All operators were encouraged to attend and an informal relief system was practiced amongst the operators to facilitate attendance. The CC chair conducted each meeting and minutes were kept by the CC minute secretary. Either the Superintendent or Manager attended the meetings to disseminate information directly and address grievances. My observations were that this system worked well for directly involving

waged employees in 'the consultation for improvement' process.³³⁶ This was supported by the research data analysed in the next chapter. Other business units disseminated CC information by a variety of methods. These included each delegate informing their shift supervisor who passed on the information to the shift; one specially convened meeting of the CC chairs' own shift relied on the grape-vine to disseminate information to other shifts; and in another instance specially convened meetings of all shifts by the relevant delegate. My information was that there were some problems with sharing Consultative Committee meeting issues with the shop-floor. One delegate, for example, had become disillusioned with staying back after the shift without remuneration and had subsequently ceased the practice. This appeared to contravene the Agreement. While other delegates found a lack of interest amongst their shift a problem.³³⁷ Despite the problems, the research data, analysed in the following chapter, indicated a reasonable level of information was disseminated by the Consultative Committee. Waged employees did not, however, believe their CC adequately communicated their opinions to management. Except for the situation in Rail Operations, this might have been due to the lack of a formalised method of information sharing.

Decisions of the Consultative Committee were reached by consensus, not by a majority vote of members. The delegates of some Committees caucused extensively prior to the meeting. Coal Preparations and Rail Operations, for example, caucused for up to an hour in this way. While management accepted this practice, it preferred that caucusing did not occur,

³³⁶Observation of Rail Operations report back meetings, 14/12/93 and 16/12/93 (Journal notes).

³³⁷Semi-focused group interview Coal Preparations and Energy Services, 16/4/94 and 1/3/94 respectively.

interpreting it as a hang-over of the 'them and us' mentality of the past.³³⁸ It was my observation, however, that caucusing allowed delegates to clarify their own position *vis a vis* management, thus equalising the debate for a consensus. I return to this issue below. If a CC could not reach a consensus, delegates might, where appropriate, re-caucus or return for further directions from the shop-floor. In the event of continued failure to reach a consensus, the matter became a dispute which was handled according to set dispute resolution procedures.³³⁹ In practice, my information and observations were that a consensus was usually reached.

An action sheet procedure was used by Committees to ensure speedy resolution of agenda items. My observation was that this procedure effectively achieved its aim. The CC's agenda was limited to non-contentious issues, with most Committee decisions being approved immediately by the management representative, without reference to higher levels of management.³⁴⁰ Management usually responded to more complex or contentious committee requests with an answer by the next meeting.³⁴¹ It was this quick response that led delegates to use the CCs for addressing grievances and encouraged them to bring issues to the meeting which were strictly speaking the province of the Occupational Health and Safety Committee as well as more appropriate issues. If the departmental supervisor could not agree with a recommendation of the Departmental CC then 'the matter [would] be referred to either the senior management/local

³³⁸Interview MacKinlay, *op cit.*

³³⁹*ibid.*

³⁴⁰*ibid* and personal observations (Journal notes).

³⁴¹Interview Shane and MacKinlay, *op cit.*

steel union officials or the Divisional Consultative Committee for resolution'.³⁴² This process resembled that for a grievance procedure.

Role of the Committees

Operating under Total Quality Control principles, the general objective of the Departmental CCs was to ensure the department was maximising its contribution to the overall business of the Steelworks, according to key performance indicators established for each department. In other words, Committees were involved in drawing up and implementing the business plan for their department, which included setting production and quality targets. Because TQC specified 'small step improvements' and 'involving everybody' and the SIDA emphasised 'the need for all employees to cooperate actively in continually improving their individual and collective work',³⁴³ Committees were also charged with improving communications within the department, coordinating employees in joint problem solving and planning training and skill development programs. These issues had targets and were incorporated in the business plan. The business plan was in reality guidelines for restructuring. Business Plans ran for three years and were regularly reviewed.

With regard to the CCs' agenda, the agreement stated 'the agenda is compiled from management and union requests' and may 'relate to any and all matters referred to in the (implementation agreement) document'.³⁴⁴ This represented a wide range of non-contentious issues. At their inception, the role of the Consultative Committee structure was to facilitate the restructuring of job awards and agreements and

³⁴²BHP, *SIDA Consultation for Improvement Implementation Agreement*, op cit, p. 9.

³⁴³*ibid*, p. 3.

³⁴⁴ *ibid*, p. 9.

reclassifications. Through a four step process, CCs together with South Coast Employment Development Project (SCEDP) reduced the 360 job classifications at the Steelworks in 1989 to nine.³⁴⁵ A liaisons officer was appointed by the steel unions to coordinate the skills audit team, the Consultative Committees and subcommittees, training programs and SCEDP.³⁴⁶ At the time of my research, the Committees' main role continued to be that of facilitating restructuring, and the agenda was still largely comprised of restructuring issues.³⁴⁷ For example, No. 4 Blast Furnace Sub-Committee had almost entirely dealt with designing and implementing a new work system for the furnace in 1993-4. In fact, the Sub-Committee had become the Job Design Committee until such time as the new system was operational. Elsewhere, in the Tin Mill, where restructuring was complete, their Consultative Committee was hard-pressed to compile an agenda.³⁴⁸

The constitutional role of the Committees was essentially advisory, providing in-put into decisions that were ultimately made by management. My information from management was that generally recommendations made by Committees were heeded because

³⁴⁵Award restructuring handed down with the second tier restructuring and efficiency principles was achieved by a four step procedure. First, the skills required by the production and maintenance process were identified. Second, an audit of employee skills was conducted. Third, jobs were reclassified according to skill categories focused on broad activities rather than narrow classifications according to the job. For example, in the Shear Products unit a worker who stacked was classified as a 'piler' while one who wrapped was classified as a 'wrapper'. These workers were reclassified as operator one. And fourth, training programs were designed to support the entry of employees to the classification structure and their progress through it.

³⁴⁶This was Warwick MacMillan, secretary of SCDEP.

³⁴⁷The restructuring packages are seen by management and union delegates as evidence of the Consultative Committees' success (MacKinnlay, Shane, MacMillan, interviews *op cit*). From a Department of Industrial Relations survey in 1991, Marchington finds the general focus of Consultative Committees to be working conditions, personal issues, award restructuring and to a lesser extent performance and quality (Lansbury and Marchington, *op cit*, p. 62).

³⁴⁸Interview Shane, *op cit*.

... the whole purpose of the Consultative Committees is to provide input into decisions, so management is not likely to ignore their recommendations. My assessment is that many of the Committees are influential in shaping decisions and that management looks for their Committees' views.³⁴⁹

My information from waged employees and my observations generally supported this assessment. The opinion of waged employees was that suggestions tended to be rejected where they involved capital expenditure or directly contradicted a program already decided by management.

They [management] take on board what's important and eventually when it gets down to dollars, if there's money involved they have the final say no matter whether its good or it isn't a good idea. Its very frustrating because our department seems to be driven by dollars.³⁵⁰

Management prerogative, too, was a source of some frustration as expressed by one waged employee,

... that is frustrating, because they [management] tell us we're here to do things. When I've put in a lot of work, I've spoke to people, they've given me feedback, we've had meetings off shift, I've stayed back after shift and presented it to them and we can all see the benefits of it and then he says 'No'. I think, 'What am I doing this for?'

It was put to employees that management prerogative must be retained, because management bore the ultimate responsibility for the well being of

³⁴⁹Second interview Corkish, *op cit.*

³⁵⁰Group interview Coal Preparations, *op cit.*

the department and for the ill effects of incorrect decisions.³⁵¹ While it was my observation that delegates understood this, the frustrations resulting from the exercise of management prerogative were potentially counter-productive to the consultative process. The unions have a potential role here, to temper the over zealous exercise of management prerogative.

While management prerogative was retained, Consultative Committees did enjoy the power to make decisions without reference to management over non-contentious, low-level issues. These included canteen operations, communication methods (including translation of Committee minutes into non-English languages for immigrant workers), roster patterns, training requirements, and even job organisation. A simple change in work practices required the appropriate supervisor's approval in order to become operational. It was argued, by management, that the supervisor's approval was necessary, because the supervisor held the overall perspective of the unit and could best assess the appropriateness of the recommendation for the unit as a whole.³⁵² Recommendations concerning major changes to work practices, however, were negotiated between management, unions and the appropriate CCs. The number of workers in a shift and the issue of twelve hour shifts were examples of this.³⁵³ Consultative Committees had no role regarding industrial matters (wages and hours) or health and safety issues. Management and union officials dealt with industrial matters, while the OH&S Committee dealt with health and safety issues in accordance with state legislation. The agreement specifically stated that 'the committees will not consider matters which should be directed to the Occupational Health and Safety Committees

³⁵¹First interview, Corkish, *op cit* and reiterated during the group interview Coal Preparations, *op cit*.

³⁵²First interview Corkish, *op cit*.

³⁵³Observation No. 2 Blast Furnace Consultative Committee meeting, 9/3/94 (Journal notes).

or supervisors, delegates, industrial officers and union officials'. However, there was some arbitrariness in the Committees and Work Groups being trusted with the skills audit and restructuring of job awards and classification, whilst not being permitted to deal with industrial issues.³⁵⁴ While the distinction might not have been easy to maintain, it was my observation that remuneration for the various classifications and major changes to work practices still remained the province of management and unions.

Working Groups

Special purpose Working Groups could be appointed by the Departmental Consultative Committees or by management in response to restructuring activities. They were formed to collect information, assess and provide reports on a specific issue and were variously titled Sub-Committees, Working Groups and Small Group Activities depending on the constitution of the Consultative Committee. For the sake of simplicity, I will call them Working Groups. Working Groups did not deal with job specific issues, these being the province of the workers on the shop-floor, but with issues specific to the work unit upon which they were based. Members of the Working Groups were nominated by the Consultative Committee or management in accordance with their appropriateness for dealing with the issue. The more active CCs might have several Working Groups operating at one time. Rail Operations, for example, was a particularly active Committee with several working groups delegated at the time of my study, considering issues ranging from rosters to designing more efficient work practices on the coal bridge.³⁵⁵ In the past a Rail Operations working group

³⁵⁴Interview Miyo Shane, union delegate Tin Mill CC, 6/5/93.

³⁵⁵Rail Operations' Working Groups included the 'Loco' Maintenance Group, Roster Committee, Tracking Plate Mill Despatch Group and the Coal Bridge Activity Group.

had designed a partitioned truck to allow for the transport of two raw materials together. As with the departmental Committees, Working Groups met in work time. They reported to the Consultative Committee and referred to it any matters arising from the group for resolution.

It would be fair to say that hundreds of Working Groups operated in the Steelworks. For a generalised example, Working Groups were an integral part of award restructuring. Following the procedure of the earlier skills audit, the Groups involved the shop-floor in providing relevant information regarding job skills. It then involved the shop-floor in developing training programs for career paths in conjunction with the training officer and the Human Resources Officer. Other Working Groups transcended workplace and departmental boundaries. To add to the nomenclative confusion these groups might be called Cross Functional Groups. Three interesting examples serve as illustration. The Slab Management Working Group comprised representatives from the Slab Caster, the Slab Yard, Rail Operations, Shipping, FIMEE and Human Resources. Its objective was to submit a competitive tender for the efficient handling of slab, from the point of production to the point of exit from the slab yard. It produced an in-house tender,³⁵⁶ which was competitive with outside contractors. The tender provided for a unique green-site system involving self-managed work groups; a suggestion that was subsequently shelved.

The Slab Caster section provided the second example. Their project involved a Group working for two years to improve the condition of casting machines and lift restrictions to machine operations. The Working Group comprised employees from Operations, Maintenance, Quality, Plant Engineering, Maintenance Technology and Repair Services as well as the

³⁵⁶The *Penunga Slab Management Tender*.

Gladwin workshop and outside contractors. It examined major causes of operational problems with casting machines, allocating responsibility for individual problems to specialist Sub-Groups. For example, No. 1 casting machine had design problems associated with it being the oldest equipment in the casting plant. These problems were rectified by the Plant Engineering members of the Group. The overarching aim of the Working Group was to achieve continuous operations of all three casting machines. This was subsequently regularly achieved, improving the throughput and delivery performance of the Slab-making department. A further initiative of the Slab Caster Working Group was to organise workshops for maintenance employees to explain to them their impact on the productivity of the Slab-making department. This led to a 'greater feeling of team-work and cooperation between the groups'.³⁵⁷

The third example of a Working Group comprised Furnace Operators, Furnace Maintenance employees and personnel from BHP Refractories to find a means to extend the life of furnace tapholes.³⁵⁸ The findings of the group produced a cost saving to the Basic Oxygenated Steelmaking in terms of materials, time and labour, increased plant availability and improved productivity.

Shop-floor Decision Making

Consultative Committees and their Working Groups formed the consultation for improvement structure. But there was also a less formal method of employee participation in the consultative structure; that of shop-floor decision making, which the Steelworks' management began extending. Of course, workers had always attempted to exert countervailing

³⁵⁷*Kembla News* (August, 1993), p. 3.

³⁵⁸The tapholes were renewable refractory sleeves which were inserted into the furnace to drain the molten steel from the furnace to the torpedo ladle.

control over production process,³⁵⁹ partly by custom and practice and partly by spontaneous problem-solving at the shop-floor level, upon which the production process was often dependent. Informal practices of this kind certainly existed at the Steelworks prior to 1983. Under consultation for improvement this process was recognised and formalised by management as a potentially valuable contribution to the production process.

Education and Training

To facilitate consultation for improvement, training for workplace committee members was a recognised commitment in the Steel Industry Development Agreement. This was mentioned above and is described in more detail here. Initially, the Trade Union Training Authority (TUTA) ran a three day course at the University of Wollongong. BHP sent a leading hand to a TUTA 'Train the Trainer' course in Melbourne. Two days of the course were devoted to explaining restructuring and the third day was concerned with committee procedures. All elected representatives to the inaugural Consultative Committees received training before participating in their first meeting of the CC, with the first meeting being held under the guidance of a trainer. At the time of my study, there were also courses available on presentation, problem solving, communication skills and statistics. These courses usually became available as a result of CC requirements.

SIDA required that each newly elected Committee member receive training in committee procedure. My observations of the practice of Consultative Committees in Ironmaking indicated that this clause was

³⁵⁹Matters believes that by developing a series of tactics, workers have always been able to gain some control over the pace of work and rate of exploitation. 'There has always been a war over control of the job and the workers have always rejected management's view of them'. Matters was a former train driver for BHP rail, who escaped orders from the 'boss' by applying his ear-muffs and driving out of the Steelworks (first interview Matters, 22/6/93).

observed and the survey data analysed in the following chapter supported this view. At the time of the study, the Company ran a one day committee procedures training course. In the event of too few applicants to justify a course, (perhaps because most former Committee members had been re-elected) a new Committee member received individual instruction from appropriate Human Resources personnel. The Tin Mill Committees, however, provided an exception to standard practice. Their members attended a new committee procedure course at BHP's Warrawong Training Centre, tailored specifically for the needs of the Tin Mill Consultative Committees. The Tin Mill Departmental Committee also developed its own half-day Minute-Taking course, which some of the Sub-Group secretaries had completed.

Training to provide a multi-skilled, flexible workforce, together with job reclassification were integral to the restructuring required for TQC and were recognised in the SIDA.³⁶⁰ The Agreement stated that all employees' job opportunities and job satisfaction were to be maximised in accordance with the structural efficiency principle in the 1989 National Wage Case decision. Within the Agreement there was a commitment to portability of skills through appropriate certification and accreditation programs developed jointly by management, unions and employees.³⁶¹ The proposed training modules for award restructuring incorporating guidelines from the Finn and Carmichael reports were described in chapter four.

The commitment to training represented a marked change in corporate culture. Prior to the 1980s, Steelworkers were employed for their muscle and not for their ability to think. As mentioned above, the Steelworks attracted waves of new immigrants after the second world war,

³⁶⁰BHP, *SIDA Implementation Handbook*, *op cit*, p. 9.

³⁶¹BHP, *SIDA Programme Handbook*, *op cit* p. 4.

who were frequently poorly educated, often with very limited knowledge of English. This was never a major concern for the company. Under the SIDA, management's recognition that skill enhancement increased productivity meant, that at the time of my research, the Steelworks' plethora of training courses exceeded the government's training guarantee levy of 1 per cent by an extra 3 per cent. Practical courses were available in-house at Steelhaven and human development courses were available at BHP's Warrawong Training Centre. TAFE courses were used either alone or in conjunction with in-house courses.³⁶² Employees could apply to do any of the many in-house courses available, provided that it was appropriate for their career development, there were sufficient numbers to run the course and, most importantly, it would benefit the company.³⁶³ Each work area had a training officer to coordinate and facilitate training. The training officer and the HRO cooperated in training for career paths. Shop-floor workers participated in developing career path and training programs through specifically appointed Working Groups as described above.

It was my observation that the SIDA's and award restructuring requirement for career path training was being met. For example, in Coal Preparations and in the Sinter Plant some operators had completed lubrication and electrical isolation courses in accordance with multi-skilling under Total Operation Performance, as described in chapter four. In Coal Preparations and the Blast Furnace workplaces tradespeople had gained work-cover tickets in fork-lift and crane driving operations.³⁶⁴ A skills transfer course had been completed by an operator from each shift in the

³⁶²See BHP Steel International, Slab and Plate Products, *Human Resources Course Codes* (2nd December, 1993) for a complete list of internal and external courses available.

³⁶³The decision was made by the Training Officer and Human Resources Officer.

³⁶⁴FIMEE union official present at the Sinter Plant CC meeting (Journal notes).

Sinter Plant. At all the CC meetings I observed, a report was tabled either by the training officer or the Human Resources Officer on the current status of training in the relevant workplace. The training officer for the Sinter Plant reported that the Warrawong Training Centre had approved an operator training package that would meet internal accreditation requirements. The training officer for No. 2 Blast Furnace tabled a report on the need for furnace operator retraining. Operators were to be accredited in preparation for competing for employment in No. 6 Blast Furnace to be commissioned in 1996. The course, it was explained, would give operators a better understanding of the whole ironmaking process plus teach them the skills to make better decisions. The No. 2 Blast Furnace meeting discussed the proposed extension of the operator career path to level four. The training officer for Rail Operations reported that the three level career path for rail operators of shunter, driver and controller was endorsed in the Business Plan. Lastly, the Human Resources Officer for Energy Services tabled a detailed training and career path structure, that incorporated the Finn and Carmichael strategy and would meet the accreditation requirements of the Energy 2000 program.³⁶⁵ It was my assessment that efforts were being made to meet the commitment to training espoused in SIDA.

³⁶⁵The program consisted of a generic module branching into three specialised areas of training, namely electrical, mechanical and process operator. The course was competency based under the Australian Vocational Accreditation Scheme.

Information Sharing and Communication

Similarly, to facilitate consultation for improvement, under the SIDA there was a commitment to consultative mechanisms to 'ensure full provision of information and adequate time to consider and discuss information, related matters and proposals'. This commitment was addressed according to the National Labour Consultative Council's *Guidelines on Information Sharing*, which stated that '[a]n effective system of information sharing is an important precondition for the introduction of employee participation.'³⁶⁶ Consistent with this, SIDA prescribed that

The parties must ensure that the shopfloor is well informed so as to ensure participation at a departmental level. For informed consultation and input from workers, adequate dissemination and sharing of information held by the Company is essential. The parties endorse the National Labour Consultative Council, a tripartite body of union, employer and government representatives.³⁶⁷

Communication procedures proposed in the SIDA included regular briefing meetings with all employees; provision of information to employees through union publications, work publications and joint management/union newsletter; seminars for groups of employees such as supervisors, union delegates and other employees conducted jointly by the Division, Steel Unions and TUTA; and internal and external 'customer visits'.

In practice, the most common means of communication were the CC minutes and report-back from delegates, quarterly briefings, adhoc addresses by management to specific employee groups and the *Kembla News*. The

³⁶⁶National Labour Consultative Council, *Guidelines to Information Sharing* (Canberra: AGPS, 1984), p. 3.

³⁶⁷BHP, *SIDA Consultation for Improvement Implementation Agreement*, *op cit*, p. 3.

latter was the Steelworks' monthly in-house news-letter. It was colourful, well written and carried information concerning new equipment, technology and work practices, quality reviews and accreditation, occupational health and safety awards, achievements of the productivity improvement management team (PIM), an article from the General Manager, and some social news. Whilst *Kembla News* kept employees abreast of news and events throughout the Steelworks, its main emphasis was on passing production targets through dedication and teamwork, and spurring workers to greater efforts in a style reminiscent of *China Reconstructs* of an earlier era.

Both management and unions believed that the shop-floor employees were generally kept better-informed of events in their departments since the SIDA. A Human Resources Manager stated that 'Generally people say that communication in the Steelworks has improved' and a Tin Mill Consultative Committee delegate believed that waged employees,

know a lot more about what is happening at the Steelworks and they want to know what's going on; asking if they have not been told. They have become accustomed to receiving reports from their Committees.³⁶⁸

And at interview an analyst expressed the view that the 'Consultative Committee was an information sharing session, where they tell us things and we tell them things back'.³⁶⁹ My observations confirmed that CCs were reasonably efficient vehicles for information sharing amongst those at the meeting. This was supported by the group focused interviews. In accordance with the SIDA, procedures to share information with the shop-

³⁶⁸ Interview Miyo Shane, *op cit.*

³⁶⁹ Group interview, Energy Services, *op cit.*

floor—such as distributing the minutes and reports tabled at meeting and the delegate's report to the shop-floor—had been implemented, albeit not without the problems mentioned above. Moreover, communication was two-way in that information was sought from the shop-floor by the delegates to CCs and Working Groups.

Poor English language skills made dissemination of information potentially problematic in many cases. To address this, on the company level there were English language courses available in-house. On a Consultative Committee level, the Shear Products unit in the Tin Mill translated its Sub-Group report into Macedonian, which was the most common native tongue other than English at the Steelworks. Other areas, such as the No 4 Blast Furnace where the level of poor literacy and English language skills was particularly high,³⁷⁰ relied on work-mates to translate the information.

Whilst the unions conceded that communication with management had markedly improved since the SIDA, they did have some reservations about the processes. It was claimed in interviews that at the level of the Divisional Consultative Committee, the process tended to be one-way, from management down, since shop-floor attitudes were rarely, if ever, heard there.³⁷¹ This Committee was more likely to be concerned with investments and major organisational decisions, by its nature. However, even here, the unions were not informed of proposals to develop the No. 6 Blast Furnace until well after the commitments were made,³⁷² and the distribution of the 28 per cent productivity gain achieved in 1992 was not

³⁷⁰Forty per cent of No. 4 Blast Furnace operators are from non-English speaking backgrounds (interview MacKinlay, *op cit*).

³⁷¹Interview Quinn, *op cit*.

³⁷²Second interview Matters, *op cit*.

included on the Divisional Consultative Committee agenda.³⁷³ At this level especially, it was difficult for the unions to obtain hard, 'unencumbered' or neutral data, because management, having a particular agenda, tended to filter information for Consultative Committee meetings. As one union official described the situation, management had more information than the unions, more resources to gather information and more time and ability to digest and interpret information. Consequently, management really set the agenda at corporation, divisional and departmental level. Genuine participation of employees in decision making, required time and technical skills at the shop-floor level to scrutinise management proposals. As the union official put it,

Until unions have the training, resources and back-up necessary to put up viable alternatives and to argue from a strong position, it [consultation] will be an unequal process.³⁷⁴

This issue was raised in chapter four and points to the difficulties faced by the new proactive strategic unionism and to the problem of union efficacy in the new workplace culture.

Apathy

Finally, a further problem of participation, that of resistance to change, which potentially makes consultation an 'equal process,' must be raised. Resistance to the new workplace culture had implications for employee disempowerment; those resistant to the new workplace culture were marginalised in the consultative process³⁷⁵ and were thus potentially dis-

³⁷³Interview Quinn, *op cit*.

³⁷⁴Interview Andrew Whiley, FIMEE official. 13/5/93.

³⁷⁵Some people don't even know of the committees' existence' (interview MacKinlay, *op cit*).

empowered. As mentioned above, because SIDA represented a huge shift in industrial relations and human relations culture, initially workers were reluctant to get involved in the consultative process. At the time of my research, resistance to being involved remained.³⁷⁶ A union official observed there was a fair proportion of union members who did not want to be involved in any decision making, being 'happy to let someone else make the decisions'.³⁷⁷ And an industrial relations officer observed that,

There are some who are in their fifties, who don't want to be involved in decision making, who just want to sweep their bit of floor or whatever and go home at the end of the working day. They just want to reach 65 and retire.³⁷⁸

A union delegate believed that the shop-floor was not ready for participation in decision making. Even when people agreed to be elected to a Committee, he found that only a handful of people participated in the Committee meeting, while 'many just [sat] there'.³⁷⁹ It was my observation that at least half the Committee delegates actively participated. To my mind, this was not an atypical degree of participation found in committees generally. Moreover, to be fair, factors other than resistance to change, must be taken into account. Factors such as the relevancy of the issues under consideration, poor language and literacy skills that might work against participation. For example, with regard to relevancy, delegates from

³⁷⁶*ibid.*

³⁷⁷Interview Whiley, *op cit.*

³⁷⁸First interview Corkish, *op cit.* Corkish observed that the same applied to training. Mostly it was those under 25 years of age who underwent training. By and large those who were over 25 were reluctant to take on commitments outside shift hours. It was Corkish's opinion that this was changing.

³⁷⁹Interview Shane, *op cit.*

maintenance were generally not interested in production issues³⁸⁰ and with regard to literacy, a delegate at the No. 4 Blast Furnace Sub-Committee meeting I observed, could not read English. Frustration and disillusionment with the participatory process, the result of the operationalisation of management prerogative and a social division of labour at the Steelworks may also work against participation. Whatever the reason for apathy, those who did not participate ran the risk of marginalisation in a workplace culture that at the time of writing appeared set to stay for the near future at least. The issue of apathy with regard to the democratic process is addressed below, following my description of the new workplace culture at WGE.

II WGE Pty Ltd.

WGE Pty Ltd., previously known as Warrawong General Engineering, was incorporated in 1978. It began as a single company with a workforce numbering four. By 1992, it was a group of companies with charters to operate separately, employ a maximum of 100 people, tender individually in their own field and compliment each other's activities. At the time of my research, the workforce totalled 134 and, contrary to the Steelworks, was expanding. D. Hay and Co. (Hayco) and WGE Pty Ltd. represented the bulk of the work and workforce.

WGE Pty Ltd., the original on-site engineering repair and maintenance service, was a small contracting heavy and civil engineering business with on-site and off-site workshop facilities for providing structural and mechanical engineering construction and plant maintenance services to heavy industry. Its largest single on-site contractor was the Port Kembla Steelworks. WGE Pty Ltd employed forty-five people. Hayco

³⁸⁰Group interview Energy Services, *op cit.*

formed the manufacturing base for WGE's off-site workshop and a retail outlet for a product called 'manufactured spares management', which was a guaranteed supply of consumable engineering components to heavy industries. Hayco employed sixty-one people. At the time of my study there were seven lesser companies under the WGE umbrella³⁸¹ and plans were underway to incorporate in Kuwait and Vietnam. The managing-director had recently returned from a visit to Kuwait where Warrawong Gulf Engineering was undergoing development. The new workplace culture was to be an integral part of this development.

At the time of my study, the waged workforce at WGE was all male; with the exception of four female office personnel.³⁸² It was a culturally diverse workforce representing twenty-five nationalities and seventeen languages. The predominant nationality after Australian, was Serbian. A small proportion of the waged workforce had poor spoken English and were illiterate in English. One waged employee was illiterate in both English and mother tongue. WGE was virtually 100 per cent unionised. Employees were represented by AMEWU and FIMEE, in the main, and two smaller unions. It was unusual that the managing-director was a member of FIMEE; his membership reflecting his unique management culture. There were four union delegates representing the workforce.

³⁸¹WGE Transport employed eight people and ran a fleet of trucks, vehicles, mobile cranes, welding machines and re-locatable site facilities; WGE Civil employed eight people, serving the internal needs of the organisation and operating independently on construction contracts; All Asbestos Services Pty Ltd. took employees from other areas of the WGE group to provide asbestos removal services; WGE Nominees Pty Ltd. employed thirty people and provided project management to customers, engineering design, research and development, training and general administration to the rest of the WGE group; WGE Fluid Power employed three people and specialised in hydraulic work; Way Note Pty Ltd., (Joint Venture Investments) was incorporated in 1992 for property development; and WGE International was developed to incorporate abroad and facilitate the export of products and management expertise.

³⁸²The managing director claimed that he encouraged female waged employees to apply for work, but at the time of my research none had done so (interview Tom Gallo, Managing Director, WGE, 17/7/93).

A New Workplace Culture

The catalyst for change in workplace culture was the take-over of the company, in November 1988, by the current managing director. He became the sole owner of WGE. At that stage the company was barely surviving and in need of restructuring. The company had a contracted workforce, numbering about fifty. Management philosophy was strictly authoritarian. The new owner's management philosophy was a human relations school attitude; the antithesis to that of his two previous partners.³⁸³ Rather than view workers as itinerant and expendable, the new managing-director viewed employees as a valuable resource, with both skills and intelligence to offer. The human relations approach was undoubtedly in response to the needs of restructuring in a competitive market, witnessed by the managing director's observation that 'In the seventies we used our hands because the customer provided the brains. Now we have many managers [meaning the shop-floor] because we need to be the brains as well as the labour to compete'.³⁸⁴ The human relations school approach to management was underpinned by the pragmatic belief that, 'The more we can do for people, the more they will want to belong [to the organisation]'. To strengthen the desire 'to belong', personal improvement courses were made available for waged employees, which I believe demonstrated a paternalistic element in the pragmatism.³⁸⁵ For example, a course on household budgeting was

³⁸³See Margaret Lyons, 'Small Business Awards—National Winner: Total Quality Management Award, WGE Pty Ltd', *Business Review Weekly* (29th October, 1993), pp. 10–11 for Tom Gallo's philosophy and 'success story'. WGE was not the only small business restructuring success story during the recession, where consultative management was introduced. See AMWU, 'Workplace Democracy Profits Hunter Plant', *The Metal Worker* (October, 1991), p. 8.

³⁸⁴Interview Gallo, *op cit.*

³⁸⁵Paternalism in small business is not uncommon. John Siddons, for example, admits to paternalism. See John Siddons, *A Spanner in the Works* (Melbourne: Macmillan Co., 1990), p. 124. Some theorists condemn quality of work life schemes that humanise work as

developed in response to budgeting problems demonstrated by employees' repeated requests for advances on their wages. These courses, however, proved not to be popular; possibly because they were conducted after working hours.³⁸⁶ The managing-director implemented other projects, such as gaining group concession rates for tax accountancy and insurance and providing kitchen facilities in the amenities block to cater for the 40 percent of WGE workers who were divorced and who, it was feared, did not eat adequately. The concern demonstrated a mixture of paternalism and pragmatism, in that employees using the facilities would have at least one square meal a day and be more productive. The suggestion was that the employees organise a kitchen cooperative, hire a couple of cooks and give the profits to charity. At the time of my research, no employee had expressed interest in the coop suggestion or in using the kitchen facilities. Enthusiasm was shown for one scheme however; that of a bonus payment to the partners of the six waged employees who had worked the most overtime. This was the managing-director's expression of appreciation to those who made the 'sacrifices at home'.

As part of the human relations approach to management, the new owner believed in 'the democratic principle'³⁸⁷ and actively encouraged employees to take more responsibility, to make suggestions and to be involved in decision making at all levels. At their initial job interview, for example, prospective employees were typically told, 'When you come to work, you are not to leave your brains in the car'; I expect you to make suggestions and decisions' and 'If you can say at the end of your time at WGE that you have never made a mistake, then it means you have failed,

paternalistic. See for example Max Elden, 'Sociotechnical Systems Ideas as Public Policy in Norway: Empowering Participation Through Worker-Managed Change', *Applied Behavioural Science* Vol. 22, No. 1 (1986).

³⁸⁶Gallo stated that eight people attended the budgeting course (interview Gallo, *op cit*).

³⁸⁷Interview Gallo, *op cit*.

because it means you have never made a decision'.³⁸⁸ The claim of employee encouragement to participate was supported by one supervisor (and former shop-floor employee) who explained that he liked working at WGE because of,

... freedom in the work. ... freedom in the sense of making decisions. Tom's attitude is, you make the decisions and you make the mistake, at least you've done something. He gave everyone a boost when he said that. If you go to another company you don't get that freedom to speak. I know a lot of people do pay better, but I know they haven't got the freedom that they've got here.³⁸⁹

The Quality Manager, too, expressed the belief that every possible opportunity was given to the workers to make suggestions and raise ideas, through committees, general meetings, approaches to foremen, the in-house newsletter and the notice board.³⁹⁰ Employees were encouraged to participate in all issues ranging from 'about the job you do [to] in general where the company goes'.³⁹¹

The 'democratic principle' was incorporated into the implementation of Total Quality Control which was the instrument to restructure the company. Like the Steelworks, WGE used the four principles of TQC. Unlike the Steelworks, however, while there was investment in new equipment at WGE the introduction of Computer Assisted Manufacture was not a part of WGE's restructuring. Of the four principles of TQC, customer satisfaction was particularly relevant to a small business such as WGE. This was addressed by the small company policy mentioned above;

³⁸⁸*ibid.*

³⁸⁹Semi-focused group interview WGE, 12/10/93.

³⁹⁰Interview Peter Hamlet, Quality Manager WGE, 23/7/93.

³⁹¹Group interview WGE, *op cit.*

the argument being that customer requirements were best met by small companies comprised of less than 100 people. Small companies did not suffer the bureaucratic problems of larger companies, nor the alienation of employees from the company or the customer. The principle of 'control through measurement', and subsequently the customer demand for quality, was achieved through Australian quality accreditation procedures; WGE being an Australian quality endorsed company.³⁹²

The Consultative Structure

The TQC principles of 'small step improvements' and 'involve everyone' were facilitated by a consultative structure consisting of: one, workplace committees, which included a Consultative Committee, special issue committees and meetings and brain-storming sessions; two, mass meetings of waged employees involving monthly union and general meetings; and three, quarterly extra-ordinary mass meetings. Participation on the shop-floor was also encouraged but suggestions about the job were restricted by the quality accreditation guidelines. The implications for job autonomy were discussed in chapter four.

The Consultative Committee met monthly during working hours and was comprised of four elected waged employee representatives and one nominated management representative, chosen on the basis of their support for employee participation.³⁹³ Unlike the Steelworks, there was no committee constitution, but procedural guidelines. Within the consultative structure there was provision for ad-hoc committees to be formed to deal

³⁹²That WGE was successful in its quality objectives was evidenced by the number of quality awards it held, namely the 1992 and 1993 NSW Small Business Award, National Finalist for excellence and achievement in the Total Quality Management section and the 1992 Chamber of Manufactures' 'Illawarra Manufacturer of the Year Award'. In 1991, 1992 and 1993 BHP Steel, Slab and Plate Products Division, awarded D. Hay and Co. its 'Vendor Performance Excellence Award' and in 1992 listed it as a 'strategic' supplier to BHP Steel SPPD.

³⁹³Interview Gallo, *op cit.*

with issues as they arose. As described by a committee member, these specific issue committees

involve people who are directly involved in some way. Its open to anyone. So [for example] the quality review meeting is usually a result of an internal or external audit. The people involved in the audit are invited to the meeting. ... there are small group meetings sometimes. Sometimes very large.³⁹⁴

The Store Committee was one such issue specific committee. It met monthly over a period of twelve months, addressed a number of problems in the Store and with the resolution of the issues, disbanded. Similarly the Transport Committee met regularly to resolve problems in the transport area of WGE. In keeping with the legal requirements mentioned in chapter three, two Safety and Occupational Health committees (one each for the off-site and on-site employees), comprised of six elected workers and one supervisor met on a monthly basis. Weekly production meetings and quality system review meetings were also held. Management were mostly involved with the production and quality system review meetings. The number of people involved in the quality system review meetings varied from six to ten supervisors and from two to three waged employee representatives. The waged employee representatives in this instance were not elected. Ten on-site supervisors and six off-site supervisors were involved in the production meetings. The special issue committees and quality review and production meetings provided a participatory forum for those involved. And, presumably as TQC progressed, more people would become directly involved in small group work.

General meetings were a particular feature of the consultative structure. A union meeting was held on the first Tuesday and the first

³⁹⁴Group interview WGE, *op cit.*

Wednesday of the month for off-site (workshop) and on-site workers respectively. The meeting was held at the beginning of the day shift, lasted for one hour and was addressed by a union official. The union meeting was immediately followed by a general meeting of workers. This was conducted by the quality manager. The union official attended the general meeting. The meeting was not open to staff. It was hoped by management, that the general meeting would be a forum for raising ideas and discussion on production and quality issues and company policy. In practice, however, the meetings were a forum for information dissemination and for dealing with grievances.³⁹⁵ This was certainly my observation. There was no agenda, a fact that may have worked against discussion of ideas and suggestions.

Typically, the meetings began with a report on outstanding issues from the last meeting. For example, both meetings I observed heard that the Commission had agreed to the 4 per cent productivity package (an issue that had also been explained by the union official during the union meeting) and were given details on payment of the wage rise and the on-site meeting received a report concerning repairs to the showers. The report was followed by announcements on company policy, proposals and pending events at WGE. The announcements covered a wide range of issues from a pending quality audit, warning of a random tool calibration inspection and company policy concerning sexist material on the notice board and locker-room walls. It was my observation that each announcement was met with questions and discussion from the floor, together with a response from the quality manager. For example, one waged employee expressed alarm over the random tool-kit inspection. It was explained that the tool-kit inspection was non-threatening and merely in keeping with quality guidelines.³⁹⁶ The

³⁹⁵Interview Hamlet, *op cit.*

³⁹⁶Tool calibration was in keeping with TQC. The men received a tool allowance but were responsible for calibrating their tools.

issue concerning sexist material on the notice board provided insight into WGE management's tenacity for traditional 'them and us' attitudes. The issue generated considerable discussion when it was expanded by a question from the floor, seeking a statement on what material was considered suitable for the notice board. The quality manager's response was that the company objected to any sexist, racist or inflammatory material on the board. It transpired that inflammatory material included articles on conflicts between 'red-necked unions' and employers, particularly where unions won the day. It was pronounced that WGE employees could read about such matters in *The Metal Worker* rather than have them publicly displayed. The waged employees were obviously unhappy about the issue, with many objecting to the quality manager's response. Yet they did not pursue it. The issue was left unresolved, ending with a comment from the floor, that the notice board would eventually be bare if the company persisted with its attitude. Perhaps the employees did not care sufficiently about the issue to pursue it. In any event, the issue revealed, that while employees were encouraged to voice their opinion, the old ways of management prerogative still prevailed.

Following the announcements from the quality manager, the meeting was invited to raise issues. It was my impression that this was an opportunity to raise grievances. For example, during the off-site meeting, two men expressed dissatisfaction with the training program, complaining that the courses they were attending were redundant and one expressed dissatisfaction with his boots issue. At the on-site meeting, one complained about the lack of facilities for on-site workers at the Steelworks. Each grievance was addressed. The quality manager responded to the training issue with an expression of concern and asked that he receive information earlier about any problems relating to training. He sympathised with the boot complaint but explained that WGE could not afford to issue two sets of

boots for its workers and he assured the on-site meeting that they should have power and water connected to their on-site work hut in the Steelworks, directing them to take the matter up with their supervisor. An issue concerning expired Work-cover licences was initiated from the floor during the off-site meeting. The solution proposed was that the company would purchase more tickets giving the non-licensed drivers twelve months to complete their training. The quality manager directed the men to inform their supervisors that they must attend licensing courses during slack times.

My general observation was that the meetings were a participatory forum. Approximately half the men were actively involved in the meeting with six to eight men being vocal and the rest being passively interested. There were some signs of active disinterest at the off-site meeting, possibly indicative of resistance to change. The issue of resistance to change was raised in chapter four and is raised again below. My impressions were that the general meeting was an excellent forum for information dissemination and sharing. Two-way communication was quite evident. It was an efficient forum for dealing with grievances, because employees had immediate access to management. Arguably, the two-way communication and the efficient management of grievances must have aided industrial relations. The threat to the union's role that this posed was raised in chapter four. Generally, grievances related to the well-being of the company; the training and the work-cover ticket issues for example. So while ideas to improve production may not have been forthcoming, the meetings were perhaps more useful in this regard than management allowed. It was my belief that management's desire for ideas might be better realised if there were an agenda. An agenda setting out problems and proposals might generate ideas. Even without an agenda and despite

management's lamentations it was apparent from one observation at interview that ideas did arise from the meeting.

The job that [name] and I do [quality system facilitators] came as a result of a meeting. People decided that the system was difficult for people to actually take responsibility. They needed someone to go round and remind people—perhaps find a way to teach people to take control of themselves. My role will change once people take hold of the system. But my position arose through consultation.³⁹⁷

Finally it was my assessment that management prerogative evident at the meeting, was reinforced by the way the meeting was conducted. The quality manager stood in front of the meeting for its duration, maintaining a posture of addressing the meeting, much as a school teacher would address pupils. It was my belief, that the 'democratic principle' would be better served if a waged employee chaired the meeting and the quality manager gave his report and addressed questions and grievances from the floor. In other words, a format similar to that of the Steelwork's Consultative Committees. This would soften the social division of labour, facilitating waged employees to be more enthusiastic in pursuing issues.

It was important for the participatory process that the general meeting format be changed, because the general meeting was to become the primary forum of consultation. At interview, the Quality Manager expressed the view that the role of the Consultative Committee was usurped by the general meeting. His aim was to retain the general meeting as the main forum of consultation with specific issue committees as required.³⁹⁸ At interview, the employees believed 'brain storming' and issue specific

³⁹⁷Group interview WGE, *op cit*.

³⁹⁸Two months after the completion of my research at WGE, it was decided at a general meeting to disband the Consultative Committee and to maintain the general meeting and specific issue meetings as the forum for consultation.

committees were much more useful than the Consultative Committee. The issue specific committees were thought to be useful because they involved the people directly concerned with the issue. It was my impression that the Consultative Committee failed due to lack of a specific charter. Unlike the Steelworks' CCs with their role and objectives specified in the Steel Industry Development Agreement, the WGE CC appeared to be directionless, relying on agenda items from management and waged employees and meeting less and less often for want of an agenda. The Quality Manager was probably right when he expressed the view that the workforce size at Steelworks made the Consultative Committee the appropriate forum for consultation there, while the general meeting was the appropriate forum for WGE's workforce size. A more inclusivist approach would need to be adopted along the lines outlined above, however, to facilitate participation at WGE's general meeting.

The quarterly extra-ordinary mass meeting of on-site and off-site waged employees was the third part of the consultative structure. The meeting's aim was to consider company policy. In the event there were no important policy issues to decide, the time was used as a human relations exercise and deemed a 'happy hour'. Like the monthly general meetings, the quarterly meetings were not open to staff. At extra-ordinary meetings decisions were made by secret ballot and by a super-majority. The vote had to reach 80 per cent to decide the issue. The need for a super-majority was based on the belief that less than 80 per cent in favour would represent too many opposed to the new project, jeopardising its success.³⁹⁹ The quarterly mass meeting was evidence of the managing-director's 'democratic principle' in action. In this instance, management prerogative was relaxed in that employees decided the issue. However, it must be emphasised that

³⁹⁹Interview Gallo, *op cit.*

the issue did not arise from the shop-floor but was put as a proposition by the managing-director, to the shop-floor. It could be said, therefore, that WGE employees were not fully participating at the company level.

Several important issues were decided at extra-ordinary general meetings. The first general meeting of workers was held soon after the take-over. The meeting was told of the poor state of the company and proposed measures for recovery. It was agreed that measures were required to retain a core of committed and skilled workers. To this end, it was agreed that rather than dismiss workers in slack times, workers would take any owed leave. In return, no worker would be laid off.⁴⁰⁰ In addition, maintenance contracts were sought to provide a steady source of work as a bridge for down times.

In 1989, a meeting was called to discuss the future developments of the existing manufacturing facilities. The meeting unanimously passed a resolution calling for all available money to be spent on a two stage development of the Hayco workshop site. Under stage one, the workshop was expanded to four times its original size to 3,600 square metres divided into three self-contained but integrated departments of work fabrication, machining and fitting. Under stage two, a two story workshop amenities block providing canteen facilities, changing rooms, showers, first-aid room and training/meeting room was constructed. It is of interest to note that the meeting voted to proceed with constructing the workshop before the amenities block. WGE's civil engineering division constructed the workshop and amenities block. A third stage of expansion, that of constructing a new workshop and office space totalling 5,000 and 750 square meters respectively on WGE's Glastonbury Avenue site, was put to a

⁴⁰⁰At the time of writing, Gallo had achieved this. Since November 1988, including a lengthy period of severe recession in the Illawarra, no worker was laid off. Instead, the workforce more than doubled; at the time of writing standing at 136 staff and workers.

meeting of all workers in May 1993. The project necessitated raising a considerable loan from the bank. The proposal was passed.

The 4 per cent productivity wage rise package was agreed to, at a quarterly meeting in 1992. This agreement raised the issue of union participation at WGE. While union membership was encouraged—to the extent that the managing director himself was a member of FIMEE—and a union presence was welcomed—demonstrated by the monthly union meetings during work time and the union official's presence at the general meetings—the second-tier wage rise was negotiated without union involvement. A 'brain-storming' session was held over a weekend, which drew up proposals for the extra-ordinary meeting. The package of proposals was presented to the meeting and, with the deletion of one item, the package was passed unanimously. The unions were presented with a *fait accompli*. Fortunately the unions deemed the package to be fair but the event did illustrate the issue, raised in chapter four, of potential redundancy for unions in the consultative structure, even in a pro-union organisation like WGE. Union redundancy was probably not an immediate threat at WGE however. The package item at issue concerned a proposal to change the union meetings from monthly one hour meetings, to quarterly three hour meetings. The meeting requested there be no change to the current arrangements, demonstrating member allegiance to the union and a desire for frequent contact. When the item was deleted, the package was passed.

It was evident that the decisions made at extra-ordinary mass meetings represented employee participation at the level of the company. But it was my impression that because the extra-ordinary meetings were conducted in like manner to the monthly general meetings, only this time the managing-director addressed the meeting, management prerogative was not as relaxed as it might otherwise have been, thus raising the potential for employees to be persuaded to agree with the proposal put to them. Union

exclusion from the extra-ordinary meeting and the consequent lack of a counter-vailing presence also threatened the democratic process. As with the suggestion that a waged employee chairperson would make the monthly general meetings more inclusive, the same could be said for the extra-ordinary meeting. A debate chaired by a waged employee would enhance the democratic process. So, too, would management sanctioned union participation. These criticisms aside, the consultative structure and in particular the extra-ordinary mass meeting which, at the very least, involved waged employees in company policy decisions, represented a marked shift in human relations culture at WGE from pre-1989 days, when management 'whipped the workers'.⁴⁰¹

Education and Training

There has clearly been a change in culture reflected in a new attitude towards education and training of the workforce. As part of the TQC agenda, management supported continuous training. An agreement to training was part of a second-tier wage rise negotiated in 1992. WGE committed 5 per cent of its annual payroll to employee training, under the training guarantee scheme, and WGE joined the federal government's labour adjustment scheme described in chapter four. All workers were expected to be multi-skilled and encouraged to acquire skills under the auspices of Workcover during down-times. Boiler-makers, for example, were expected to hold a crane, truck and fork-lift driver's licence and be computer literate.

A Training Officer was appointed in 1992 to coordinate and implement training. Both in-house and external courses were available for waged employees. Courses ranged from committee procedure training,

⁴⁰¹Interview Gallo, *op cit*.

first-aid certificate, telephone answering skills and computer literacy, to occupational health and safety issues and more specific job related courses such as the use of bearings in heavy engineering. External courses were conducted at the TAFE college while internal courses consisted mostly of video-taped instructions compiled by the training officer. The majority of waged employees had completed one or several courses. At the time of my research only two staff employees had completed the committee procedure course. Employee qualifications and completed courses were documented. Unlike the Steelworks, with its impressive array of in-house courses at Steelhaven and BHP's Warrawong Training Centre, WGE lacked these resources. This fact was reflected in the courses listed above and was a problem in common with other small businesses as mentioned in chapter four. Some courses at WGE appeared to be a waste of time. This came to light at the off-site general meeting when a young waged employee expressed the view that the training courses they were sent on were 'useless'. He was a qualified boiler-maker and was sent on a TAFE course that, as he described it, taught him 'how to rule a straight line'.

The lack of suitable courses posed a problem for career structures. Although apprentices were automatically employed at WGE on completion of their training, (at the time of research there were twelve apprentices) and the development of career paths within the company was encouraged (the Quality Manager, for example, began work at WGE as a Supervisor with a boiler-maker's ticket, the Work's Manager joined the company as a Fitter and Turner and one of the Shift Supervisors started work with the company as a labourer) there were no formal career path structures. This was largely due to the paucity of appropriate training courses available for small organisations such as WGE. A union official expressed the view that this

difficulty should be addressed with the adoption of the AMEWU award restructuring program.⁴⁰²

Other forms of education included internal seminars on topics such as total quality control, small business management, industrial relations and award restructuring.⁴⁰³ To assuage employee suspicion,⁴⁰⁴ regarding the motives of WGE management, some seminars were conducted wholly or partly by union officials. In 1989 members of staff attended a three day seminar on 'World Competitive Manufacturing'. And in July 1993 WGE sponsored two union officials at a seminar on 'International Competitiveness'. Higher university training was encouraged. One staff employee was, at the time of my study, completing a Masters in Business Administration. It was my impression that education and training were encouraged at WGE, but were restricted, mostly for waged employees, by the paucity of appropriate courses available.

Information Sharing and Communication

It was also my impression that at WGE, communication with the workforce was encouraged. As described above, the general meetings were used to inform the waged employees of company policy and other relevant information and as a forum for two-way communication. And there was also communication through special issue committees. Information was also disseminated via the notice board and the in-house newspaper *The Messenger*. This paper lacked the flair and colour of *Kembla News*. And although management wished waged employees to contribute to *The Messenger*, in practice it was, like *Kembla News*, a mouth-piece for

⁴⁰²Conversation with an AMEWU union official (Journal notes).

⁴⁰³Company wide seminars have included 'Customer Focus', 'Award Restructuring' and 'Understanding the Metal Industry Award'.

⁴⁰⁴Interview Gallo, *op cit*.

dissemination of information by management. It was revealed during the general meeting discussed above, that the notice board too was in danger of becoming a mouth-piece for management. The notice board and the in-house paper were thus vehicles of one-way communication. Despite this, at interview the employees believed that communication had greatly improved since the new management procedure.⁴⁰⁵ This was supported by the evidence discussed in chapter six.

Apathy

Undoubtedly workplace cultural changes instigated by the new managing-director at WGE were extensive. One employee summarised the change to the new workplace culture thus,

I been here eleven years. I see three partners when I started. We didn't go anywhere. Then we became one partner. He's made a lot of changes. New workshops and that. But also the people. We never had meetings before. Now we have all sorts of meetings. We have safety meetings, production meetings, sometimes union meetings—like we've just had. And the meeting with Peter [the quality manager]. These meetings help communication between people and staff. There's a lot of good. But still a lot to go. Now we got the quality system, most of the time we get together. Even the site crew. Sometimes we have a chance to talk at the meetings. Before, we never see them.

But like the Steelworks, not all participated in the new workplace culture. There was resistance to change, particularly from those waged employees who had been with WGE for many years and with managers who had worked at WGE with the original three partners.⁴⁰⁶ During my observation

⁴⁰⁵Group interview WGE, *op cit.*

⁴⁰⁶Interviews Gallo and Hamlet, *op cit.*

of the mass meetings, lack of interest of a few waged employees was demonstrated by their constant coming and going at the back of the conference room (presumably to have a smoke). The managing-director observed that it was hard to get workers to change and participate in the new workplace culture. After-all, 'for seventy years, workers have been told what to do'⁴⁰⁷ and the quality manager realised that 'We don't have the full involvement of everyone at all levels'.⁴⁰⁸ As a supervisor put it,

To make it work the people have to believe in it. There are still a section of the people which doesn't believe in it. They say 'We've never done it before. Why we have to do it now'? ... In a way its too much too soon. You get an old bloke; its hard to change. Fifty years you do it this way. All this restructuring, job changes, quality system. Everything comes at once.

and as the works manager put it,

Its individual attitudes towards the system that are hard to overcome. Some people feel its something they don't want to be a part of. So they forget to do things.

It was not only a few from the shop-floor who resisted change, but also some staff. Some supervisors were not amenable to ideas from the shop-floor, tending not to pass them on to management or to operationalise them. And even when ideas were passed on to management, they might not be operationalised.⁴⁰⁹ The managing-director and the quality manager

⁴⁰⁷Interview Gallo, *op cit*.

⁴⁰⁸Interview Hamlet, *op cit*.

⁴⁰⁹The managing-director explained, that there were a few managers left over from the early days of the company who opposed 'democratic principles' (interview Gallo, *op cit*). The quality manager had direct experience of management's disinterest in ideas raised by waged employees. In 1989, he ran a Small Group Activity for two years. Some ideas evolved from the group that were recognised by foremen to be worthwhile. However, management did not

expressed the hope that in time this resistance would soften; there 'is a core of managers who share my philosophy now' and as the 'old guard become more *au fait* with TQC their attitudes are changing'.

As with the Steelworks, resistance to change was a potential problem which threatened to marginalise and dis-empower those unprepared for change. And, as with the Steelworks, management prerogative and the social division of labour were problematic with regard to the participatory process. Management prerogative has already been dealt with. With regard to the social division of labour, as part of the new workplace culture the aim was to reduce divisions. In paternalistic vein, the managing-director saw himself as a benevolent father, the 'social worker of the company'.⁴¹⁰ Managers and supervisors were viewed as team-leaders. There was, for example, no step between the general manager and the five on-site and off-site managers. The general manager was without an office, moving around the work sites as the 'leading hand of the managers'; the 'grand team leader'. And there was no step between the twenty supervisors and the waged employees. The supervisors were team leaders, working with the waged workers. But the managing-director's philosophy was somewhat at odds with the increased number of managers employed since 1989. Under the new managing-directorship, management had grown from six to 30 personnel. And, moreover, while the managing-director liked to think of the supervisors as team leaders, the waged employees saw them as something apart from themselves. Even where the supervisor had come from the shop-floor, the 'them and us' attitude was evident in the question from a waged employee at the August on-site union meeting; 'do we have to shower with the new foreman'? To be fair, the managing-director did

act on them and workers subsequently became disillusioned, causing Hamlet to disband the group (interview Hamlet, *op cit*).

⁴¹⁰Interview Gallo, *op cit*.

not claim to have fully overcome the division between bosses and workers, arguing that it took time to change ingrained attitudes.

The Steelworks and WGE had resistance to the new workplace culture, a social division of labour and management prerogative in common, which potentially worked against participation and the democratic process. At WGE, management prerogative was relatively relaxed and the aim was to reduce the social division of labour. In contrast, Steelworks' decision making was based on consensus while the super-majoritarian principle was exercised at WGE. The contrasting method of decision making at WGE and the Steelworks invites a comparative analysis of the majoritarian principle and consensus with regard to the democratic process and empowerment.

III Consensus versus Majoritarian Decision Making

The argument for a majoritarian principle,⁴¹¹ as it was used at WGE, is that it maximises the number of people who can exercise self-determination in collective decisions, because it enables the greatest possible number of people to abide by a decision that they, themselves have made. Moreover, using an argument of maximising utilities, those in support of the majority principle argue that each person in the majority will gain at least as much benefit as each in the minority will lose. Thus, advocates of the majoritarian principle deem it to be a democratic decision making process. The majoritarian principle, however, raises the problem of a dis-empowered minority who have not agreed with the decision of the

⁴¹¹For advocates of majority rule see J. Locke, *Two Treatises of Government* edited by Peter Laslett (New York: Cambridge University Press, revised edition 1963), Alexis De Tocqueville, *Democracy in America* edited by Henry Steele Commanger (London: Oxford University Press, 1955) and Henry Steele Commanger, *Majority Rule and Minority Rights* (New York: Oxford University Press, 1943). For an analysis of majority rule, see Wilmoore Kendall, *John Locke and the Doctrine of Majority Rule* (Urbana, 1941) and Robert Dahl, *A Preface to Democratic Theory* (Chicago: University of Chicago Press, 1959), chapter two, pp. 34-62.

majority. These people have been excluded from self-determination. Moreover, the probability of a permanent marginalised minority raises the issue of destabilisation.⁴¹² Differences in intensity of preference is also an issue. Majority rule allows for a bare majority who may only slightly prefer an alternative to decide the issue, over a bare minority who have a strong preference. Thus, under the majoritarian principle fairness can be sacrificed in the name of democracy.

The problem of exclusion is exacerbated further, when there is more than one alternative. In a situation for example, where there are three alternatives, A B or C, it may be that alternative A receives say 40 votes while B receives 35 and C 25. Alternative A receives the most votes but quite obviously A has not received the majority of votes, while a majority have been excluded from self-determination.⁴¹³ Fortunately, to date all decisions at WGE's quarterly general meetings have been made on the basis of a choice between two alternatives; resolutions, arrived at by previous discussion or made by the managing-director, are put to the meeting for a yes or no vote. Nevertheless, exclusion is problematic with regard to the democratic process, even in the situation of two alternatives. Furthermore, the super-majoritarian principle exercised at WGE raises the further problem of a power of minority veto, similar to that of Arrow's Impossible Theorem. For example, a super-majority may be short by only two or three votes. In the bargaining to persuade the two or three to join the majority, this minority wields considerable power.

⁴¹²Anthony Arblaster, 'Majority Rule and its Problems', *Democracy* (Milton Keynes: Open University Press, 1987), p. 70.

⁴¹³Kenneth Arrow's Impossibility Theorem, together with the theorems of others such as Gibbard-Satterthwaite, McKelvy and Schofield demonstrate the problem of cyclical majority and the inevitable domination of a minority preference in complex voting decisions. See David Held and Christopher Pollitt (eds), *New Forms of Democracy* (London: Sage Publications, 1986), pp. 151–52.

With consensus decision making, as it was exercised in the Steelworks' Consultative Committees, there is not exclusion, because all exercise self-determination. Consensus means an agreement by all.⁴¹⁴ It does not necessarily mean harmony, for in the process both common and competing interests are explored.⁴¹⁵ But it does mean, using Mill's words, tolerance and acceptance of opposing views and 'conciliation: a readiness to compromise, a willingness to concede something to opponents, and to shape good measures so as to be as little offensive as possible to persons of opposite views'.⁴¹⁶ While it may mean a degree of compromise for an agreement by all to be reached, in the compromise all exercise some degree of self-determination. And the compromise may be over matters that the minority considers unimportant in any event.⁴¹⁷ Discussion is germane to an agreement reached by consensus, making consensus an inclusive form of decision making and, on the face of it, making it a more democratic process. The problem for consensus decision making is not one of exclusion but one of coercion. Coercion can occur through a unitary decision making context, by the domination of cliques born of apathy and by articulate personalities. I will address each issue in turn.

Using Barber's typology⁴¹⁸ there are three types of consensus, each depending on the context in which it operates; generic consensus operating in representative or 'thin' forms of democracy, substantive consensus in a

⁴¹⁴This is in contrast to Margaret Thatcher's economic rationalist agenda that consensus meant a decision had not been reached!

⁴¹⁵J. Cutcher-Gershenfeld, 'The Impact on Economic Performance of a Transformation in Industrial Relations', *Industrial and Labor Relations Review* Vol. 44, No. 1 (1991), pp. 241–60.

⁴¹⁶J.S. Mill, *Considerations on Representative Government* (London: J.M. Dent and Sons, 1972), p. 326.

⁴¹⁷Lyman T. Sargent, *New Left Thought* (Illinois: Dorsey Press, 1972), p. 102.

⁴¹⁸See Benjamin Barber, *Strong Democracy* (Berkeley: University of California Press, 1984), pp. 139–155.

unitary participatory democracy (so-called because it is informed by a unitary norm) and creative consensus in a developmental participatory democracy. Generic consensus is a common contract that authorises 'the sovereign' to provide for the contractee and to be accountable to them. Substantive consensus relies on common beliefs, values and ends; a unity such as religion or nationalism which Barber regards as a common good that forges individuals into an organic whole. Because substantive consensus relies on a central norm, Barber argues that it is potentially coercive. Creative consensus arises from 'common talk, common decision and common work [policy implementation]'. It is a consensus not based on a common good or ends but created on a transforming good that is developed and transformed by actively participating citizens. As such, a creative consensus cannot be coercive.

In its creative form, consensus is where persons in conflict consent to resolve their differences in the absence of mediating common standards. There is no coercion or cajoling to consent to the agreement. No-one is the victor or the loser, because their needs and interests are changed and become more broadly conceived in the process of listening and accommodating to others' needs and interests. It is an act of reasonableness where the self is placed in the context of the other, so that views are reformulated and interests are reconstituted in the context of the other. Consensus decision making equates with participatory democracy because it is based on active citizenry. Consensus denotes participation because it requires a dynamic act to reconstruct views; an active consent of participating citizens. It is not a bargained consensus in the pluralist mould where a utilitarian selection amongst options gives the winner the legitimacy of consent. A decision is legitimate when the options are modified and enlarged by an active participatory process. Conflict, necessary for Barber's strong democracy, is transformed into cooperation through

'citizen participation, public deliberation and civic education'.⁴¹⁹ Creative consensus is thus deemed the most democratic form of decision making for advocates of developmental democracy.

Conflict that is tolerated or minimalised, as in a consensual democracy is anathema to Barber's concept of strong democracy, because it denies the necessity for politics required for creativity. This concept of consensual democracy is not to be confused with the framework of reference in which democratic citizens operate, that I outlined in chapter four. Consensus in this regard, refers to norms in the sense of rules of the game; norms such as tolerance for others' values and beliefs and rules such as accepting the outcome of fair elections. It is the tolerance that allows for conflict without disunity and thus the politics that Barber wants.

In contrast Barber's concept of consensual democracy requires the presence in a more restrictive sense, of consensual norms, like certain knowledge and absolute right, or in other words unity of truth, where there is no conflict and no necessity for politics.⁴²⁰ While unitary democracy is politics in the consensual mode, it is coercive rather than developmental. It calls for the unanimous settlement of issues 'through the organic will of a homogeneous or even monolithic community'.⁴²¹ Individuals achieve their identity through merging themselves with the collectivity; that is through 'self-abandonment'. Government posture is centralised and is associated with the symbolic entity in which the community will is embodied. 'In subordinating participation in a greater whole to identification with that whole ... unitary democracy becomes conformist,

⁴¹⁹*ibid*, p. 129.

⁴²⁰*ibid*, p. 133.

⁴²¹*ibid*, p. 148.

collectivist and often even coercive'.⁴²² It is this unitary perversion of participatory democracy that leads liberals to condemn participatory democracy as totalitarian.

From the discussion in this chapter above and in chapter four it can be seen that the consensus process of the Steelwork's Consultative Committees has the potential to develop many of the inherent dangers of unitary democracy. These dangers emerge from the strong pressures for conformity in the practices of TQM, such as the Foucauldian system of self surveillance embodied in quality management and the priority given to profitability and productivity maximisation. Under the rubric of consultation for improvement all are operating in a capitalist framework. There is, using Barber's terminology, a unitary norm, a common end which is the accumulation of profits and individual workers identify their interests with those of the capitalist. This is reinforced by strict management prerogative retained and explicitly operationalised under the terms of the Steel Industry Development Agreement.

Barber argues that in small settings, such as committees, conformism and coercion is less likely. In such settings, unitary democracy relies on voluntary self-identification with the group, peer pressure, social conformisms and a willing acceptance of norms. 'Mechanisms that are for the most part well immunized against the virulent modern strains of infectious totalism'.⁴²³ It is the role of unions and committee facilitators to ensure that the potential for substantive consensus is unrealised, and to foster the immunisation from totalism that Barber would require.

In addition to the Consultative Committees' potential for coercion is the issue of representation. The standard objection to representative

⁴²²*ibid*, p. 148.

⁴²³*ibid*, p. 149.

democracy is the Rousseauian one that sovereignty is inalienable, residing in the general will and therefore untransferable. Thus the individual cannot be represented by another.⁴²⁴ Autonomy and the political freedom which it underpins is sacrificed for expediency, because individuals must abide by laws they have not made themselves. And because representation transfers one's responsibility to another, passivity and apathy ensue. In a population of some 7000 found at the Steelworks, a representative system of decision making is probably inevitable, especially given that production is a twenty-four hour process so not all employees can be spared at once to attend meetings. The complexity and magnitude of the production process, together with its integration with capital investment, marketing, sales, public relations and the like necessitates centralised coordination and administration, rendering direct decision making impractical. In any event, autonomy may not necessarily be sacrificed in a representative form of decision making. As I argued in chapter one, Rousseau did not object to all forms of representation. He could accommodate both a general will and associational civil society, but more importantly for the issue of representation, Rousseau could reconcile autonomy and representation so long as it was representation by delegates. And it will be remembered, G.D.H. Cole (who was largely informed by Rousseau) reconciled freedom, found in participatory democracy, with representation in a system of guilds coordinated by a hierarchy of functional representation via delegates. Thus in the system of committee delegates extant at the Steelworks there was the potential for representation without sacrificing shop-floor autonomy.

Apathy, however, was a potential problem at the Steelworks, whether due to the expediency of transferring one's responsibility to another, or to a reluctance to change outlined above, or to 'fear of making a fool of oneself,

⁴²⁴Jean-Jacques Rousseau, *The Social Contract* Book III, chapter 15.

of losing control, of criticism and of making enemies'.⁴²⁵ 'Back-stabbing' of committee delegates, an example of the latter fear, became evident during the Rail Operations CC meeting, when the chair was reluctant to sign the Business Plan for fear of shop-floor recriminations.⁴²⁶ Apathy was evident when several Committee delegates expressed the view that they were elected and then re-elected by default, because no-one else would stand for election.⁴²⁷ Lack of interest was explained by a delegate:

Like all the mail and that. I'd take it out to them [his shift]. They'd sort of look at it and push it aside. I'd push it back and say well just have a look at the minutes. They'd sort of flip through and say 'Yeh, right, stick it up on the notice board'. Nobody would move themselves to have a look. Like ... for the nominations [for the CC], no-one was interested.⁴²⁸

Apathy was a concern of both management⁴²⁹ and waged employees; management, presumably because it restricted the number of people participating in consultation for improvement and thus limited the appropriation of intelligence potentially available and waged employees, because they questioned the motives of those repeatedly re-elected.⁴³⁰ Both management and waged employees expressed the view that these were

⁴²⁵Mansfield found these issues in her investigation of two forms of democracy operating in town councils. See Jane J. Mansfield, *Beyond Adversary Democracy* (New York: Basic Books, 1980), p. 149.

⁴²⁶During a break from the Rail Operations CC meeting, a committee member confided that the chair often had to survive 'flack' about CC decisions, even though the men had previously agreed to the decision (Journal notes).

⁴²⁷Group interview Coal Preparations and Energy Services, *op cit.*

⁴²⁸Group interview Energy services, *op cit.*

⁴²⁹Interviews Corkish and MacKinlay, *op cit.*

⁴³⁰Group interview Coal Preparations, *op cit.*

professional committee people; a term that does not bode well for objective representation.

Some people make a career out of it. I've seen maintenance guys, ... spend more time at committees than they do on the job. Personally I think its their way of escaping doing the job ... they just become professional committee men.⁴³¹

The operator's term 'professional committee men' raises the problem of clique formation;⁴³² a result of limited turn-over of representatives. Committees comprised of continuous membership potentially form a clique, developing their own agenda remote from those they represent.⁴³³ A Committee remote from the interests of its constituency not only disempowers the represented but breeds further apathy. Undoubtedly, many delegates were not self-interested 'professional committee' people and were true representatives of their fellow workers' interests as expressed by two delegates, 'Its just being able to help the blokes; just to see things progress' and 'We're here to represent the guys that can't be here for one reason or another. We're sort of the front people for the workforce'.⁴³⁴ But the potential for self-interest and clique formation born of apathy nevertheless remains; a potential clearly expressed in the following,

the other three that I represent basically said, 'You're on the Committee, don't bother me'. So I basically ... look after what effects

⁴³¹Group interview Energy services, *op cit.*

⁴³²Robert Michels, *Political Parties* (Glencoe: Free Press, 1958).

⁴³³Gaetano Mosca argued that it was majority rule that granted unlimited power to a ruling minority. See Robert Dahl, *A Preface to Democratic Theory* (Chicago: University of Chicago Press, 1956), p. 54. For additional problems associated with small groups see Robert Dahl, *After the Revolution?* (New Haven and London: Yale University Press, 1970), pp. 67-73.

⁴³⁴Group interview Coal Preparations, *op cit.*

me personally and I'll let 'em know what's going on like. But like I say, they're not very interested.⁴³⁵

The final issue of consensus and coercion I want to consider is domination of the consensus process by the articulate. Because consensus relies on discussion, inequality of talent and personal attributes potentially leads to domination of the meeting by the eloquent or the representative who is popular and endowed with a pleasing personality persuading others to their point of view. This was a problem encountered by the New Left discussed in chapter two. In such circumstances agreement is by coercion. Despite delegate training in committee procedure and the benefits of training in compiling and giving reports shown by a few delegates' use of white-board and over-head projectors during CC meetings, it was my impression that it was the management representatives who were more articulate; an observation that was reinforced by management's use of apparently incomprehensible graph illustrations⁴³⁶ during the quarterly business review and by a delegate's opinion:

What they [management] are saying is, 'We'll involve you blokes and we'll talk about it'. But eventually ... the way you're going to see it, is their way. ... They're going to be throwing all these big words and a lot of people are going to say, 'What's he saying? Oh well, yes you're right. Yeh, I agree. Let's go home'.⁴³⁷

To create a more democratic process, delegates require the knowledge to be able to assess how events and proposed changes will affect or secure

⁴³⁵Group interview Energy services, *op cit*.

⁴³⁶Graphs illustrating rising levels of production and falling numbers of waged and contract employees were viewed with equanimity during the quarterly report to Coal Preparations CC meeting (Journal notes).

⁴³⁷*ibid*.

shop-floor interests.⁴³⁸ And the less articulate need time to digest and reflect on the argument without being overwhelmed by competitive talk. A vigilant chair should protect the less articulate and give them the opportunity to put their position. But this poses a problem when the chair is the departmental Superintendent and it was my observation that where the chair was a delegate, not all were strong facilitators. To my mind, the practice of caucusing prior to the Consultative Committee meeting was a protective measure against the less articulate being overwhelmed by the argument from management. It allowed waged employees to clarify their position and the opportunity to rehearse their argument before joining the consensus process. Contrary to Steelworks' management, I believe that caucusing prior to the meeting and even caucusing during the meeting, should be encouraged to enhance the democratic process.

To some extent the anonymity allowed for under majoritarian principle counters coercion, because under the majoritarian principle the outcome does not depend on which specific persons favour or oppose an alternative.⁴³⁹ The secret ballot at WGE enhances the anonymity of the majority principle. But coercion by the articulate and the popular remains problematic in the mass meeting situation too. This is a criticism of direct democracy from as early as the Athenian model.⁴⁴⁰

⁴³⁸A requirement recognised by the Norwegian Metalworkers' Union and reiterated in the Swedish 'Planning Methods for the Union Movement' (1973). See Kris Nygaard, 'The Iron and Metal Project: Trade Union Participation' in Ake Sandberg, *Computers Dividing Man and Work* (Stockholm: Arbetslivscentrum, 1979), pp. 94–107.

⁴³⁹Robert Dahl, *Democracy and its Critics* (New Haven and London: Yale University Press, 1989), p. 139.

⁴⁴⁰There are many accounts of the Athenian model of direct democracy. See David Held, *Models of Democracy* (Cambridge: Polity Press, 1987), pp. 14–35 for one account.

The majority principle is arguably more efficient and decisive than agreements made by consensus, which is a time consuming process.⁴⁴¹ Presuming that there are two alternative choices, the majoritarian principle allows for decisive decision making, because either decision A or B is chosen. Waged employees and staff alike found the Steelworks' Consultative Committees frustrating, complaining that the consensus process slowed down decision making. But in being more efficient and decisive the majoritarian principle may negate the democratic process of discussion and full understanding of the choices involved.⁴⁴² Because a majority of 50 plus one can quickly decide an issue, the majoritarian principle circumvents discussion. With consensus decision making, if all are not in immediate agreement then, excluding coercion, discussion and close examination of the issues is the only way an agreement can be reached. In this way consensus is a more democratic process of decision making than is the majoritarian principle, because it allows for greater understanding of the issues.

Discussion that is germane to consensus arguably improves information which is essential to the democratic process. Under the majoritarian principle it is quite probable that a minority of 50 minus one will find themselves party to an agreement about which they have little understanding. Or worse, bearing speed and efficiency in mind, some of those in the majority may simply be going along with their peers rather than voting on any basis of informed decision making. Uninformed decision making born of impatience was a potential problem for those

⁴⁴¹Ann Westenholz, 'Democracy as "Organisational Divorce" and How the Post-modern Democracy is Stifled by Unity and Majority', *Economic and Industrial Democracy* Vol. 12, No. 2 (May, 1991), p. 179.

⁴⁴²From the post-modernist's view, dialogue pursuant to an agreement by consensus also offers the possibility of conflict, an opening of the dialogue to new ideas and resultant 'organisational divorce' from a democracy characterised by controlling behaviour that binds the employees (*ibid*, pp. 183-84).

opposed to the new workplace culture at WGE; 'What are we wasting time here for instead of getting back to work? You're the Boss; you make the decision'.⁴⁴³

But discussion is a two-edged sword. While it improves information sharing, it gives management the opportunity to cajole waged employee representatives into their way of thinking. According to a union official, however, consensus decision making was implemented to prevent management being swamped by the delegates' majority.⁴⁴⁴ This is an enigmatic fear. Given management prerogative exercised at the Steelworks and the explicit role of the Consultative Committees to provide input into decisions to be made by management, why be concerned about the 'tyranny of the [delegate] majority'? To my mind, a more obvious argument for consensus decision making is, that it is the best way to gather input in the form of suggestions, ideas and opinions.⁴⁴⁵ Thus the company benefits by management's wiser decision making. It is arguable too, that the company has benefited from harmonious industrial relations; the result of consensus decision making in the Steelworks' Consultative Committees and the attendant discussion of the issues. Informed by the discussion, the CC delegate is more likely to persuade the shop-floor to accept changes agreed to by the Consultative Committee. That these decisions may not always be in the best interests of the shop-floor has been raised in chapter four. This aside, the point to be made is that the discussion that is germane to consensus decision making has potential advantages for the company in the

⁴⁴³Gallo paraphrased the expressions of impatience of those reluctant to be a party to participation (interview Gallo, *op cit*).

⁴⁴⁴Interview Whiley, *op cit*.

⁴⁴⁵William Ouchi, *Theory Z: How American Business can Meet the Japanese Challenge* (Reading, Massachusetts: Addison-Wesley, 1981), p. 43.

form of better decisions and industrial harmony and potentially enhances the democratic process through better information sharing.

Advocates of the majority principle argue that it is more likely the majority will make the correct decision.⁴⁴⁶ Better decisions are thus not the exclusive province of the consensus process. It is argued, the probability that a majority will make the correct choice is greater than the probability that a minority will do so. It follows then that the super-majority principle at WGE means that the probability for the correct decision is enhanced. But there is no guarantee that a majority will make the correct decision, or worse that the majority will not make a decision that will cause harm to the minority. Particularly when expediency is a factor as mentioned above. Moreover, the need for a super-majority would seem to presuppose a situation where the minority can veto decisions made by the majority.⁴⁴⁷ In response to the first concern, the workforce at WGE is relatively homogeneous, so it is unlikely that a super-majority decision will cause harm to the minority.⁴⁴⁸

Because decisions made by consensus require greater discussion it allows for a more democratic process. The participants are better informed and the decision is more likely to be the correct one. Provided there is some mechanism to prevent coercion, with consensus decision making all can be a party to the decision and therefore all can exercise some degree of self-determination. With decisions made by a majority vote, discussion can be pre-empted by a quick decision and some are excluded from self-

⁴⁴⁶This argument follows the Marquis de Condorcet's mathematical calculations that over a number of decisions a citizen more often than not will make the correct decision. Cited in Dahl, *Democracy and its Critics*, op cit, p. 146.

⁴⁴⁷Dahl, *Democracy and its Critics*, op cit, p. 142.

⁴⁴⁸In *The Social Contract* Rousseau's broad assumption was that in a situation of homogeneity, no decision made by a majority could ever harm a minority without simultaneously harming its own members. That is, the general will would prevail.

determination. But while consensus decision making is a more democratic process, because the 'judgement as to the best rule for collective decision [making]' rests on an 'appraisal of the circumstances in which the circumstances are to be taken',⁴⁴⁹ consensus decision making may not be appropriate for extra-ordinary general meetings at WGE. In that case measures to ensure a more democratic process, such as union participation in the extra-ordinary mass meetings and a waged employee chair could be instigated. If unions are to participate, then to make consultation an equal process they must be well resourced and informed, so that they can understand the company issues as well as, if not better than, management.

IV Conclusion

In conclusion, despite some resistance to the new workplace culture and the retention of management prerogative and of a social division of labour, it was my assessment that the general mass meeting of workers, specific issue committees and the extra-ordinary general meeting at WGE and the plethora of Committees and problem solving activities operational at the Steelworks allowed employees to share in the decisions that affected them and, on the face of it, provided the structures for a participatory workplace environment. Structures of information sharing and education supported the consultative process and the potential for a participatory workplace environment.

Furthermore, I contend that the new workplace culture at WGE and the Steelworks was, using Crombie's typology⁴⁵⁰ outlined in chapter three, an organisational renewal strategy for workplace participation. The catalyst for change was survival in a highly competitive international market

⁴⁴⁹Dahl, *Democracy and its Critics*, *op cit*, p. 162.

⁴⁵⁰Crombie, *op cit*.

which was now customer and quality driven. Organisational changes had, therefore, to be one of renewal, not maintenance. And, while management at WGE and the Steelworks had undoubtedly reaped the benefits of a more committed, productive and harmonious workforce, the mere tokenism characteristic of the job enrichment schemes of an organisational maintenance strategy for workplace participation was rejected. For the restructuring and organisational changes to be realised and for the enterprises to survive and prosper more fundamental changes were required. Finally, union participation as an integral part of the Steelworks' consultative structure, gave credence to the 'unitary view' of Crombie's renewal strategy in that enterprise at least, while at the same time potentially ensuring that participation was genuine within the constraints of a consultative framework and not exploitative. Because unions are not formerly recognised in agreements at WGE too much is expected of managerial goodwill in preventing any exploitation arising from the consultative process.

The consultative structure at the Steelworks and at WGE marked a significant shift in workplace culture. At the Steelworks armed security guards were thought necessary to escort union officials on to the site, such was the suspicion of management. Now the Steelworks' unions are a party in a formal agreement with management at all levels of the Steelworks' plant to cooperate in production issues. At WGE, before the Gallo buy-out, the prevailing management philosophy was one of 'whipping the workers,' now workers make critical investment decisions and the managing director is a union member. Such a change in culture met with some resistance which potentially threatened those unprepared for change with marginalisation and dis-empowerment. For those employees who participated in the consultative structure there was potential for empowerment. While I realise that employee participation was not

democratic in the sense that employees made the decisions that affected them under a condition of equal status and influence, it was a recognition by management of the value of employees as intelligent, conscious beings and an acknowledgement by management of the value of union participation in production issues.

In such recognition lies a potential for employee empowerment. And in consultative management lies the potential for empowerment through socio-political development as a consequence of participation even in this non-democratic form. The consultative structures germane to a renewal strategy of employee participation should foster a participatory workplace culture incorporating a desire and expectation to participate rather than a culture of apathy. Thus, a participatory environment should ensue. If Pateman is correct and 'we learn to participate by participating and feelings of political efficacy are more likely to develop in a participatory environment' then, because the consultative structures observed at WGE and the Steelworks are part of renewal strategy; they may facilitate a participatory workplace environment and culture and consequently socio-political developmental changes in their employees. The aim of the next chapter is to analyse the effects of the participatory workplace environment and culture at WGE and the Steelworks on the workforce and examine the relevant socio-political developmental consequences.

CHAPTER SIX

THE EMPIRICAL EVIDENCE OF THE DEVELOPMENTAL CONSEQUENCES OF PARTICIPATION IN CONSULTATIVE MANAGEMENT

In chapter one I described Pateman's thesis that by democratising the authority structures in the workplace, workers will develop a democratic personality characterised by the senses of political efficacy and competency. Pateman did not specify the model of workplace participation; merely specifying that work organisation should be redesigned to effect everyone's everyday working life. In chapter three I reviewed the various models of employee participation and argued that consultative management, while not a fully democratised model—because management and workers did not have equal status and influence in decision making—it nevertheless satisfied Pateman's prerequisite for there to be developmental consequences. In the previous chapter I described consultative management in two contrasting heavy industry workplaces; namely WGE and BHP's Port Kembla Steelworks. This chapter concerns the empirical evidence in support of Pateman's thesis. It concerns my study of the developmental consequences of employee participation in the workplaces of WGE and six areas of the Port Kembla Steelworks' Ironmaking Department.

Because the behavioural studies, reviewed in chapter three, revealed the difficulties in accurately measuring the degree of democracy extant in a workplace and because, in any event, Pateman does not dictate the level of democracy required for there to be developmental consequences merely arguing for the existence of a participatory environment, the first objective of the study was to find indications of a participatory workplace

environment. The second objective was to find developmental consequences of participation in the nature of skills required for further participation and a 'democratic personality'.

I found a participatory workplace environment, supported by a moderately developed participatory culture, in both workplaces. With regard to the second objective of the study, I found suggestions of socially relevant consequences of workplace participation in the nature of the development of social interaction skills, suggested links between participation, a sense of personal competency or self-worth and a sense of political efficacy and a positive correlation between participation and self-determination. Thus my research findings supported Pateman's thesis of the social learning consequences of participation embodied in the democratic character. With regard to socially relevant consequences in behavioural terms, while a two way relationship was suggested between workplace committees and voluntary associations involvement, I discovered that those already participating in voluntary associations outside the workplace were those most likely to participate inside the workplace. That is, I found a reversal of Pateman's thesis, measured in behavioural terms. In this respect my findings were at odds with those of Elden. Rather than the experience of workplace participation resulting in enhanced social and political activity outside the workplace, my findings suggested such associational activity fostered participation inside the workplace. I emphasise, however, that my findings were not at odds with Pateman's main contention. That is, that participation *per se* fosters the social learning for further participation. Measured in behavioural terms and measured in developmental terms of interactive skills and personality orientations my findings supported her thesis.

I Research Methodology

Preliminary research included semi-structured interviews with the founder and secretary of the Macedonian Welfare Association (Illawarra), union officials from the Illawarra branch of the main Steel Industry Unions,³⁷⁴ the Secretary of the South Coast Labour Council, those who were closely associated with the instigation of the Consultative Committees at Port Kembla Steelworks,³⁷⁵ Ironmaking personnel³⁷⁶ and the editor of *Kembla News*. Preliminary research at WGE included semi-structured interviews with the Managing Director and the Quality Manager. Transcripts of all interviews were made from detailed notes taken at the time of the interview.

I decided to study the WGE workplace first. The small size of the workplace made it a manageable starting point for my research, which could be used as a learning experience for the larger workplaces of the Steelworks' Ironmaking Department. Research of WGE began in July 1993 and was completed in October. The Steelworks' research began in April 1993 and was completed in April 1994. Research instruments included a survey questionnaire, semi-focused group interviews and field-work. The group interviews involved workers active in workplace committees and followed the analysis of the survey responses. While useful for gaining descriptive information from a large group of individuals, the survey questionnaire has

³⁷⁴Namely, the Australian Metal and Engineering Workers Union (AMEWU), the Federation of Industrial Manufacturers and Engineering Employees (FIMEE) and the Electrical Trades Union (ETU).

³⁷⁵Namely Warwick MacMillan, formerly of the South Coast Development Employment Project, Peter Corkish Human Resources Manager, Engineering Services and formerly Superintendent Industrial Relations, and Miyo Shane Tin Mill CC delegate and trainer at BHP's Warrawong Training Centre.

³⁷⁶Namely the Manager Blast Furnaces, the Manager Human Resources Ironmaking, Human Resource Officers Ironmaking, Training Coordinator Ironmaking and Training Officer Energy Services.

limitations as an exploratory research tool.³⁷⁷ I hoped my survey might establish the presence or otherwise of a participatory workplace environment and give some insight into the efficacy of workplace committees. And, at best, I hoped it might suggest socially relevant consequences of workplace participation. The purpose of the group interviews, therefore, was to explore issues that could not be elucidated from a questionnaire survey, in particular the issue of the socially relevant consequences of workplace restructuring. My decision to include group interviews and field studies was also in response to Elden's dissatisfaction with a questionnaire survey as a sole research instrument. Elden found that 'there seemed to be an insurmountable gap' between the subjective experiences recorded on the questionnaires and his quantification of them.³⁷⁸ My advisor at the Centre for Multicultural Studies also pointed to the usefulness of group interviews as a research tool.

My experience certainly proved the usefulness of both the field study and group interviews as research tools. In all, I interviewed four groups, one each from WGE, Energy Services, Coal Preparations and the Sinter Plant. These interviews were recorded and transcripts were made.

The aim of my field-work was to observe workplace participation in action. At WGE, field-work involved non-participant observation of four meetings: namely the two union meetings and the two general meetings of on-site and Workshop employees held in August 1993. At the Steelworks' Ironmaking, field-work involved non-participant observation of six Consultative Committee (CC) meetings, corresponding to the six Ironmaking areas studied, a follow-up observation of Energy Services CC

³⁷⁷Francis C. Dane, *Research Methods* (California: Brooks/Cole Publishing Co., 1990), p. 120.

³⁷⁸J. Maxwell Elden, *Democracy at Work for a More Participatory Politics: Worker Self-Management Increases Political Efficacy and Participation* Dissertation submitted in partial satisfaction of the requirements for degree of Doctor of Philosophy in Political Science (Los Angeles: University of California, 1976), p. 123.

meeting two months later and non-participant observation of the four report-back meetings in the week following the Rail Operations CC meeting I observed. The latter not only gave me the opportunity to observe report-back meetings in action but also to gain impressions of the Steelworks during the night-shift. A further aim of field-work, was to gain an insight into shop-floor work in each of the seven workplaces involved. Thus, field-work at both WGE and the Steelworks Ironmaking included a 'guided tour' of the workplaces, conducted in the case of WGE by the Quality Manager and in the case of the Ironmaking workplaces by either a senior shift supervisor or training coordinator.

Finally, and following Elden's example, I kept a field journal in which I recorded my observations and impressions of each workplace: informal conversations with management, staff and wages employees during my many visits to the workplaces and during breaks at Consultative Committee meetings; and my observations of the CC meetings. Again, following Elden's example, I recorded any information, no matter how trivial, in case it should prove useful at a later date.

The Questionnaire

In order to gain some directly comparative data, the questionnaire consisted of selected items from Elden's questionnaire survey in 1976 of 200 employees working in semi-autonomous work groups³⁷⁹ and from Castle et al.'s (1988) questionnaire survey of 200 Port Kembla Steelworks' employees concerning organisational and technological change.³⁸⁰ A number of

³⁷⁹Two hundred assembly-line workers employed by a large American paper manufacturing enterprise, who were allotted to semi-autonomous work-groups at a green-field site in the Californian plant, were surveyed. For his questionnaire see Elden, *Democracy at Work*, *op cit* appendices.

³⁸⁰Robert Castle, Ray Markey and David Bourke, 'Worker Attitudes to Technological and Organisational Change in the Steel Industry: The Centre for Work and Labour Market Studies BHP Port Kembla Survey', paper presented at *Issues and Trends in Australasian Industrial*

Elden's questions needed to be substantially rewritten to take account of the difference in political institutions and language between Australia and the USA. Additional items were designed in conjunction with advice from the Wollongong University's Centre for Multicultural Studies and Industrial Relations Department. I also received critical and useful feedback from Steel Union officials, WGE and Steelworks' management and from Ironmaking Consultative Committees.³⁸¹

Much consideration was given to the problem of those WGE and BHP workers who have poor English language and literacy skills.³⁸² After seeking advice from the Centre for Multicultural Studies, from the Quality Manager at WGE, the Steelworks' Industrial Relations Superintendent and the Ironmaking Consultative Committees, I decided to limit my survey to those with English literacy skills. Translating the questionnaire for the non-English speaking literate posed many problems. Over 40 per cent of Ironworkers have non-English speaking backgrounds and in No. 4 Blast Furnace alone there are seven non-English speaking language groups.³⁸³ This posed three problems: which languages to use; the misunderstandings associated with gathering subjective information in a foreign language; and, which Australian working terms used by workers to translate and which

Relations, Proceedings of the 4th Biennial Association of Industrial Relations Academics of Australia and New Zealand Conference University of Wollongong (1-4 February, 1989).

³⁸¹Elden argues that to be successful, not only should the planning of workplace changes to a more participatory environment logically involve the employees effected by those changes, but so too should the planning of a research project designed to study the effects of those organisational changes. Bearing Elden's advice in mind, I involved respondents indirectly via unions, CCs and management. Due to constraints of time and funding I was unable directly to involve respondents with the designing of the questionnaire.

³⁸²In the 1970s migrant workers were employed as labourers. They were not required to have English language or literacy or numeracy skills. They worked as part of a 'language group'. Instructions were given to one who could speak English, who then instructed others in the group. Michael Morrissey, Maureen Dibden and Colleen Mitchell, *Immigration and Industry Restructure in the Illawarra* (Canberra: AGPS, 1992).

³⁸³Interview Majella McKinlay, Manager Human Resources, Ironmaking, 11/5/93.

ones to leave in English. Reaching the illiterate also posed problems.³⁸⁴ The structured interview was rejected as a research tool: interviews through an interpreter for those with poor English and literacy skills meant a different methodology for the English speaking and literate respondents. I was advised by the training officers in Ironmaking, for example, that many of the questionnaire items would require detailed explanations through an interpreter for there to be an appropriate response. This would add another level of interaction between the respondent and myself.

Consideration was also given to the length of the questionnaire. Concern was expressed that the questionnaire was too long and would result in respondent fatigue and loss of interest; a conclusion that was not borne out by the detailed responses to my questionnaire. Again, after consultation with union officials, Superintendent, Human Resources, Ironmaking, the Quality Manager, WGE and the Centre for Multicultural Studies, it was decided that in view of the comprehensive nature of the research question, no further questions could be deleted. In fact a further three were added!

The over-all aim of the questionnaire was to determine the socio-political effects of consultative management. In particular, the aim was first to establish indices of a participatory workplace environment and culture³⁸⁵ and second to analyse the socially relevant consequences of workplace participation. Questionnaire items, therefore, concerned employees' perceptions of and experiences with workplace participation and its effect on their social life inside and outside the workplace. Apart from the standard items concerning the social profile of the respondent, questions related to job autonomy and responsibility, team work, job satisfaction, information

³⁸⁴Many of the English and non-English speaking workers employed since the fifties were illiterate in their own language (*ibid*).

³⁸⁵A participatory workplace environment and culture is described below. Briefly, a participatory environment means an organisational structure designed to facilitate participation, while a participatory culture is an organisational ideology.

sharing and dissemination, participatory experiences inside the workplace, efficacy of decision making procedures and changes in organisational structures that might facilitate participation. Further items concerned the hypothesised socio-political effects of participation; namely the development of skills of social interaction, personality orientations of self-determination, personal and political efficacy and social activity outside the workplace.

Specifically, the questionnaire was divided into three sections. The first section concerned the workplace and was divided into four issues. The first issue concerned factual workplace items such as the year of commencement of employment and job classification. The second issue examined indices of a participatory workplace environment, namely education and training, job autonomy, information sharing and dissemination, job satisfaction and team work, personality orientations of a sense of self-esteem and interpersonal acceptance and items concerning empirical evidence of participation in the workplace including workplace committees and workplace organisations of professional associations and trade unions. The third issue sought indices of a participatory workplace culture, namely items concerning the desire to participate and the expectations of participation. And the fourth concerned the developmental consequences of workplace participation in the nature of interaction skills.

The second section concerned the hypothesised socially relevant consequences of workplace participation. Pateman understood the politically relevant changes of workplace participation, argued for by Mill and G.D.H. Cole, to be enhanced senses of political efficacy and competency.³⁸⁶ As an important part of the belief in one's political efficacy is a minimum degree of self-confidence or belief in one's ability to perform

³⁸⁶Pateman, *op cit*, pp. 45–6.

adequately,³⁸⁷ Elden assessed the operationalisation of this dimension of personal potency by using selected items from Rotter's fate-control scale.³⁸⁸ The items he selected focused on 'the degree to which one feels powerless and controlled by fate or luck rather than one's own will'.³⁸⁹ Thus, the items selected measured self-determination as the operationalisation of self-confidence; the prerequisite for a sense of political efficacy and competency. Selected items from Elden's questionnaire and an item concerning the role of fate in determining career advancement in the first section of my questionnaire were combined as an index of self-determination. A further item from the first section of my questionnaire was used as an index of a sense of personal efficacy.

The extra-workplace consequences of participation were assessed in observable behavioural terms. As described in chapter one, Pateman's thesis is that the socialising experience of workplace participation will correlate with enhanced political participation outside the workplace. But the learning associated with 'organisational socialisation at work may be more related to one's action in other types of social organisations rather than to attitudes towards formal political processes'.³⁹⁰ Thus, to test the extra-workplace consequences of workplace participation in observable behavioural terms, like Elden I went beyond mere political participation and hypothesised that workplace participation would correlate with a more active social life and a higher degree of participation in community service,

³⁸⁷*ibid*, p. 46. See also Lester Milbrath, *Political Participation: How and Why do People Get Involved in Politics?* (Ohio: Rand McNally, 1965), especially pp. 56-7.

³⁸⁸J.B. Rotter, 'Generalised Expectancies for Internal vs External Control of Reinforcement', *Psychological Monographs* Vol. 80, No. 1 (1966), pp. 1-28 and J.B. Rotter, June Chance and Jerry Phares, *Applications of Social Learning Theory* (New York: Hall, Rhinehart and Winston, 1972), cited in Elden *Democracy at Work*, *op cit*, p. 48.

³⁸⁹*ibid*, p. 48.

³⁹⁰*ibid*.

sporting and leisure organisations. The extra-workplace consequences of workplace participation were determined in behavioural terms by asking the extent to which respondents participated in voluntary associations.

The items concerning voluntary associations explored participation in greater depth than Elden's. Elden experienced problems with management's disfavour of questions going beyond issues concerning working conditions.³⁹¹ I had no such restrictions placed on me either by management or unions. Therefore, items concerned the kind and number of voluntary associations respondents were involved in, the years of involvement and the extent of involvement. A further item concerned the effects of workplace participation on decision making in the home.

Elden points to the problem of cause and effect. While he was able to demonstrate a positive correlation between workplace participation and politically relevant consequences, such correlations did not, of course, permit him to draw a conclusion about the direction of causation. This is because, 'logically causation can go either way'.³⁹² What must be recognised is that those with a high sense of political efficacy prior to the introduction of consultative management, may have been attracted to workplace participation and responded more favourably than those with a low sense of political efficacy. Due to constraints of time and finance I made a limited attempt to address this problem of cause and effect. Neither Elden's nor mine is a longitudinal survey. To build in a 'longitudinal' element, I asked respondents to indicate when they joined their voluntary association and, if on the executive, when they joined the executive of their association. While this methodology cannot prove causation direction, or even cause

³⁹¹*ibid*, p. 122. Elden was able to circumvent the restrictions placed on his questionnaire during interviews with workers on his team.

³⁹²Elden, 'Political Efficacy at Work: The Connection between More Autonomous Forms of Workplace Organisation and a More Participatory Politics', *American Political Science Review* Vol. 75, No. 1 (1981), p. 52.

and effect, it at least provides an indication of whether respondents were involved in voluntary associations and the degree of that involvement, prior to the introduction of consultative management in the workplace. It may demonstrate that those already participating in voluntary associations are those who choose to participate in the workplace, rather than the reverse.

Elden's survey was limited to a six month period. I considered six months to be too short a time period for any significant socio-political learning³⁹³ and a year to be a more appropriate length of time. Accordingly, analysis of the social learning consequences of workplace participation of those respondents who had served on committees for less than one year, was not included.

The third section included items to determine the social profile of the respondent, that is age, sex, years of schooling, tertiary education and social mobility. Items for job satisfaction and social interaction skills were fixed choices along a Likert five-point continuum. Otherwise items were in the form of a question with three graded response choices or in the form of a statement with an agree or disagree response choice. Written comments were also invited.

The questionnaires were specific for WGE and each of the Steelworks' Ironmaking workplaces. For instance, Ironmaking questionnaires included items on committee procedure training and more items on Consultative Committees, while the WGE questionnaire concentrated more on the general meeting as the forum for decision making. Ironmaking questionnaires were adapted further for each of the six workplaces. For example, when seeking an answer to the question 'by which method do you

³⁹³Elden raised this question too. 'In retrospect, [it] might also be argued that 6 months was too brief a period in which to observe any connection between work-related political attitudes and political attitudes outside the workplace' (Elden, 'Political Efficacy at Work', *op cit* p. 51).

best receive information?' report back meetings and CC representative were specific additions to the list of choices for the Rail Operations and Sinter Plant questionnaires respectively. WGE and each of the six Ironmaking departments were surveyed separately and the responses analysed separately. This allowed a more cogent analysis of factors such as information dissemination, type of work, opportunities for participation and management support for participation and efficacy of workplace committees; the presumption was that as each workplace was at a different stage of restructuring these factors would vary across the workplaces.

Past research indicates that people are much more interested in participating in decisions about their job and work environment than they are about decisions that concern the management of the enterprise.³⁹⁴ This, plus the size of the Steelworks would indicate employees' interests are more focused on their department rather than the Plant.³⁹⁵ The workplace boundary for Ironmaking was thus the department rather than the Steelworks. The small size of WGE, however, made the company the workplace boundary.

At WGE, 37 staff and waged employees were randomly surveyed, representing 28 per cent of each of WGE's five companies. The

³⁹⁴Williams, from her study of Australian mine workers, together with that of Holter's 1962 study of Norwegian blue-collar (mostly female) workers found workers' interests to be focused on shop-floor issues rather than managerial issues. See Claire Williams, *Open Cut* (Sydney: George Allen and Unwin, 1981), pp. 77–9. Ramsay's 1976 study of three British blue-collar workplaces supported these findings. See Harvie Ramsay, 'Participation: The Shop Floor View', *British Journal of Industrial Relations* Vol. 14, No. 2 (July 1976), p. 130. Eberwein and Tholen argue that the shop-floor is the most important level of participation for waged employees. See Wilhelm Eberwein and Jochen Tholen, 'Participation and control: Thesis on the evolution of plant-level industrial relations in Germany', *Labour and Society* Vol. 16, No. 3 (March, 1991), p. 305. See also L.K. Savery, 'Preference for Decision-Making Responsibilities Indicated by Skilled Blue-Collar Workers', *Management Decision* Vol. 19, No. 3 (1981), pp. 25–32, L.K. Savery and H. Waters, 'Ideal Decision-Making Styles Indicated by White-Collar Workers', *Journal of Managerial Psychology* Vol. 5, No. 2 (1990), pp. 17–21 and Robert Drago and Mark Wooden, 'The Determinants of Participatory Management', *British Journal of Industrial Relations* Vol. 29, No. 2 (1991), 177–201.

³⁹⁵This view is supported by HRO Ironmaking, interview McKinlay *op cit*.

questionnaire was mailed to the employee's home address and included a stamped addressed return envelope. One week prior to mailing the questionnaire, I explained the purpose of the questionnaire to WGE wages employees on day-shift at both the August general meeting of workers and to several of the staff employees at a specially convened group meeting. I asked for their support and agreement to participate. The managing director, his son and the quality manager were omitted from the questionnaire survey. The first two because they were unrepresentative of the workforce. And the latter because he was ineligible to participate in a random survey, having advised on the final draft of the questionnaire. Literacy was the only general limitation to the survey. One illiterate worker was omitted from the list of employees.

In all, there were 640 employees in the six Ironmaking workplaces studied. I was warned by Steelworks' personnel to expect a low response rate to the questionnaire. The recent frequency of questionnaire surveys and the association of questionnaires with rationalisation of personnel, had resulted in a high degree of survey fatigue and suspicion. In order to achieve an optimum number of returns, rather than a random distribution of questionnaires, 344 questionnaires were distributed internally to all those with a reasonable level of English literacy skills. Depending on advice from each Consultative Committee, questionnaires were distributed by CC delegates or by the training officer and returned to either the training officers or CC chairpersons.

The vast majority of workplace participation studies concern blue-collar workers.³⁹⁶ It is argued that factors such as education and one's

³⁹⁶See my summary of research data concerning linkages between shop-floor participation and extra-workplace behaviour in chapter one, together with studies cited in Williams, *op cit*, and personal experiences with workplace participation such as those expressed in John Siddons, *A Spanner in the Works* (Melbourne: Macmillan Co., 1990). All these studies concern blue-collar workers.

position in the organisation hierarchy influence the desire to participate.³⁹⁷ It is therefore reasonable to assume that these factors might also influence the socially relevant consequences of workplace participation.³⁹⁸ To test this hypothesis, rather than limiting the survey to the shop-floor, both staff, including management, and waged personnel were surveyed and the questionnaire responses for staff and waged personnel were analysed separately.

A separate analysis of the data also validated the questionnaire responses, because it allowed a comparison between staff and waged personnel. For example, the nature of their work and their position in the organisational hierarchy gives staff employees' greater access to information. I therefore expected staff respondents to score higher in the area of information dissemination. Likewise, staff respondents were expected to score higher for items concerning input into decision making. Their level of education³⁹⁹ and their position in the organisational hierarchy also meant that staff were expected to score higher in personal efficacy, personal potency and political efficacy items. Staff responses could thus provide a benchmark with which to validate waged employees' responses.

II Questionnaire Results and Analysis

This section concerns the analysis of the questionnaire data. All tabulated data can be found in appendix C. To enable comparisons to be made, numbers are in percentages. Where numbers become very small this is indicated and discussion in this instance concerns whole numbers. My

³⁹⁷ See Williams, for the results of her study and those of Ramsay and Holter, in Williams *op cit*, pp. 77-9.

³⁹⁸ G.A. Almond and S. Verba, *The Civic Culture* (Boston: Little, Brown and Company, 1963), p. 282.

³⁹⁹ See profile of respondents below which describes the tertiary level of education for staff.

analysis of the data and discussion is qualified and enhanced by research material I gained at group interviews and from my field journal notes. Where possible, I make comparisons with data from Castle et al.'s 1988 survey of the Steelworks. It must be recognised, however, that Castle's methodology differed from mine, in that he surveyed 206 employees from six different sections of the Steelworks, namely the Basic Oxygenated Steelmaking Plant, the Slab Caster, the three rolling mills and most significantly for my survey, the Sinter Plant. Supervisors, line managers, skilled workers and unskilled non-production workers were surveyed by questionnaire or structured interview. The respondents were chosen at random from the payroll records which meant Castle et al. also surveyed those with poor English and poor literacy skills. Despite the differences in methodology the comparisons were useful to demonstrate the effects of organisational change since 1989.

Following a description of the profile of respondents, the data analysis is under four broad headings. The first section concerns the physical barriers to workplace participation. That is, the working conditions or the workplace environment. The second and third sections analyse the data relevant to a participatory workplace environment and culture respectively and the fourth concerns the socially relevant consequences of participation. Most of the data analysis is illustrated in table form. With regard to the socially relevant consequences of participation, suggested links between participation, the sense of self-worth or personal competency (personal efficacy) and political efficacy are illustrated in bar graph form. The number of grades in the self-determination scale allowed correlations between participation and self-determination to be illustrated by rho coefficient.

Profile of Respondents—WGE

Twenty-one respondents returned completed questionnaires. This represents a response rate of 57 per cent, being 16 per cent of all WGE personnel. The respondents' ages ranged from 20 to 48 years, with a mean age for waged employees of 33 and for staff of 40. Nineteen were male and two were female. The two females were office clerical staff. Eleven of the respondents were Australian born, while seven were European, two Macedonian and one South American born. One of the Macedonian respondents was the most recent arrival to Australia, having arrived in 1992. Nineteen respondents predominantly spoke English at home. A majority stated their highest level of education achieved to be technical college.

Nine of the respondents were employed at WGE prior to the organisational changes of 1989. Of those who started at WGE after 1989, two started in 1993 (the year of the survey). Sixteen respondents gave a trade as their job classification. Sixteen respondents were waged employees and five were staff. The waged respondents included fourteen tradespersons, with one also acting as a storeperson, one trade's assistant and one leading hand rigger. Of the staff respondents, two were clerical staff, one was a machine shop manager and two were supervisors. The machine shop manager and one of the supervisors were tradespeople. Fourteen employees worked at the off-site workshop (Hayco), four were on-site workers, one worked in both areas and two worked in the office. Four waged and four staff respondents participated in workplace committees.

Profile of Respondents—Ironmaking

In total, 146 completed questionnaires were returned, making a response rate of 42 per cent or 23 per cent of all employees in the six Ironmaking workplaces studied. Ninety-five male waged employees, comprising thirty-

eight tradespersons and fifty-seven operators, and fifty male and one female staff employees answered the questionnaire. Staff included three superintendents, eighteen supervisors, four mechanical engineers, three process engineers, seven operations engineers, five analysts, five process controllers, one electrical inspector, two trainers, one administrative officer and two engineering cadets.⁴⁰⁰ No. 4 Blast Furnace returned the highest percentage of questionnaires, followed by Energy Services and Rail Operations.⁴⁰¹

All but fourteen respondents (two staff and twelve waged employees) commenced work at the Steelworks prior to the introduction of the consultative management in 1989. All staff respondents and the majority of wage respondents were Australian born. Of the sixteen waged respondents who were born elsewhere, all had lived in Australia for twenty-two years or more and all but one used English as the main language at home. Respondents' ages ranged from twenty-one to sixty-two, with an average age of thirty-seven. The average age for staff was thirty-five, trades thirty-eight and waged employees thirty-seven. The level of education ranged from year 6–10 schooling to university degree. All but three operators had a level of year 6–10 schooling, plus a Work-cover ticket. Three operators had a trade certificate, with one of these a butcher's trade certificate. All tradespersons

⁴⁰⁰Because there are only three female staff respondents in all and no female waged employee respondents, gender is not an issue in my data analysis.

⁴⁰¹Questionnaires were distributed to thirty-eight of the sixty personnel working at No. 4 Blast Furnace. Twenty-nine completed questionnaires were returned, made up of twelve waged and seventeen staff employees. That is, a return rate of 76 per cent of those surveyed. Of the 150 Energy Services personnel who accepted a questionnaire, sixty completed questionnaires were returned, made up of thirty-eight wages and twenty-two staff (40 per cent of those surveyed or 30 per cent of all Energy Services personnel). Forty per cent of Rail Operators surveyed returned completed questionnaires. Of the fifty Rail Operations personnel who were surveyed, eighteen wages and two staff returned completed questionnaires (40 per cent). Fourteen waged employees (40 per cent) of the thirty-five personnel from Coal Preparations, eight waged and six staff employees (34 per cent) of the forty-one personnel from No. 2 Blast Furnace and five waged and four staff employees (30 per cent) of the thirty personnel from the Sinter Plant who received a questionnaire, returned completed questionnaires.

held trade certificates. All but two staff, who were supervisors, had tertiary education, either technical college (now TAFE) or university degrees. The two supervisors had completed year 6-10 schooling and held Work-cover tickets. Fifty-six per cent of waged employee respondents and 71 per cent of staff respondents were directly participating in workplace committees.

A: The Physical Boundaries of Workplace Participation

If the nature of work relates to the emotional and psychological boundaries of participation, then the working conditions relate to the physical boundary. Or to put it in practical terms; if monotonous and stressful work relates to participation apathy as the behavioural evidence, in particular Gardell's study, discussed in chapter three revealed, then in a working environment where noise levels are such that communication is difficult or impossible, where dust, noise, extremes of temperature, or wet conditions make working conditions stressful and fatiguing and where employees work in isolation then, I would argue, these working conditions physically impede participation. The formal arrangements for consultative management described in chapter five would come to nought if the working environment were antithetical to employee participation. Would the working conditions at WGE and Ironmaking hamper participation?

When I observed the working conditions at WGE and Ironmaking I found that while the working environment at WGE offered no impediment to participation, isolation caused by the nature of the work might be a restricting factor. The data, however, suggested isolation to be offset by a sense of teamwork within the workplace. The fatiguing and noisy working conditions in many of the workplaces in Ironmaking suggested a physical barrier to participation, with isolation and fatigue caused by shift-work suggesting additional impediments. The nature of the work in Ironmaking, however, whereby workers enjoyed breaks from the stressful environment,

suggested a probable mitigation of the stress and consequent less impediment to participate.

The workplace described

At the time of the survey, WGE's off-site work location (the Hayco workshop site) could only be described as uninspiring.⁴⁰² The site was part of an industrial estate set beside a main highway (Five Islands Road) and facing the Steelworks. It was small, barren and wind-swept, devoid of grass or shade. Despite this, the working conditions of WGE workers were conducive to participation. All of the waged work was skilled trades; fitting, turning, machining and boiler making. This fact was substantiated by the questionnaire data below, where nine of the eleven waged respondents were tradespersons.

Off-site workers manufactured and repaired heavy engineering parts. It was customer specific, contracted work of high quality. The work was thus prestigious and seen to be worthwhile. At the far end of the work site was an old quarry, sheltering a large new workshop and a new two storey amenities block. The workshop was 3,600 square metres, divided into three separate but integrated departments of fabrication, machining and fitting. Further to the front of the block were two small demountable office buildings. There was a parking area for work vehicles and one for employees vehicles. Dust and noise were created by work vehicles moving in and out of the off-site area (the site was unsealed). Conversation was difficult during the passage of one of these vehicles. There was a moderate level of background noise from the industries on either side (CIG and AZTEC, ready-mixed concrete). While the office area was cramped and

⁴⁰²A second workshop covering 5000 square metres and office block covering 750 square metres is currently being constructed at a nearby less barren industrial estate (Glastonbury Avenue).

airless,⁴⁰³ the workshop was large, high roofed and clean, with new and extensive equipment. The amenities block, while strictly utilitarian in its appointments and facilities, was roomy and clean.⁴⁰⁴ My immediate impression on visiting the workshop was one of quiet industry. While there was intermittent noise from heavy engineering machinery, communication was not restricted. The men worked alone at their various tasks but moved about the workshop and made intermittent remarks to others as they worked. Thus while the workshop site was somewhat bleak, working conditions inside the workshop offered no apparent barrier to participation in the way of noise, stress or fatigue.

At the time of my survey, much of WGE's on-site work was contracted to the Port Kembla Steelworks. The working environment of the Steelworks would thus apply to many of WGE's on-site workers. To some extent, however, WGE workers were separated from the Steelworks' environment. They began and ended their shift at WGE's off-site location and used WGE amenities on-site.⁴⁰⁵ And, because WGE on-site work was contracted, workers were delegated to various areas of the Steelworks. That is, on-site workers were not necessarily delegated to work in a stressful environment. Moreover, because much of their work was either maintenance or fitting WGE parts manufactured or repaired off-site, on-site work occurred during down-times. Thus the nature and timing of on-site work would mitigate the fatiguing effects of the Steelwork's environment described below.

⁴⁰³At the 1989 general meeting, the office area was placed last on the agenda for expansion.

⁴⁰⁴The block provided canteen facilities, changing rooms, showers, provision for a sauna, a first-aid room and a training/meeting room.

⁴⁰⁵WGE on-site workers have their own work 'hut' in which small parts are assembled. The 'hut' also serves as a lunch and crib room. Power and water are supplied by the Steelworks.

My immediate reaction on my first visit to the Ironmaking was one of dismay. 'How', I asked myself, 'could anyone working in this noisy, dusty environment be bothered with or indeed have the energy for workplace participation'? At the time of the survey the Steelworks covered a vast area of 800 hectares. It was criss-crossed by roads carrying a large volume of heavy traffic and by 200 kilometres of railway line. The constant noise from production machinery, the movement of road vehicles and trains and the hooting and bleeping of warning sirens gave one a sense of excitement and activity.⁴⁰⁶ But, with repeated visits to the Steelworks the sense of excitement was replaced by a feeling of oppression caused by the unremitting noise and grit.

In some areas in Ironmaking, the noise level was so high that it was impossible to hold a conversation. Communications between operator and control room were made through an 'intercom' system. And communication between operators was reduced to a shouted word in the ear. The unremitting noise was stressful and fatiguing.⁴⁰⁷ So too, was the fine graphite grit that pervaded the air around many of the Ironmaking workplaces. Protective goggles were worn in many areas and, at the time of the survey, were mooted to be mandatory for all areas in the near future. But the build up of sweat under the goggles, caused by the heat and humidity in many work areas and exacerbated by the high humidity levels during the Illawarra summer months was frustrating and added to the

⁴⁰⁶There are sirens for gas alarms, moving vehicles and machinery, casting, and the BOS. The BOS is an anagram for Basic Oxygen Steelmaking. It is where scrap steel and molten iron are charged at high velocity with liquid oxygen, bringing the mixture to 2000 degree centigrade and converting the iron into steel. The oxygen blow causes a massive reaction within the Basic Oxygen Steelmaking vessel. The BOS alarm is every thirty minutes and can be heard in some suburbs of Wollongong, according to the direction of the wind. Even the 'boom' from the oxygen blow is audible.

⁴⁰⁷According to Fulton, a former Port Kembla Steelworker, one never becomes accustomed to the noise. Gary Fulton, *Back to the Future* unpublished thesis in partial fulfillment Honours Degree, Department Industrial Relations, Wollongong University (1992).

debilitating nature of the working conditions.⁴⁰⁸ Many of the workplaces were extremely hot, particularly in the Blast Furnaces and areas such as the dewaterer, in the Sinter Plant workplace, also suffered high levels of humidity.⁴⁰⁹ Other more exposed areas, like the rod mill in the Sinter Plant and Coal Preparations were extremely cold during the winter months.⁴¹⁰

While this picture of Ironmaking's environment was analogous with dark satanic mills, not all workplace areas could be so described. For instance, the canteens provided in each workplace while basic, providing pie-warmer or microwave, tea and coffee facilities, tables and chairs, were nevertheless clean, spacious and air-conditioned and were, in the main, quiet. Crib rooms, used by workers during their shift when not required to work, were relatively quiet and free from dust. And the computerised control rooms, with their resemblance to the cock-pit of a Boeing 727, provided scrupulously clean,⁴¹¹ quiet and air-conditioned working conditions for those at operator three and staff level.

An overall view of Ironmaking's working conditions, however, led me to believe there would be considerable physical limitations to workplace participation. Workers debilitated by heat, dust and noise and barely able to communicate except during a twenty minute lunch break could hardly be expected to participate in workplace decision making. However, when the working conditions and the nature of the work in each of the six

⁴⁰⁸While visiting the Sinter Plant I had to remove my goggles on several occasions due to fogging; it being an exceptionally hot and humid day. While cleaning my goggles I gathered grit in both eyes.

⁴⁰⁹This was a personal experience. The humidity level was so high in the dewaterer control room that I found it difficult to breath (Field Journal notes).

⁴¹⁰An observation made to me by a cadet while waiting for No. 2 Blast Furnace CC to commence (Journal notes).

⁴¹¹In some control rooms, shoes are removed prior to entry.

Ironmaking workplaces were examined, my superficial fears were allayed. I turn now to a description of the working conditions of these workplaces.

At the time of my survey, Coal Preparations was described as the best workplace of the black areas, the coke ovens being the worst because of the addition of extreme heat. There were four areas in Coal Preparations, namely coal washery, coal handling, coal preparations maintenance and the truck compound.⁴¹² Coal handling was dirty dusty work with an addition of coal 'mud' when it rained.⁴¹³ The work was mostly labouring work, involving a lot of walking⁴¹⁴ and climbing, shovelling of spillage and hosing down. Stacking and reclaiming was sedentary work and relatively more intellectually demanding. The coal washery had all the 'delights' of the coal preparation area plus the extreme noise and vibration caused by the sieves.⁴¹⁵ Working in the coal washery was described as akin to 'working on top of a giant spin dryer'.⁴¹⁶ The area was constantly wet because of the sprinkler system used to control the coal dust. Like coal handling, it was labouring work, requiring minimal mental effort.

The Sinter Plant prepares iron ore for the blast furnaces and at the time of the survey was a red area workplace.⁴¹⁷ It encompassed the sintering

⁴¹²There were no questionnaire returns from the truck compound so this area is not described.

⁴¹³Coal handling consists of sorting the coal from the collieries that arrives via truck and train. The coal is sorted and blended, mainly by conveyer belt system.

⁴¹⁴The work area covers one and a half kilometres by 500 metres.

⁴¹⁵The washery takes the coal from the coal handling and washes it in three plants to remove gravel, wood and other impurities. The coal is sorted into three grades of size and density by vibrating sieves.

⁴¹⁶Interview Matthew Double, Human Resource Officer for Coal Preparations, 27/12/93.

⁴¹⁷Sintering is the fusion of iron ore fines, coke, limestone and water by heating to 1200 degrees C, into large lumps called sinter. Sinter is one of the raw materials for the Blast Furnace.

machinery, the rod mill, the slurry thickener and the dewaterer.⁴¹⁸ Except for the control room, the Sinter Plant was noisy and dusty. Ear-plugs and protective eye wear were mandatory.⁴¹⁹ The Plant was on three levels with the control room at the top level. The galvanised iron building was large, open at the sides and unattractive. The rod mill, where coke was crushed for sintering, was housed separately from the sinter machinery. The working conditions here, too, were dusty and noisy.

The sintering process was computer controlled, with level three operators monitoring the process from the control room in accordance with the requirements of the Blast Furnaces and as determined by the process engineers. The Sinter Plant operator three position was considered to be highly skilled and respected. Operators at one and two level checked the smooth running of machinery, cleaned and unblocked machinery, took samples for analysis in the control room and carried out adjustments of machinery as per instructions from the control room. Since work restructuring, the work of these operators has changed from one of labouring in nature to one of inspector. The rod mill was the only machine operated by hand and this was only to turn the machine on and off. Cleaning was done by day-shift yard workers or labourers. There was a small control room for the rod mill, which was controlled by operators. The work in the Sinter Plant was undemanding, with operators at one and two level needing only to work intermittently during their shift. Approximately half the shift was spent in the crib room.⁴²⁰ Operators at level three position, on the other hand, found their work demanding, because they must be ever

⁴¹⁸The thickener and the dewaterer are not part of sintering but have become the responsibility of the Sinter Plant.

⁴¹⁹Many of the old operators suffer hearing loss. From a conversation with the senior shift supervisor (Field Journal notes).

⁴²⁰Conversation with the senior shift supervisor (Journal notes).

vigilant in the control room for the full eight hours of their shift. The work was isolating because the operator worked alone for the shift. But, since the new work practice of rotating operators was introduced in 1991, level three operators enjoyed a break from the control room by working in level one and two positions. As only half the operators were, however, at operator three level, the full benefits of job rotation for all were not possible.

The Blast Furnaces were also designated red area workplaces. Blast furnace operators work was both hazardous and skilled.⁴²¹ For an observer standing outside the blast furnace, there was a moment of excitement and a sense of drama when the gold and orange molten iron flow was cast spitting at 1500 degrees centigrade into the torpedo ladle standing beneath the cast house floor. For a blast furnace operator, however, there was the intense heat from the furnace, the molten iron and the full fireproof clothing,⁴²² the unremitting roar from the furnace, peppered with intermittent warning alarms and sirens,⁴²³ the grit laden air and the hazardous nature of the work.⁴²⁴ Not all blast furnace work, however, occurred in such gruesome conditions. An operator three when working in the control room enjoyed a

⁴²¹During the period I was working on this chapter, two operators were killed at BHP's Newcastle plant when pouring molten iron into a ladle from an overhead crane. The molten iron exploded and the blast covered the overhead crane and smashed the protective glass shields. While there are differences in equipment and procedure at Port Kembla, the operation manager did admit that a potential existed for a similar accident in that plant.

⁴²²Clothing includes face shield, full length fireproof coat, long woolen pants and long-sleeved shirt with a collar, gloves, woolen socks, boots and spats. The heat is intense. I was sweating in T-shirt and jeans while standing on the floor above the cast house floor. One can only wonder at the heat experienced by operators in fire-proof clothing working on a cast house floor, so hot (from the sand used to combat the salt from the iron) that many suffer blistered feet.

⁴²³There are sirens for a gas alarm, to warn of moving machinery and to warn that the clay plug is to be drilled out to allow casting to commence. Casting occurs ten times a shift.

⁴²⁴The cast house floor is extremely slippery. Three months prior to my visit to No. 4 Blast Furnace, an operator slipped into the trough of molten iron and suffered third degrees burns. Gases are also hazardous. Blast furnaces gases are extremely flammable and top gas is extremely lethal, being 25 per cent carbon monoxide. There is continuous monitoring for the presence of gas and maintenance workers are always accompanied by a gas watcher.

more pleasant and safe working environment. The control room was spotlessly clean, quiet and air-conditioned.⁴²⁵ Because job rotation was practiced in No. 2 Blast Furnace, where all operators were at level three position, all operators experienced both the hazardous and the more pleasant working conditions. Restructuring at No. 4 Blast Furnace was behind No. 2 in this regard. Blast Furnace Operators one and two always worked in hazardous and debilitating conditions.

The Energy Services Business Unit was responsible for the generation and/or reticulation, control and maintenance of steam, cold blast to blast furnaces, compressed air, salt and fresh water, high voltage electrical power, cryogenic gases, blast furnace gas, coke oven gas, natural gas and purchased fuel oils throughout the Steelworks. There were four main departments, namely No. 1 Power Station, No. 2 Blower Station, Cryogenic Gas Plant and Services Distribution.

No. 1 Power Station and No. 2 Blower Station were collectively called the Generation Department.⁴²⁶ The department housed boilers equipped to fire gas and fuel oil and turbo machinery and pumps to provide steam, salt water and compressed air to the Steelworks. The turbines were powered by steam from boilers (or alternatively oil) and ran alternators, compressors and blowers. The area around and above the boilers was extremely hot. At its coolest it was 45 centigrade and at its hottest was 55 centigrade. The steam

⁴²⁵The sharp contrast with the control room brings Cooley's paradoxical observations to mind, that often the employer's sophisticated fixed capital enjoys better conditions than the employer's living capital. See Mike Cooley, *Architect or Bee?* (Sydney: TransNational Co-operative Ltd., 1980). A further observation was the positioning of control rooms throughout Ironmaking. In most cases they were on the top floor of each workplace, thus symbolising a top down hierarchy of control.

⁴²⁶The Power Station houses boilers equipped for firing blast furnace gas, coke ovens gas and fuel oil. It supplies Cold Blast Air and services, including compressed air, salt water and condensate to No. 2 Blast furnace. The Blower Station houses four boilers equipped to fire blast furnace gas, coke ovens gas, natural gas and fuel oil, with a fifth boiler firing coke ovens gas and pulverised 'middlings' coal. It provides inter-work services including steam, salt water and compressed air via turbo machinery and pumps. The Station supplies No. 4 and No. 5 Blast Furnaces with Cold Blast Air via turbo blowers.

temperature was 450 centigrade. The turbine area was extremely noisy. Conversation was barely possible above the noise and protective ear plugs were mandatory. In contrast to other workplaces, because of the sensitivity of some of the equipment, the area was clean and kept free from dust.⁴²⁷ Apart from the stressful working conditions of heat and noise, an operator's work was physically undemanding. Operators monitored the operation of all machinery and pumps and their job was one of routine checking of dials, gauges and computer screens. It was considered to be a 'cushy' job, with operators having little to do during the afternoon and evening shift.⁴²⁸ Operators worked directly on the floor or in small control rooms on the floor.⁴²⁹

The Cryogenic Plant produced, purchased and supplied high purity cryogenic products (oxygen, nitrogen, argon) and hydrogen for the iron and steel making process.⁴³⁰ Only a small number of people worked in the cryogenic area. Again the production was computer controlled and the operator's job was one of monitoring. In contrast to other Ironmaking workplaces, the Cryogenic Plant was painted a pristine white. The Plant itself was quiet and dustless and because it was set some distance away from the production areas, it escaped the grit and noise of the Ironmaking

⁴²⁷The area where the instrument air is cleaned and dried before distribution round the Steelworks, is particularly free from dust.

⁴²⁸An observation made by the training coordinator, Energy Services (Journal notes). Presumably the free time is spent in the crib room. The training coordinator did not say this, however.

⁴²⁹An operator one (or engine driver in pre-restructuring days) works in a small control room on the floor. An operator two (or auxillary driver) works on the floor and an operator three (or fireman) monitors the boilers.

⁴³⁰The production of Oxygen is 1200 tonnes per day. The BOS is the biggest customer for Oxygen, using 850 tonnes per day. The Cryogenic plant cannot meet the demand for Oxygen now that both the Slab Caster and BOS are working at record production levels. Oxygen is therefore piped in from CIG (now BOC).

workplaces.⁴³¹ Services Distribution was responsible for the operation of all distribution systems and support units throughout the plant. The distribution of electrical power, oil fuel, water and gases around the Steelworks was the responsibility of staff employees working in the appropriate computerised control rooms.

Rail Operations boasted the best working conditions of all the areas studied in Ironmaking.⁴³² Generally speaking, rail operations was outdoor work, with responsibility and autonomy with regard to carrying out duties. There were some twenty locomotives that provided transport for raw materials and finished products, both externally and internally, to and from the Steelworks.⁴³³ Rail operators thus journeyed to all parts of the Steelworks and more attractively journeyed along BHP owned rail lines to outside coal mines and the harbour. Road controllers had the most responsible job,⁴³⁴ followed by drivers who were in charge of several million dollars worth of machinery. Although shunters were least important in the hierarchy of responsibility, their jobs still carried a high degree of responsibility.⁴³⁵ Much of the working day was spent sitting in the

⁴³¹For security reasons, the Cryogenic Plant is set apart from the Steelworks and is surrounded by a security fence.

⁴³²This is not to say that no dangers were associated with the job. Shortly before my study of Rail Operations a driver had been killed when two coal trains from the Steelworks crashed head on at Cordeaux Heights on a single rail from the Mt. Kembla colliery.

⁴³³Work was allocated by the supervisor at the beginning of the shift. Some of the crews did the same work all the time while others changed. The general purpose allocation was considered to be the best shift. As the name implies, the crews on these locomotives were expected to be able to do any rail operation job and to go anywhere they were required inside the Steelworks. An extra bonus was a routine trip to the Wangawilli refuse dump, which provided the opportunity to leave the Steelworks behind and enjoy a pleasant journey into the countryside.

⁴³⁴Prior to restructuring, road controllers were all staff positions. After restructuring, controllers will become waged employee positions.

⁴³⁵Shunters were not only responsible for guiding the driver when to stop and more importantly when it was safe to start the locomotive, but also for loading the wagons with raw materials. This required judgement in positioning the trucks under the storage bins and in filling the bins to the required amount. Shunters were also responsible for positioning the

locomotive until driver and shunter were required to load raw materials, position the torpedo ladle, move finished products or whatever. There was opportunity for conversation and pondering the deeper issues of life.⁴³⁶

Taking the environmental elements of the working conditions of each Ironmaking workplace into account, it appeared that there was a physical barrier to participation in the Coal Preparation, Sinter Plant and Blast Furnace workplaces and to a lesser extent in the Energy Services' Power House and Blower Station workplaces. The working conditions in Energy Services' Cryogenic Plant and services distribution and Rail Operations suggested no barrier to participation.

It now remains to consider the other physical barriers to participation, that of shift-work and isolation. Meissner's findings in chapter three revealed that those with isolating work reduced their exposure to situations where they had to converse with others and spent less time in organised and purposeful activity. While Meissner's findings relate to behaviour outside the workplace, this response to isolating work could not be conducive to workers involving themselves in workplace committees and decision making. Isolation can be caused by the nature of the work and by shift-work.

Shift-work was an issue for participation at the Steelworks, where waged employees worked three shifts, but not for WGE employees, who worked two day shifts. Shift-work had implications for participation, because it was stressful and isolating. Studies have demonstrated the fatiguing effects of shift-work due to poor sleep and to overwork from working shifts back to back.⁴³⁷ Not only did shift work have implications for

torpedo ladles under the Blast Furnace cast house floor. This latter responsibility was critical, because an error of judgement here had extremely hazardous and costly consequences.

⁴³⁶I was informed, by Rail Operations CC chair, that the questionnaires distributed to one work crew were discussed and pondered over at length during their shift.

⁴³⁷P. Finn, 'The Effects of Shift Work on the Lives of Employees', *Monthly Labor Review* Vol. 104, No. 10 (October, 1981), pp. 31-5 and M. Maurice, *Shiftwork* (Geneva: International Labour Office, 1975). Of course some workers do not find night work stressful, because of their

workplace participation, however, it also interfered with extra-workplace activities and family life; issues that are considered below.

It was probable that isolation caused problems for participation. Shift work isolated those Ironmaking employees working the night shift. While this was not a factor at WGE, much of WGE's on-site work was in isolation. Moreover, the on-site workplace changed according to the contract, providing little opportunity for on-site workers to form relationships with fellow workers. In fact, many on-site workers would only regularly join their work-mates at the beginning and end of the shift and at such times as workplace meetings.⁴³⁸ My analysis of the questionnaire data indicated that WGE workers spent the greater proportion of their time working alone (see table A.3, appendix C). But half the workers who indicated working alone also indicated they worked in a team some of the time, which mitigated the isolation factor. WGE workers also indicated, that while working alone they spent a great proportion of their time in the company of others. This equated with my description above, of the working conditions in the off-site workshop; each tradesperson working at individual tasks but still freely communicating with others in the workshop. Taken overall, my impression was that the WGE workplace environment offered no barrier to participation.

biological rhythms or because it allows escape from family responsibilities; points noted in Michael G. Weiss and Marsha B. Liss, 'Night Shift Work: Job and Family Concerns' in Elizabeth B. Goldsmith (ed.), *Work and Family: Theory, Research and Applications* (California: Sage Publications, 1989), pp. 279–80 and S. Folkhard, D.S. Minors and J.M. Waterhouse, 'Chronobiology Shift Work: Current Issues and Trends', *Chronobiologia* Vol. 12, No. 31 (1985), p. 31.

During the No. 2 Blast Furnace CC meeting I learned that some blast furnace operators worked three back to back shifts in a row. That is, three sixteen hour days. The fatiguing effect of this gruelling routine goes without saying. By the time travelling and meals are taken into account, it leaves very little time for sleeping and no time for relaxation.

⁴³⁸This became apparent during the group interview, when it was observed by one employee, that a value of the general meeting was it allowed on-site workers to get to know one another (WGE group interview, 12/10/93).

In conclusion, in the production process workplaces of Coal Preparations, the Sinter Plant and the Blast Furnaces, the fatiguing effects of the environmental elements of noise, dust and heat, together with the restricted communication due to noise, suggested physical barriers to participation. The environmental hazards of blast furnaces gases and the 1500 centigrade cast house floor were additional elements of stress in the Blast Furnaces working environment. To some extent, the adverse environment in No. 2 Blast Furnace was mitigated by job rotation and in the Sinter Plant by the intermittent requirements of the work. While noise and heat in the Energy Services generation department workplace suggested physical barriers to participation, this too was offset by the intermittent requirements of the work. Crib rooms and canteens provided respite from the aforementioned workplace environments. Environmental factors in Rail Operations and Energy Services Cryogenic Plant and WGE's off-site and arguably on-site workplaces were conducive to participation. Isolation was a factor for Sinter Plant level three operators working in the control room. But this was offset by job rotation. Isolation was a minimal factor for WGE on-site workers. The fatiguing and isolating effects of shift-work was a limiting factor suggested for Ironmaking participants.

Despite the suggestion in some workplaces of physical barriers to participation, my overall impression was that the working conditions in WGE and Ironmaking while not ideal, particularly in the case of Ironmaking, were nevertheless not antithetical to participation. This was confirmed by my analysis of the questionnaire data, which indicated a participatory workplace environment extant in both Ironmaking and WGE. I turn now to my analysis of this data.

B: Participatory Workplace Environment

I knew of the existence of the formal structures of participation at the Steelworks and WGE, namely committees, work groups and meetings, and of management philosophy regarding information sharing and dissemination, implementing education and training, devolving responsibility to the shop-floor and generally encouraging participation (this was described in chapter five). But while it is all very well to have these structures and philosophies in place, I did not know if participation or the implementation of the prerequisites of participation was actually taking place. The data analysis in this section addressed this.

I found participation in formal structures of committees and meetings, together with more informal but recognised structures such as teamwork and problem-solving on the job. I also found management support for participation in the form of implementing employee suggestions at the level of the job and the department. That is, my analysis of the data indicated that participation was taking place. I also found the prerequisites for participation, such as a reasonable level of education, information sharing and structures for dissemination, job autonomy, job satisfaction and a culture of participation indicated by a desire to participate and expectations of influence in decision making. In sum, I found indices of a participatory workplace environment for both WGE and Ironmaking.

1. Education and Training

Waged employees in Ironmaking had a reasonable level of education while those at WGE had a good level of education.⁴³⁹ I found an emphasis on training and multi-skilling under the auspices of award restructuring, at

⁴³⁹Item 57 assessed the level of education. I used items two and four as indices of multiple qualifications and the manner of skill acquisition. This gave me some indication of what the training entailed and the extent of extra training. Item 30 indicated the extent of committee procedure training undertaken by those participating in CCs (see appendix B).

both the Steelworks and WGE. Despite this emphasis, however, very few waged employees in Ironmaking showed evidence of multi-skilling in the form of multiple qualifications. Only a few operators held more than one work-cover ticket and very few tradespeople also held a work-cover ticket. A moderate proportion of WGE waged respondents, however, held several work-cover tickets or indicated extra training, substantiating WGE management's claim of multi-skilling the workforce. I could find no evidence of career path training in either WGE or Ironmaking. While more than half the Ironmaking respondents claimed in-house training programs as their method of skill acquisition, informal methods were most common. Apprenticeship was the most common form of skill acquisition at WGE, but informal methods were also common. A majority of Consultative Committee participants stated receiving effective committee procedure training.

All but two waged employees at WGE had completed tertiary level education at technical college (TAFE) and the majority held formal qualifications (see tables A.1 and A.2, appendix C). This compared most favourably with the national levels of education mentioned in chapter four, where, in 1981, 71 per cent had no formal post-school education. WGE management's emphasis on training was supported. Over half the employees at WGE believed the way to get ahead was by training and learning new skills (table A.3). But while the emphasis was perceived, I found little extra formal training had actually taken place. Apprenticeship followed by skills passed on by workmates were claimed as the most common form of skill acquisition (table A.4). Formal in-house and outside training did have some significance, however. My impression, from interviews at WGE, was one of strong management support for waged employees' continuous training. Despite the paucity of available courses, described in chapter five, from the questionnaire data I found that some

workers were availing themselves of the limited opportunity to be multi-skilled; 38 per cent of waged employees held several work-cover tickets (table A.2).

All but 2 per cent of Ironmaking waged employees were at level year six to ten and above and 38 per cent had completed tertiary education at technical college (TAFE). This level of education compared favourably with the national level mentioned in chapter four. However, it must be remembered that because only those with English literacy competency were surveyed, this level did not necessarily reflect the Ironmaking education level as a whole. Only half the waged employees held formal qualifications, compared with 91 per cent of WGE waged employees. The percentage of formal qualifications, however, compared favourably with Castle et al.'s 1988 survey, when 46 per cent of Sinter Plant employees held formal qualifications. There was support for management's emphasis on training for qualifications. Responses to question 23 indicated that 46 per cent of wages and 43 per cent of staff believed the way to get ahead was by training and learning new skills. Comments from Energy Services operators such as, 'Do course (Uni) while still at work', 'By getting back to tech [sic] to do Engineering' and 'TAFE certificate' and an Energy Services supervisor's comment that 'Only if I get a university degree. This company places a degree higher than a person with years of on the job experience' added further support to the management emphasis on training in Ironmaking. Support for training also became evident during my observation of Consultative Committee meetings and the group interviews. I refer to this below. Comparatively speaking, I found a somewhat greater emphasis on training at WGE, in spite of the problems with access to courses.

In Ironmaking informal methods of skill acquisition prevailed, despite management's emphasis on formal training. A vast majority claimed their skills were passed on by workmates and supervisors. A

significant number, however, also claimed formal training. When I compared my data with Castle's 1988 survey I found a trend towards more formal training. Less than a third of plant respondents overall in the 1988 survey claimed formal in-house methods of skill acquisition, compared with 59 per cent overall for Ironmaking. Levels of apprenticeship training remained static, however, with 32 per cent and 30 per cent respectively.⁴⁴⁰ Bearing Castle's different methodology in mind, my comparison nevertheless suggested that the support for training in Ironmaking at the time of my survey, had some effect. Finally, a greater percentage of staff compared with waged employees acquired skills at Warrawong Training Centre, suggesting staff were favoured over waged employees for personal development courses.

I found little evidence of multi-skilling and career path training in Ironmaking from the questionnaire responses. My questions, however, were phrased in a manner that failed to determine the number of waged employees who were currently involved in multi-skilling programs or career path training. I believed the true training picture in Ironmaking would not have been as bleak as the questionnaire data indicated. That programs for multi-skilling under award restructuring were either in the planning stages or were operational in Ironmaking workplaces was evident during the period of my research. This is described in chapter five. In contradiction to the questionnaire data, I found evidence of multi-skilling in most workplaces. The positive effects of multi-skilling were more evident for operators than tradespeople. In fact, the threat to employment arguably culminated in a negative effect for tradespeople. The issue of career paths and destabilisation was discussed in chapter four. The following exchange

⁴⁴⁰Castle et al., *op cit*, p. 308.

with a tradesperson from Coal Preparations illustrated both the existence of training for multi-skilling in Ironmaking and its negative effects.

Because the company and the unions push this multi-skilling training. Again you're taking peoples' jobs away, that normally would have been there and, I suppose, still should be there. But you do get a bit more satisfaction out of seeing that you've done the whole thing.

And the training is done where?

We go to the training centre [Steelhaven] with an accredited instructor. We go through [the course] with him; pass or fail. They send a letter to your boss over here giving your marks and comments and that's entered on the main frame.

What about the operators. Have they a training course going?

I've just completed an electrical training course. Six of us went over to Steelhaven. It was three days. That's part of the multi-skilling. That package that we've agreed to. We're looking at getting into the maintenance part of it when we eventually get the go ahead from these blokes [tradespeople]; and fork-lift driving, [operating a] bob-cat. They're the sort of things, that if people decide to leave they can use. [They can] cite the Steelworks.

This last comment illustrated management's support for accreditation of portable skills.

Because training programs were not fully operational and in some instances were still in the planning stages, I could not assess the long term effects of training. The process of establishing the training programs did, however, have an immediate positive effect. Because waged employees were involved in designing their own training programs, the effect for many was an educative one. The comment, 'We're designing our own program and we've learned heaps' made by an operator involved in

designing the Energy Services training program,⁴⁴¹ supported Elden's argument, described in chapter three, for the importance the research and study entailed in designing one's own program has for empowerment.

The majority of Ironmaking CC delegates had completed committee procedure training and found it effective (table A.5). Given that committees were the main organ of participation at the Steelworks, effective training in committee procedure was an important element of a participatory environment. From group interview comments and my observation of those committees who had undergone training, I assessed the training to be beneficial.⁴⁴² An item concerning committee procedure training was not included for WGE, because at the time of my survey only two had availed themselves of the recently introduced course. One of these noted at interview that training in committee procedure had helped him.⁴⁴³

To summarise thus far, I found no clear picture as to the amount of training undertaken in Ironmaking. But I did find evidence of management's emphasis on training and qualifications. Multi-skilling was being undertaken in Ironmaking workplaces. I found evidence of proposed training courses and career paths as part of award restructuring. The full effects of these were not realised. I found some immediate educative effects, however, for those waged employees involved in structuring the training programs. There was a reasonable level of multi-skilling at WGE. However, career paths and award restructuring were limited by the paucity of meaningful courses available.

⁴⁴¹Journal notes.

⁴⁴²Prior to the Coal Preparations CC meeting, the chair confided in me that the meetings used to be shouting matches where the agenda never advanced beyond the first item. All Committee members were sent on the committee procedure training course at Warrawong. Since then, the meetings had been markedly more productive (Journal notes).

⁴⁴³WGE group interview, 12/10/93.

The literature reviewed in chapter three showed an adequate level of education to be an important element of a participatory environment. It was demonstrated that a low level of education resulted in participation apathy. More specifically, without adequate job training, workers cannot make informed decisions about their job nor provide informed input into decision making at a higher level. And without education in committee procedure, participation in this forum is ineffective and leads to disillusionment. The reasonable level of education found amongst Ironmaking respondents, coupled with the effective committee procedure training, and the relatively high level of education at WGE, being at trades level, was sufficient for workplace participation. This is particularly so in light of the fact that the level of education in both enterprises compared favourably with the national average.

2. Job Autonomy

Workers at both WGE and Ironmaking had control over the job. Furthermore, increased job autonomy had occurred in Ironmaking since the Steel Industry Development Agreement in 1989, substantiating management claims of devolving responsibility to the shop-floor. At WGE, however, there was job autonomy prior to the organisational changes.

The degree of supervision on the job was my index for job autonomy.⁴⁴⁴ The majority of waged employees received either no supervision on the job or some supervision (see table A.6, appendix C). Only 2 per cent of waged employees in Ironmaking reported they received a lot of supervision. Job autonomy was thus relatively high at both WGE and in Ironmaking. In Ironmaking, I found the majority perceived a change to less supervision, with 84 per cent of waged employees and all staff stating

⁴⁴⁴See items six and seven (appendix B).

the changes occurred after 1989 (tables A.7 to A.9). Thus it was suggested that shop-floor autonomy had increased under the Steel Industry Development Agreement; a suggestion that was strengthened by comparison with the 1988 survey data. Twenty-eight per cent of all respondents in Castle's survey indicated they received a lot of supervision, compared with 2 per cent in my survey.⁴⁴⁵

My analysis of the data for WGE was inconclusive, because over half the waged respondents commenced work at WGE after the organisational changes. While the majority indicated they received little to no supervision, half the waged employees perceived no changes to supervision since the organisational changes; although one qualified their response with the comment, 'the amount of supervision hasn't changed much, but there is an improvement in general supervision'. This comment might have referred to the changed style of supervision at WGE, mentioned below. One waged employee who perceived more supervision commented 'more staff in the office and less workers.' This may have referred to the increased number of managers employed at WGE since 1989, mentioned in chapter five. My analysis of the group interview suggested that there were changes in supervision. The group expressed the view that 'there's a lot more responsibility on the job', with the supervisor in the group observing that a supervisor's role had become more a management role and less one of supervising the shop-floor.⁴⁴⁶

Three of the five WGE staff respondents perceived a change to more supervision. This was curious, given the managing director's expressed aim to devolve responsibility to the shop-floor.⁴⁴⁷ Both the managing director

⁴⁴⁵Castle et al., *op cit*, p. 309.

⁴⁴⁶WGE group interview, *op cit*.

⁴⁴⁷Interview Tom Gallo, managing director WGE, 14/7/93.

and the quality manager claimed that prior to the organisational changes in 1989, workers were told what to do and the two previous partners believed in 'whipping the workers'.⁴⁴⁸ The explanation for the staff perception of more supervision may lie in the adoption of quality control procedures at WGE, discussed in chapter four. Here workers perceived control by a quality assurance system; a perception that became evident during the WGE group interview.

Q.F. There's more accountability to the system now. With the system in place, this is how we have to do it. Its a system imposed externally by the customers.

W.M. [Because of Australian Quality Standards] there's a lot more pressure than they had before. You can't get away with things like you could before.⁴⁴⁹

I wondered if, in time, WGE's perceptions about supervision would prevail in Ironmaking. As mentioned in chapter four, at the time of my survey, management was introducing standard procedures. Operators trained in standard procedures required no supervision, because the documented procedures supervised the workers.

Whether organisational changes have facilitated job autonomy at WGE is a moot point. While my analysis of the questionnaire data was inconclusive, the group interview analysis suggested a change in supervision. The change to quality management had altered the character of supervision, by devolving more responsibility to the shop-floor through self-supervision via quality procedures. Rather than the job being supervised by a person, it was a Foucauldian surveillance by paper work.

⁴⁴⁸*ibid* and interview Peter Hamlet, quality manager, 23/7/93.

⁴⁴⁹These are observations made by the quality facilitator (Q.F.) and the works manager (W.M.) during the WGE group interview, *op cit*.

This phenomenon is mooted for Ironmaking with the introduction of standard procedures. The implications of this were discussed in more detail in chapter four.

In Ironmaking, there was a change to less supervision since the 1989 organisational changes. The rationalisation of management and the changed role of the supervisor, discussed in chapter four, supported this. Putting aside the issue of structural changes, however, what is important with regard to a participatory environment is job autonomy. It is fairly obvious that for there to be any participation at all, then the individual 'will have to participate in at least those decisions that directly affect his [sic] particular job'.⁴⁵⁰ I found an acceptable degree of job autonomy at both WGE and Ironmaking. My analysis of the data concerning job autonomy also correlated with that concerning the opportunity to participate at the level of the job (item 12) considered below.

3. Teamwork

There was a strong presence of teamwork in the Ironmaking and WGE workplace environment and thus the social elements of participation attendant on teamwork, such as communication, cooperation and mutual respect, together with openness and sharing.⁴⁵¹ There was evidence of self-esteem and inter-personal acceptance.

A high proportion of both waged and staff employees in Ironmaking worked as part of a team (see table A.10, appendix C). This was not

⁴⁵⁰Pateman, *op cit*, p. 56.

⁴⁵¹I used questions five, nineteen and 49 as indices of teamwork and in turn, as an index of social elements of participation such as communication, cooperation and mutual respect. The positive effects of team work on production and other behaviour such as worker absenteeism, turnover and morale were demonstrated by Elton Mayo during the experiments at the Hawthorne plant of the Western Electrical Company. For an account of the Mayo School research see Elton Mayo, *The Human Problems of an Industrial Civilisation* (New York: Macmillan, 1933) and *The Social Problems of an Industrial Civilisation* (Cambridge: Harvard University Graduate School of Business Administration, 1946).

surprising given the nature of ironmaking, which required the work be carried out by teams of people working closely together. Stable work groups formed from the sheer nature of the work. Shifts were organised into teams and the longevity of employment of Ironmaking workers facilitated a team spirit. Eighty-five per cent of waged employees indicated they had worked in Ironmaking for four years or more, some having worked there since the mid-1950s. The staff response was also unsurprising given their in-house training in 'people skills' as one operator put it; their 'monthly injection of BHP corpuscles' from BHP's Warrawong Training Centre. That is, staff training in communication, conflict resolution, problem-solving and the like.

Teamwork was also encouraged at the Steelworks. The emphasis on and praise for the triumphs of teamwork were featured in the in-house newspaper *Kembla News*. That the workers themselves valued the benefits of team support became evident during the Energy Services CC meeting, where it was reported by an operator representative, that one of the causes for low morale in the No. 1 Power House was the practice of rotating supervisors, which disrupted the team.⁴⁵²

Given the nature of the work at WGE, described above, it was predictable that more waged employees described themselves as working alone than as part of a team. Despite this and the need often to work alone at WGE, I found a strong sense of teamwork. All WGE waged and staff employees said they were involved in team problem-solving and moreover the majority strongly believed their team made good decisions (see table 4.1, below). This strong sense of team efficacy suggested a team spirit prevailed at WGE. A strong group commitment prevailed at WGE. Seventy-three per

⁴⁵²This was included in a list of grievances compiled by No. 1 Power House operators, tabled at the Energy Services CC meeting (Journal notes).

cent of WGE waged employees and 80 per cent of staff stated they were group committed (table A.11).

There was a strong sense of teamwork in Ironmaking, with 74 per cent of waged employees and 94 per cent of staff stating they were involved in team problem solving. A high percentage believed their team made good decisions, with nearly half indicating they strongly believed this (table 6.1, below). Eighty-three per cent of waged and 78 per cent of staff employees indicated they were group committed. The highly developed sense of team efficacy suggested the basis for a participatory workplace environment at both WGE and Ironmaking. That is, it implied factors such as mutual support, coordinated effort, cooperation, trust, and confidence. And moreover, because effective team problem-solving inferred decision making it implied participatory skills of communication, articulation of ideas and the ability to listen to others. While the strong commitment to one's group implied openness and sharing of ideas, opinions and information:⁴⁵³ the basis for participation.

Table 6.1: Team efficacy: To what extent does your team make good decisions and solve problems well?

	IRONMAKING		WGE	
	Wages %	Staff %	Wages %	Staff %
To a little extent	6	nil	9	20
To some extent	48	44	27	40
To a great extent	46	56	64	40
No. respondents	70	48	16	5
Per cent	100	100	100	100

I found the majority experienced at least some degree of interpersonal acceptance,⁴⁵⁴ with 36 per cent and 27 per cent of waged employees at WGE

⁴⁵³Elden, *Democracy at Work*, *op cit*, p. 150.

⁴⁵⁴I used item 20 as an index of self-esteem and interpersonal acceptance in teamwork (appendix B).

and Ironmaking, respectively, enjoying a high level of interpersonal acceptance (table A.12). That self-esteem is a personality prerequisite for political participation has been demonstrated in chapter three. And it goes without saying that a sense of interpersonal acceptance is a prerequisite for participation in decision making; it being an activity practised with others.

Overall, I found teamwork extant at both WGE and Ironmaking. This is an important element of a participatory environment because the social and personality elements that are an integral part of teamwork are the basis of participation. The highly developed sense of team efficacy, particularly at WGE, together with the strong group commitment implied social skills which are the basis for a participatory environment. And the presence of a sense of interpersonal acceptance amongst respondents implied the presence of participatory relevant personality orientations.

4. Job Satisfaction

The level of job satisfaction extant at both WGE and Ironmaking was sufficient for a participatory workplace environment.

I determined job satisfaction by five choices on a Likert scale.⁴⁵⁵ Because many workers tend to respond positively when asked whether or not they are satisfied with their jobs,⁴⁵⁶ I asked a variety of questions related to job satisfaction. There were nine statements, incorporating the issues of skills, wages, working conditions, prestige, promotion, job security and job

⁴⁵⁵I determined job satisfaction by responses to items 21 and 22. Item 21 was five choices on a Likert scale (see appendix B).

⁴⁵⁶Blauner's review of job satisfaction studies found that the vast majority of workers in virtually all occupations and industries are moderately or highly satisfied, rather than dissatisfied with their jobs. But, Blauner points out, this does not mean that they would not prefer other work given the choice. Rather it means workers prefer not to admit that they dislike their job, it being a sign of stupidity to admit to continuing with something one does not like. See Robert Blauner, 'Work Satisfaction and Industrial Trends' in Amitai Etzioni, *A Sociological Reader on Complex Organisations* second edition (New York: Holt, Rinehart and Winston, 1961), pp. 247 and 227. See also J.H. Goldthorpe et al., *The Affluent Worker: Industrial Attitudes and Behaviour* (Cambridge: University Press, 1968), p. 11.

interest. A score of 30 points out of a possible 45 was my benchmark to indicate a positive job satisfaction rating. Predictably I found greater job satisfaction for staff than waged employees at both WGE and Ironmaking. I found that just over half the waged employees and over three-quarters of the staff at WGE were satisfied with their job: 55 per cent of waged employees and 80 per cent of staff scored positively. The mean score for WGE waged employees was 30 and for staff was 32 out of a possible score of 45.⁴⁵⁷

In Ironmaking I found a similar picture. Half the waged employees were satisfied with their job: 51 per cent scored positively. The mean for waged employees was 27 points. Seventy-five per cent of staff indicated they were satisfied with their job, with a mean of 33 (see table 6.2, below). When I combined that data for staff and waged employee and compared it with Castle's 1988 data I discovered that the level of job satisfaction had risen; 58 per cent of those surveyed in 1988 were satisfied with their jobs. Because Castle et al. surveyed a different section of the Steelworks' workforce not too much should be read into this finding, however.

Of interest was the high percentage of employees at both WGE and Ironmaking who perceived their chances for promotion to be poor (table A.13).⁴⁵⁸ Even staff were pessimistic. The pessimism amongst waged employees in Ironmaking might be an indication of the instability posed by training, mentioned above. The rationalisation of waged and staff employees and middle management might also contribute to pessimism. Both these issues are discussed in chapter four. The number of WGE staff respondents was too small to draw definitive conclusions. Two staff

⁴⁵⁷These findings were not at odds with a job satisfaction appraisal for WGE in 1992, where the mean for job satisfaction was 4.9 out of a possible score of seven (SCDEP, *Skills Audit WGE*, 1992).

⁴⁵⁸I used Question 22 as an index of job promotion (appendix B).

respondents rated their chances of promotion as very good, while three rated their chances as poor. Neither waged or staff employees at WGE should rate their chances as poor. There was no threat of redundancy. On the contrary, at the time of the study, WGE was taking on employees. The position of staff, in particular, was favourable. The international projects in Kuwait and Vietnam, together with the development of new satellite companies under the WGE umbrella and the new workshop and office block amenities at Glastonbury Avenue provided opportunities for enterprising staff.

I expected staff at both Ironmaking and WGE to rate a higher level of job satisfaction than waged employees. This was because job satisfaction not only relates to whether the work is interesting and working conditions are pleasant and safe but to prestige. In turn, prestige incorporates level of skill, the degree of education and training necessary, the amount of control and responsibility involved in the performance of the work and the income reward. Similarly, within manual work, differences in satisfaction relate to the differences in prestige that exists among various working class jobs.⁴⁵⁹ So tradespersons should derive more satisfaction from the skill and training factor and the fact that they are looked on with more respect by the community than the manual labourer. This hypothesis is supported by Emery and Phillips' study of the Port Kembla Steelworks in 1976, which showed that job satisfaction increased with qualifications and status; 61 per cent of skilled workers compared with 55 per cent of unskilled workers expressed job satisfaction.⁴⁶⁰

In my survey of Ironmaking, however, I found a low level of job satisfaction for tradespersons compared to operators (table 6.3, below). The

⁴⁵⁹Blauner, *op cit*, p. 231.

⁴⁶⁰E. Emery and C. Phillips, *Living at Work* (Canberra: AGPS, 1976).

explanation for this might be two-fold. First, level three operators who worked in the control room were regarded in some areas as having a highly skilled and responsible position in the production process. Even level one and two operators were regarded as skilled. Experienced operators working on the cast house floor who were able to assess, at a glance, the quality of the iron flow, spring to mind. Second, tradespersons' positions in Ironmaking were vulnerable. Under the Steel Industry Development Agreement and subsequent Total Operation Performance scheme, operators were being trained in simple fitting and electrical skills to perform minor running repairs and maintenance to equipment, for which they were appropriately remunerated. I have referred to this above, under training. This expanded role for operators encroached on the tradesperson's role and threatened their prestigious position as a skilled worker. This was discussed in chapter four. Thus, both the prestigious position of level three operators relative to tradespeople and the tradesperson's high level of job insecurity could have accounted for the low job satisfaction scores for tradespeople compared to that of waged employees.

Table 6.2: Job satisfaction

	IRONMAKING		WGE	
	Wages	Staff	Wages	Staff
% satisfied with their job	51	75	55	80
Score mean	27	33	30	32
No. respondents	95	51	16	5

Table 6.3: Job satisfaction Ironmaking—comparing operator and trade

	IRONMAKING	
	Operators	Trades
% satisfied with their job	57	43
Mean	29	28

When I compared job satisfaction scores across workplaces, waged employees in Coal Preparations and the Sinter Plant rated the lowest (see table 6.4, below). Only 29 per cent of Coal Preparation wages and no Sinter Plant waged employees rated positively, compared with the ironmaking total of 51 percent. In Castle's 1988 survey, 11 per cent of those surveyed in the Sinter Plant were satisfied with their job. This low level of job satisfaction was not surprising given the dirty and labouring nature of the work, described above. Predictably, given the prestigious, skilled and varying nature of the work, Rail Operations scored a high level of job satisfaction relative to Ironmaking as a whole. Surprising though, was that waged employees in Energy Services rated a high level of job satisfaction with a mean score of 38. While the nature of the work, described above, was not demanding or stressful, I expected the high level of job insecurity extant in Energy Services to influence the job satisfaction scores.⁴⁶¹ Clearly, this was not the case.

Table 6.4: Job satisfaction—comparison across all workplaces: waged employees only

	A	B	C	D	E	F	G	H
% satisfied with job	53	58	50	77	21	0	51	55
Score mean	38	29	29	32	25	25	27	30

Legend:

A—Energy Services
C—No. 2 Blast Furnace
E—Coal Preparation
G—All Ironmaking

B—No. 4 Blast Furnace
D—Rail Operations
F—Sinter Plant
H—WGE

⁴⁶¹When No. 6 Blast Furnace is commissioned, No. 2 Blast Furnace will be decommissioned along with its energy supply, namely No. 1 Power House. While No. 2 Blast Furnace operators are reasonably assured of continuing their employment in No. 6 Blast Furnace, there is no assurance of continued employment for Power House operators.

The relationship between job satisfaction and political activity outside the workplace was demonstrated by Torbert and Rogers' study, discussed in chapter three. They showed that as the level of job satisfaction rose, so did the level of political activity. I assumed, therefore, that satisfaction with one's job would be a precondition for workplace participation. Moreover, unskilled work denotes repetitive, monotonous and dirty work. It has been demonstrated that those whose jobs so described, have low self-esteem and an autocratic nature: factors that work against participation. Pateman cites research that points to the relationship between job satisfaction and the desire for more control over the job and the working environment, that is the desire to participate.⁴⁶² This relationship is underpinned by the link between job satisfaction and morale, efficiency and productivity. This is discussed in chapter three. Suffice to say that satisfaction with one's job impacts on the individual's psychological orientations; orientations pertaining to participation.

Many studies demonstrate the relationship between occupational differences and work satisfaction ratings, ranking professional and managerial occupations highest, followed in descending order by semi-professional, business, and supervisory, skilled manual and white collar, semi-skilled manual workers and unskilled manual workers.⁴⁶³ Unskilled manual workers thus rate lowest for job satisfaction. Those who rate a relatively high job satisfaction score will have a relative absence of those elements that work against participation. A high job satisfaction rating, therefore, indicates one is more receptive to the opportunity to participate and more open to the socially relevant learning and developmental

⁴⁶²Pateman, *op cit*, p. 57.

⁴⁶³Blauner details a number of job satisfaction studies (Blauner, *op cit*, pp. 225-8). Cultural norms also influence job satisfaction ratings. White collar workers are expected to like their work, to be loyal to the company and to be more dedicated than manual workers who are expected to be discontented (F.H. Harbison, cited in Blauner, *op cit*, p. 228).

consequences of participation than one who has a low job satisfaction rating.⁴⁶⁴ The job satisfaction scores for WGE and Ironmaking indicated that at least half the waged employees were receptive to the opportunity to participate and to its developmental consequences. Thus indicating a psychological orientation conducive to a participatory environment.

6. Information Sharing and Dissemination

The relevance of communication for participation as both an outcome and an instrument to its establishment is recognised by theorists.⁴⁶⁵ A necessary condition for participation is that there be adequate information on which decisions can be based.⁴⁶⁶ I found management shared information with a majority of employees at WGE and Ironmaking at least to some extent. And I found a change towards more information sharing coincided with organisational change at the Steelworks and WGE. While informal methods of information dissemination were evident in Ironmaking, my analysis was that the Consultative Committees were effective formal methods of information dissemination. At WGE I found that while informal methods of information dissemination were operational, the general meeting and the notice board were the most useful formal methods.

I found a majority of Ironmaking employees believed that information was shared with them to some extent (see tables A.14 and A.15, appendix C). When the Ironmaking data for waged employees was

⁴⁶⁴Elden demonstrates a relationship between job satisfaction and a sense of political efficacy, but of course cannot demonstrate the direction of the relationship.

⁴⁶⁵Harrison, *op cit.* I used items 15 to 18 to indicate information sharing, including changes to the extent of information sharing and the best method of information dissemination. Question 17 concerning information sharing in the department, was omitted from the WGE questionnaire. Item 25 was used specifically to indicate the efficacy of workplace committees, as information disseminators in Ironmaking.

⁴⁶⁶Pateman, *op cit.*, pp. 69 and 97 and R. Likert, *New Patterns of Management* (New York: McGraw, 1961), p. 243.

compared with staff, I discovered that information was shared more with staff than waged employees. With regard to the Steelworks as a whole, 44 per cent of staff indicated information sharing to a great extent compared with 10 per cent of waged employees. With regard to the department, 7 per cent of waged employees and 35 per cent of staff indicated information sharing to a great extent. Given the nature of staff employees' work and their position in the authority structure this finding was not surprising.

WGE waged employee responses, however, compared more favourably with staff. Twenty-seven per cent of waged employees, compared with 20 per cent of staff indicated information was shared with them to a great extent, while 27 per cent of waged employees compared with 40 per cent of staff indicated no information was shared with them. WGE waged employee responses also compared favourably with Ironmaking. The explanation for waged employees' perception of good information sharing might lie with the general meeting as the forum for information dissemination. The general meetings at WGE, described in chapter five, were attended by all waged employees. Attendance, on the other hand, was not open to staff. At both the union meetings and the ensuing general meetings, it was my impression there was a free flow of information between the union official and employees and the management representative and employees. Union officials had free access to management⁴⁶⁷ and were present at the general meeting. Thus they had the opportunity to be informed of new issues known to management and of issues raised between management and employees. Taking the general meetings into account and adding the factor of a smaller department compared to Ironmaking, it was not surprising that information sharing with waged employees should compare favourably with that of staff.

⁴⁶⁷Interviews with Tom Gallo, managing director WGE and AMEWU union officials, *op cit*.

At WGE there was a change to more information sharing since the organisational changes (table A.16). The formal methods of dissemination, namely the notice board and the general meeting were chosen as the best methods for receiving information (A.17 and A.18). This validated management's attempts to formally share information and supported the suggestion that the general meeting facilitated information sharing with waged employees. The supervisor and the informal method of information dissemination by workmates was voted as equal second choice. This tenacity of the grapevine, despite management attempts at formalising information dissemination, was also demonstrated in Ironmaking. Despite management's objective to formalise information sharing outlined in the SIDA, the data indicated the importance of informal methods; particularly conversations with workmates. The best source of information for Ironmaking waged employees was the supervisor, with work-mates and the more formal notice board running equal second. Ironmaking staff indicated their work-mates as the most effective source of information, with CC minutes second and supervisors third.

Ironmaking had more structured means of information dissemination available than WGE. The notice board was a well used source of information for both Ironmaking and WGE, but while WGE also had its general meetings, quality review and production meetings and special issue work groups, Ironmaking had quarterly briefings, a well written in-house newspaper and regular Consultative Committee meetings. Of the three, the best disseminators of information were the CCs. Quarterly briefings were given by management to all employees at specially convened meetings in the workplace. WGE had no equivalent to the quarterly briefing. I doubted, however, whether the quarterly briefings greatly enhanced information sharing in Ironmaking, particularly where the waged employees were concerned. Twenty-five per cent of staff and only 7 per cent of waged

employees said the quarterly briefing was their best method of receiving information.

The in-house newspaper, *Kembla News* (described in chapter five) while informative was essentially a mouthpiece for management to spur employees to greater efforts. WGE's in-house paper, *The Messenger*, lacked the colour and flair of *Kembla News*. The paper also tended to be a vehicle for management to disseminate information to the employees,⁴⁶⁸ but the minimal impact of *The Messenger* on WGE employees was indicated by the data. The Steelworks' in-house newspaper was more widely read by Ironmaking staff than waged employees with 47 per cent of staff and 25 per cent of waged employees indicating *Kembla News*, as a source of information. While *Kembla News* had some impact on information dissemination, it was unlikely to have had the same impact as the Consultative Committees.

Table 6.5: *The extent of information sharing about events in the department—comparison across all workplaces: waged employees only*

	A	B	C	D	E	F	G	H
No extent	8	25	0	0	36	0	13	27
Some extent	92	67	75	78	63	all	79	45
Great extent	0	8	25	22	0	0	7	27
No. resp't	38	12	8	18	13	4	93	16
Per cent	100	100	100	100	100	100	100	100

Legend:

A—Energy Services
C—No. 2 Blast Furnace
E—Coal Preparation
G—All Ironmaking

B—No. 4 Blast Furnace
D—Rail Operations
F—Sinter Plant
H—WGE

When I compared the data concerning information sharing across workplaces I found the efficacy of CCs may have been a factor in information

⁴⁶⁸Management claimed to encourage waged employees to contribute articles, but none were forthcoming (interview Hamlet *op cit*).

dissemination, particularly in Rail Operations; especially as Rail Operations and No. 2 Blast Furnace enjoyed the greatest extent of information sharing (see table 6.5 above). Fifty per cent of No. 2 Blast Furnace waged employees indicated the Consultative Committee minutes as the best method to receive information together with 13 per cent who indicated the CC chairperson's report.⁴⁶⁹ In Rail Operations, 61 per cent said the CC report back meeting and 17 per cent said the CC minutes was the best method of receiving information.

Rail Operations also perceived a more marked change towards more information sharing since the Steelworks' organisational changes. Seventy-eight per cent of Rail Operations waged employees claimed a change to more information sharing compared with 54 percent of Ironmaking waged employees overall (table A.19). As I explained in chapter five, Rail Operations was the only workplace to have formal report-back meetings to all shifts, while other workplaces relied on less effective means to disseminate CC information. It could be argued therefore, that in the Rail Operations workplace it was the introduction of the Consultative Committee report back meetings that facilitated information dissemination in this workplace.

I found support for the role of Consultative Committees in information dissemination when I combined the overall Ironmaking data for CC minutes and reports. Fifty per cent of Ironmaking waged employees deemed their CC to be their best source of information. While this figure

⁴⁶⁹I believe the integrated work culture might also have facilitated information sharing in No. 2 Blast Furnace. The workforce was small in number. The close relationship between management and operators resulted from the furnace's recommissioning in 1989. At that time it was declared a greenfield site, comprising only level three operators and the new work practice of job rotation (interview John Russell, Training Coordinator, Ironmaking, 4/2/94). The close relationship between management and waged employees was supported by the latter's response to the item regarding the best method of receiving information. Unlike waged employees in other workplaces, No. 2 Blast Furnace voted the management sponsored quarterly briefing as a significant source of information.

represented a degree of double counting (although respondents were invited to indicate their best method of receiving information, they were not limited to one choice) I suggest that a significant percentage of waged employees believed their Consultative Committee to be an effective disseminator of information. Furthermore, data from item 25 was not at odds with the responses shown in table A.17. The majority of Ironmaking employees said that their committees were useful for information dissemination (table A.20).

There was a moderate change towards more information sharing amongst Ironmaking waged employees, there being eleven percentage points between those who indicated no change and those who indicated a change towards more information sharing. I found a more definite change towards greater information sharing amongst the staff (table A.16). Responses suggested changes in Ironmaking coincided with the implementation of the Steel Industry Development Agreement.⁴⁷⁰ All but four waged employees and all staff employees stated a change in information sharing occurred after 1989. Thus I found moderate support for management's philosophy of increasing information sharing. At WGE there was a definite change towards more information sharing during the period following the organisational changes. There were 64 percentage points between those who indicated no change and those who indicated a change towards more information sharing.

The form of my questions precluded any knowledge of the content and quality of the information shared.⁴⁷¹ My analysis was that most

⁴⁷⁰I used item 18 to indicate change in information dissemination and its coincidence with organisational change.

⁴⁷¹After all, 'knowledge is largely an individual property; unlike other organisational means, it cannot be transferred from one person to another by decree.' While Etzioni was referring to the knowledge held by professionals it is an apt observation to apply to management. See Amitai Etzioni, *A Sociological Reader on Complex Organisation* Second Edition, (New York: Holt, Rinehart and Winston Inc., 1961), p. 263.

Ironmaking employees believed some information was shared with them and that information sharing had improved with the implementation of the SIDA. My observation of CC meetings found information sharing at the departmental level. Superintendents appeared to share with the CC members, what they knew about company policy and plans in relation to their department. Whether Superintendents were privy to information held by management was another matter.

In summary, uninformed decision making is a pointless exercise leading to disillusionment with participation. Adequate information sharing is therefore essential for a participatory workplace environment. Given the consultative management limitations of my enquiry, I found information sharing at a level and degree sufficient for there to be a participatory environment.

7. Behavioural Evidence of Participation

There was behavioural evidence of a participatory workplace environment.⁴⁷² I found: one, a high level of participation both at the shop-floor and departmental level, with predictably staff participating more at the departmental level; two, support for participation at the level of the job and at the higher level of the department; three, extensive participation of those respondents who were workplace committee participants; and four, some participation in professional workplace organisations. I could find little suggestion of trade union participation as a behavioural index of a participatory workplace environment.

I found strong participation at the level of the job and to a lesser extent at the departmental level. In Ironmaking, 85 per cent of waged

⁴⁷²I used items 12 and 13 to indicate the extent of participation in the workplace in behavioural terms. Items 26 to 29 specifically related to CC participants. Items 33 and 34 related to participation in workplace organisations.

employees and 98 per cent of staff reported making suggestions about the job while 48 per cent of waged employees and 75 per cent of staff had made suggestions at the departmental level (see table A.21, appendix C). At WGE, 86 per cent of waged employees and all staff had made suggestions about the job, while half the waged and 60 per cent of staff employees reported making suggestions at the departmental level. If suggestions were not acted upon, then at least they were considered. Very few suggestions were ignored (see table 6.6 and 6.7, below). I found this for both WGE and Ironmaking.

I assumed that not all suggestions would be implemented, because some would be inappropriate or not possible due to restraints of capital.⁴⁷³ I discovered, however, that only a low number of suggestions were considered but not implemented. This might well have been an indication of the calibre of the suggestions.⁴⁷⁴ The high number of waged employees suggestions that were implemented and/or considered for implementation, together with the fact that employees knew what happened with their proposals, suggested management support for employee participation. The data compared favourably with Castle's 1988 survey, where a small majority claimed to have made suggestions. Of those 1988 respondents who knew what happened to their suggestions most were 'taken up', but it was not stated how many knew what happened to their suggestion.⁴⁷⁵

Given the nature of their job, I expected staff participation would be greater than that of waged employees, particularly at the departmental level. Making suggestions was, after all, part of a staff employee's job description.

⁴⁷³This was pointed out to me by Peter Corkish, formerly industrial relations officer, Steelworks (interview, 15/9/93).

⁴⁷⁴I gained the impression during group interviews, that proposals from the shop-floor were carefully considered. In some instances even a cost analysis accompanied the proposal.

⁴⁷⁵Castle et al., *op cit*, p. 314.

Several staff respondents indicated this to be so in their own case.⁴⁷⁶ This and the expectation that staff's suggestions would most likely be implemented, strengthened the suggestion of management support for shop-floor participation when the relatively high number of shop-floor suggestions taken up by management were considered. Moreover, this support was not confined to the level of the job but extended to participation at the higher level of the department.

Table 6.6: What happened to your suggestion about how a job could be done?

	IRONMAKING		WGE	
	Wages	Staff	Wages	Staff
Acted upon	43	64	67	20
Being considered	30	24	33	40
Considered	27	16	—	—
Ignored	1	2	11	40
No. respondents	81	50	14	5

Note: some respondents made several suggestions

Table 6.7: What happened to your suggestion about an activity proposed for your department?

	IRONMAKING		WGE	
	Wages	Staff	Wages	Staff
Acted upon	26	63	60	33
Being considered	43	29	20	67
Considered	20	8	—	—
Ignored	13	3	20	0
No. respondents	46	38	8	4

Note: some respondents made several suggestions

The supervisor was the most common conduit for suggestions for waged employees and staff at both WGE and Ironmaking (tables A.22 and A.23). Predictably, staff made more suggestions directly to management than did waged employees. Only two waged employee respondents and one staff respondent made their suggestions to a workplace committee. And no one

⁴⁷⁶Supervisor respondents for example, wrote 'part of my job', in response to items 12 and 13.

at WGE specified that they made suggestions to committees or to the general meeting. This was despite the indication below, that Consultative Committees in Ironmaking and the general meeting at WGE were moderately effective in expressing shop-floor opinions to management and that CCs in Ironmaking listened to waged employees' suggestions. The majority of WGE respondents did not know whether CCs paid attention to their suggestions, which explained their reluctance to use this forum.

The degree to which participants can be confident that their input into decision making will actually count, is a significant factor of a participatory environment.⁴⁷⁷ The extent of implementation and consideration of employee suggestions at WGE and in Ironmaking indicated that input into decision making was counted. Thus, the strong suggestion of support for employee participation at both the job and departmental level indicated a participatory environment.

Over half WGE and Ironmaking employees indicated such a change in decision making procedures following the organisational changes at WGE and the Steelworks.⁴⁷⁸ Fifty-five per cent of WGE waged employees and 80 per cent of staff indicated a change, while 63 per cent of Ironmaking waged employees and 65 per cent of staff did so. Seven of the nine WGE waged respondents and all four staff respondents described a change to more consultation. Typical of waged employee comments was 'not many things are done without general input from those involved', while typical of staff was 'a lot more decisions are made after consulting shop-floor'. In Ironmaking, of the eighteen waged employees and nineteen staff who commented, all but three waged respondents described a more consultative

⁴⁷⁷Pateman, *op cit*, Jane Mansbridge, *Beyond Adversary Democracy* (New York: Basic Books, 1981) and Robert Dahl, *Democracy and Its Critics* (New Haven and London: Yale University Press, 1989).

⁴⁷⁸I used item 14 to assess the change.

approach to decision making. Typical of the waged employees comments were 'a lot of changes pass through the consultative committee', 'the men on the job get more say', 'the company are more willing to discuss', 'operators are asked for input more often', and 'more consultation with employees beforehand'. And typical of staff comments were, 'workforce are being consulted and involved more', 'more small group activities and consultation' and 'there are more groups formed to consider problems'.

Of interest were the staff comments which highlighted the input role of waged employees in decision making. The comments 'decisions aired through CCs' and 'issues are discussed at staff meetings and then presented to wages for further discussion' made no pretence that within the consultative management framework, waged employees were decision makers. Two comments served to further emphasise employees' restricted role in decision making and the employees' pragmatic acceptance of this; the long comment from a supervisor in Energy Services:

management use "interaction management" skills to baffle supervisors and employees below them into thinking they are involved in decision-making i.e. they act like a door to door vacuum-cleaner salesman, who has the answer to everything,

together with a Blast Furnace operator's comment, 'the company tells us what it is going to do, then asks us for ideas on how to do it'.

While the overwhelming majority of comments indicated more consultation, there were a few negative comments. The enigmatic comment from a Coal Preparations' operator, 'attitude towards workers are very strained now', might have referred to the issue of operators assuming trade skills, discussed in chapter four and referred to above under training and job satisfaction. The comment from a Consultative Committee representative; 'we are not notified or told until the change/decision is made if then', from

a CC union delegate; 'more work, longer process' and from a No. 4 Blast furnace operator; 'they seem to be made these days with a lack of knowledge re job experience', served to illustrate that consultative management as it was practiced in Ironmaking was less than ideal.

To establish a participatory environment I needed to know the extent of workplace committee respondent's participation. And, anticipating the argument in support of Pateman's thesis, I needed to look for behavioural indications of the developmental consequences of participation; that of multiple committee membership, longevity of service and executive positions.⁴⁷⁹ In Ironmaking, 56 per cent of waged employee respondents and 71 per cent of staff respondents participated in workplace committees. At WGE four waged employee and three staff respondents participated in workplace committees. It must be noted that this did not indicate the extent of committee participation extant at WGE or in Ironmaking. Rather, it described the profile of the respondent and suggested that committee participants were more likely to have completed a questionnaire. This was particularly the case in Ironmaking, where CC members were instrumental in distributing the questionnaire and in encouraging people to respond. I found over half the Committee delegates in Ironmaking were active on two or more committees and had participated for more than two years. Eleven held executive positions (see table 6.8, below). Given that waged employees were elected to workplace committees, implying a willingness to be involved on the part of the delegate, the extensive involvement of workplace committee members supported Pateman's thesis in behavioural terms. It also indicated a participatory workplace environment extant in Ironmaking.

⁴⁷⁹I used items 26 to 29 to assess committee participation. The items determined the extent of workplace committee participation in terms of the number of committees involved, the level of responsibility (that is executive position) within the committee and the time period of workplace committee participation.

The number of WGE committee delegates was too small for me to draw any behavioural conclusions. Two of the four delegates had participated in a committee for more than one year, but only one belonged to more than one committee and none held an executive position. One staff committee member, an electrical stores supervisor, was active in four committees and had participated for four years.

Table 6.8: Showing the extent of involvement of workplace committee members—Ironmaking

	IRONMAKING	
	Wages %	Staff %
One *WPC	35	25
Two or more WPC	65	75
Two or more years	57	75
Executive position	20	31
Union delegate	19	—
No. participants	54	36

*WPC = workplace committee

Finally I used participation in professional organisations and trade unions as indices of a participatory workplace environment. I found minimal workplace participation in professional organisations (see table A.24, appendix C). In Ironmaking, only three waged employees and nine staff were members of a professional organisation. Of those who participated, however, two waged employees were on the executive of their organisation and described their participation as extensive. And three staff participants held an executive position in their organisation and described themselves as very involved. One WGE waged employee and two staff respondents were members of a professional organisation. In percentage terms, this represented a greater degree of participation in professional organisations in the WGE workplace than that of Ironmaking. Moreover, all three held an executive position and all described themselves as being very involved in their organisation. My analysis of the data for

participation in professional organisation was a weak index of a participatory environment.

Trade union membership was high at 98 per cent and 89 per cent in Ironmaking and WGE respectively. No one held an executive position and most described their union involvement as nil to occasional (table A.25). Predictably it was only the union delegates who described their union involvement as extensive. The factor of 'compulsory' union membership in both enterprises, combined with the minimal involvement of trade union members, meant I could not claim a participatory workplace environment on the grounds of trade union participation. Moreover, with the majority of waged employees, including those involved in workplace committees, describing their union involvement as never or occasional, I could not find a positive association between participation in workplace committees and participation in trade unions.

8. A Participatory Workplace Culture

A participatory workplace culture is an attitudinal state, a function of which is a desire to be involved in decision making and a confidence of influence in the participatory process. Such are elements of a participatory environment, nurturing and facilitating it. The level of desire for involvement in decision making is an important element of a participatory culture, because it is an indication of the level of confidence in the decision making process. Quite obviously, the level of desire to participate will be low if potential participants have no belief in their ability to do so⁴⁸⁰ and likewise the level of desire will drop if management continually ignored workers' suggestions; that is, if the belief of one's influence in the participation process is constantly eroded.

⁴⁸⁰J.H. Goldthorpe, *op cit*, pp. 108–9.

In both Ironmaking and WGE there was little evidence of apathy; a situation that compared favourably with previous studies. And I found a moderate degree of confidence of influence in the participatory process.⁴⁸¹

A majority wanted to participate in workplace decision making (see table 6.9, below).⁴⁸² Only four Ironmaking waged employees (5 per cent) and one WGE waged respondent (9 per cent) expressed a lack of interest. This low indication of apathy compared favourably with Williams' study of Queensland miners, Holter's study of Swedish blue-collar workers and Ramsay's study of blue-collar workers in three workplaces. These studies reported that 22 per cent, 9 per cent and 10 per cent respectively, expressed a lack of interest in decision making.⁴⁸³ However, while the majority wanted to participate, I found the desire amongst waged employees was not strongly expressed; a perception based on the fact that less than half the respondents expressed a strong desire to be involved, combined with the fact that just over half the questionnaire respondents were Consultative Committee members. Nevertheless the overall low level of apathy is encouraging, especially given others' research findings,⁴⁸⁴ which showed informal shop-floor decision making reduced the desire to participate, but formalised high-

⁴⁸¹I used responses to item ten to assess the desire to participate and nine, eleven, 24 and 31 as indices of confidence in the participatory process.

⁴⁸²The profile of questionnaire respondents is one who wants to be involved in making decisions that affect them and their work. The Superintendent of Energy Services pointed out that this would skew the questionnaire data, because only those who felt positively about participation would be analysed. My response to this is, that the desire for participation suggests cooperation and answers that are more likely to be truthful and considered.

⁴⁸³Williams, *op cit* and Ramsay, 'Participation: The Shop Floor View', *op cit*, pp. 130 and 137.

⁴⁸⁴Research in the 1970s cast doubt on a causal link between participation and the desire to be involved. See J.A. Lischeron and T.D. Wall, 'Employee participation: an experimental field study', *Human Relations* Vol. 28, No. 9 (1975), pp. 863-84 for research demonstrating no casual link. On the other hand see R. Drago and J.S. Heywood, 'Support for worker participation', *Journal of Post-Keynesian Economics* Vol. 11 (1989), pp. 522-30 for evidence of a weak relationship between the amount of say employees had and their favourable attitudes towards employee participation.

level programs created a desire for further participation at that level, consistent with the 'taste for power' thesis.⁴⁸⁵ Given the formalised procedures for employee decision making at WGE and the Steelworks, the expression of only a moderate desire to participate became less significant.

Table 6.9: To what extent do you like to be involved in making decisions that affect you and your department?

	IRONMAKING		WGE	
	Wages	Staff	Wages	Staff
No extent	4	2	9	0
Some extent	53	22	55	0
Great extent	43	76	36	all
No. respondents	95	51	16	5
Per cent	100	100	100	100

Compared with waged employees, staff expressed a strong desire to participate. This was particularly true of WGE staff. Such difference in favourable attitude towards participation was supported by William's findings concerning the effect of education on the desire for decision making. She found the level of dissatisfaction with low job control and the desire for more control, rose with the level of education.⁴⁸⁶ Hence in my study, the benefit of higher levels of education was reflected in staff employees' stronger aspirations for decision making. I presumed that as the level of training with award restructuring rose in Ironmaking and WGE, so would waged employees' desire for involvement in decision making.

There was a weak confidence in the participatory process expressed in Ironmaking. Waged and staff employees believed people in their department were included to some extent in making decisions that affected

⁴⁸⁵Robert Drago and Mark Wooden, 'The Determinants of Participatory Management', *British Journal of Industrial Relations* Vol. 29, No. 2 (1991), 177-201.

⁴⁸⁶In her study of Goonyella and Peak Downs Mines, Williams found that tradespersons were more enthusiastic about participation than labourers. Ninety per cent of tradespersons wanted more say in decision making, compared with 60 to 70 per cent of machine operators and just over 60 per cent of labourers who wanted more say (Williams, *op cit*).

them (see tables 6.10 and 6.11, below). Only a small percentage indicated a complete lack of confidence in the process, however.

Table 6.10: *When decisions are being made in your department, to what extent are the persons affected asked for their ideas?*

	IRONMAKING		WGE	
	Wages	Staff	Wages	Staff
No extent	19	2	18	20
Some extent	69	73	45	60
Great extent	12	25	36	20
No. respondents	95	51	16	5
Per cent	100	100	100	100

Table 6.11: *When the persons affected by a decision in your department are asked for their ideas, to what extent are these ideas paid attention?*

	IRONMAKING		WGE	
	Wages	Staff	Wages	Staff
No extent	19	10	27	0
Some extent	73	69	45	80
Great extent	7	23	27	20
No. respondents	94	51	16	5
Per cent	100	100	100	100

This luke-warm response was at odds with the evidence, discussed above, of considerable support for participation at the level of the job and the department, with a significant percentage of suggestions being either implemented or considered for implementation. The contradictory results might have been due to variations in perceptions of influence,⁴⁸⁷ although staff responses did support waged employees' perception of a moderate level of inclusion.

WGE employees had a more developed confidence in the participatory process than Ironmaking employees. By combining the data

⁴⁸⁷L.B. Mohr, 'Authority and Democracy in Organisations', *Human Relations* Vol. 30, No. 10 (1977), pp. 919-48 and Teresa M. Harrison, 'Communication and Participative Decision Making: an Exploratory Study', *Personal Psychology* Vol 38 (1985), pp. 36-116.

for items nine and eleven I found that approximately a third of WGE waged employees were extensively included in the participatory process. Waged respondents were more confident than staff in this regard. Their confidence in the participatory process was supported by the evidence of WGE management support for shop-floor suggestions, described above.

With regard to workplace committee efficacy,⁴⁸⁸ the majority of Ironmaking waged and staff employees believed their committees paid a small to moderate degree of attention to their suggestions (table A.26). In Ironmaking, committees were a central part of the participatory process. Thus a low level of confidence in committees as participatory organs suggested a low degree of confidence in the process as a whole. Committee members, however, felt more positively about workplace committees. They indicated a moderate to strong confidence in committees as a vehicle of participation, with nearly a third indicating a strong confidence (table A.27). Their confidence was supported by my data from group interviews, where CCs were viewed as a good forum for getting things done. The following is part of a long exchange from Energy Services interview, illustrating the point:

There's things that get done when they're brought up here [the CC meeting] which perhaps shouldn't be brought up here. But they get done.

Because its on paper with their name beside it [the action sheet procedure], they [management] have to do something.

We got something out of it [the CC meeting] about training ...We said, 'What about our training'? ...[The HRO] was there [at the meeting] and she said, 'Yeh, you've got a point'. You know and something came out of that. We went to Sydney and did training courses and things. So something did come out of that.

⁴⁸⁸See item 24 (appendix B).

But these odd things that do come up, do get done. It [the CC] is a good place for getting things done.

And from the Coal Preparation interview:

Oh nine times out of ten we might get something passed [at the CC meeting] or a change to something that's going to make us happier on the job. That sort of thing.

Delegates' positive perceptions of their committees should have positive implications for the socially relevant consequences of participation. Ambrecht's study of Advisory Councils, discussed in chapter three, found positive learning consequences even when Advisory Councils failed to influence a decision. Therefore there should have been learning consequences for Ironmaking delegates, because the Ironmaking Consultative Committees had some influence on the decision makers.

The majority of WGE respondents had no knowledge of the efficacy of their workplace committees. Sixty-four per cent of waged employees did not know whether committees paid attention to their suggestions. This, I believe, was indicative of the emphasis at WGE on the general meeting as the participatory forum. At the time of my survey, work groups were formed to address specific issues and then disbanded and the Consultative Committee was meeting when required. The Occupational Health and Safety Committees were thus the only committees that met on a regular basis. The issue of the relative efficacy of the WGE general meeting and committees in Ironmaking was addressed in chapter five. Despite the emphasis on the general meeting, responses to item 30 indicated they had little confidence in the general meeting as a vehicle for expressing opinions to management (table A.28). If the general meeting were the central organ of

participation at WGE, then this lack of confidence suggested a poorly developed indice of a participatory workplace culture.

Overall, though not strongly developed, there was a participatory culture extant in both WGE and Ironmaking. There was minimal lack of desire to participate and a moderate extent of confidence in the participatory process. Committee members in Ironmaking demonstrated more confidence in the participatory process, than did non-committee members.

Summary of Data Analysis to Establish a Participatory Workplace Environment

To summarise thus far, there was evidence of a participatory workplace environment and culture in both Ironmaking and at WGE. I assessed the level of education to be sufficient for effective participation. Many in Ironmaking had enhanced their efficacy with committee procedure training. The additional positive effects of multi-skilling and career path training were to be realised. In Ironmaking, the insecurity resulting from multi-skilling and management's emphasis on training for qualifications might have been counter-productive to decision making in this workplace. In Ironmaking, there was greater job autonomy indicated by a decrease in supervision. While there was job autonomy at WGE, the changed nature of supervision at WGE was problematic and might have had negative implications for workplace participation. There was more information sharing and improved information dissemination in both Ironmaking and WGE. Such followed the organisational changes. The quality of the information was not specified, but my observations led me to believe, that given the constraints of consultative management, the extent of information was sufficient for a participatory environment. At both enterprises there was behavioural evidence of workplace participation, both at the level of the job and the department. Activity in workplace

professional organisations and trade unions was minimal. But for those involved in Ironmaking workplace committees, participation was relatively extensive. There was evidence of management support for workplace participation at the job and departmental level and indications of a change to more consultation following the organisational changes. The above indicated the operationalisation of management philosophy—with regard to involving the shop-floor—at both enterprises. Teamwork, group commitment and problem-solving were evident at both Ironmaking and WGE, indicating the presence of participatory relevant skills of communication, articulation of ideas, openness and sharing. Many had a sense of interpersonal acceptance and just over half the waged employees felt positively about their job, indicating the presence of participatory relevant personality orientations. Finally, the indices of a participatory workplace culture of desire and confidence to be involved in decision making suggested a participatory culture extant to moderate degree at both enterprises. With indications of a participatory workplace environment and culture in place, I now turn to the data concerning the socially relevant consequences of participation.

C: Socially Relevant Consequences of Workplace Participation

1. Participation in Voluntary Associations

A link was suggested between workplace and voluntary association participation. A significant percentage of workers and staff were active in both workplace committees and voluntary associations. A causal direction could not be established, but the suggestion was for a two way influence. And because a large percentage of workplace delegates were already members of voluntary associations prior to their becoming workplace delegates, it was suggested that voluntary association membership facilitated participation in the workplace. There was evidence of multiple voluntary

association membership, with a significant percentage of respondents belonging to two or more associations. Such suggested associational life was strong.

Fifty-four per cent of Ironmaking waged employees and 80 per cent of staff were members of one or more voluntary association.⁴⁸⁹ A significant percentage belonged to more than one association; 59 per cent of waged association members and 39 per cent of staff. There was a healthy degree of commitment; the majority of both staff and waged employee participants described their involvement in voluntary associations as occasionally or very involved and a moderate percentage held executive positions (see table 6.12 below). Most had more than four years of association membership.

Four WGE respondents were members of voluntary associations, with three participating in two or more associations. Like Ironmaking, there was a moderate extent of involvement. Four staff respondents at WGE were members of voluntary associations, with two participating in two or more associations. Unlike Ironmaking, WGE respondents were recent association members: all waged employees and three of the four staff joined their associations in the last few years.

The extent of multiple voluntary association membership, particularly for waged employees supported American pluralist theory described in chapter two⁴⁹⁰ and suggested socially relevant consequences of participation in observable behavioural terms. Of interest was the greater percentage of staff relative to waged employees, with greater commitment to their associations. While less staff held multiple membership, more were

⁴⁸⁹I used items 35 to 40 to explore participation in voluntary associations, including the number of people participating in voluntary associations, the type of organisation (whether sporting, leisure or community) and the extent of involvement.

⁴⁹⁰Multiple group membership is challenged by American sociology studies conducted in the 1950s, where for example only 16 per cent of respondents in one study belonged to more than one group. See David Nicholls, *Three Varieties of Pluralism* (New York: St. Martins Press, 1974), note 34, p. 34.

very involved and more held executive positions. The latter was not unexpected, given the 'executive' characteristics of some staff jobs and given the 'long arm of the job thesis described in chapter three. My data also supported an informal study conducted by Steelworks' management in 1992 which suggested that middle management were more likely to hold executive positions in their voluntary associations than top management. The assumption for this phenomenon was that the top executive's needs for group involvement were satisfied at work.⁴⁹¹

Table 6.12: Showing extent of involvement by members of voluntary associations—Ironmaking

	IRONMAKING	
	Wages %	Staff %
Never involved	21	8
Occasional	36	30
Very involved	43	62
No. respondents	51	41
Per cent	100	100
On executive	22	39
In two or more VAs	59	39

A link was demonstrated between workplace participation and participation in voluntary associations, suggesting socially relevant consequences of participation. Thirty-five per cent of Ironmaking waged employees and 59 per cent of staff participated in both workplace committees and voluntary associations. On the other hand, 20 per cent of waged employees and 22 per cent of staff who were not workplace delegates were members of voluntary associations. Such findings suggested that those who participated in workplace committees were more likely to participate in voluntary associations. Furthermore, workplace committee delegates were more likely to have greater commitment to their voluntary

⁴⁹¹Interview Manager Blast Furnaces, 7/2/94.

associations than those respondents who did not participate in workplace committees; more held executive positions and more described their involvement as very extensive (table 6.13 below). Multiple voluntary association membership was greater for those staff who were also workplace committee participants. Conversely multiple voluntary association membership was greater for those waged employees who did not participate in workplace committees.

Two of the four waged employees and two of the three staff at WGE, who participated in workplace committees, were also members of voluntary associations. Such findings were not at odds with that of Ironmaking, but the numbers were too reduced for conclusive evidence.

Table 6.13: Showing extent of participation in voluntary associations of those who are also members of a workplace committee compared with those who are members of a voluntary association only—Ironmaking

	IRONMAKING Wages		IRONMAKING Staff %	
	In both WPC and VA *	VA only	In both WPC and VA	VA only
% participating	34	20	59	22
Very involved in VA	53	16	60	27
On executive of VA	28	11	50	9
In two or more VAs	56	63	40	36
No. respondents	32	19	30	11

* VA = Voluntary Association

A positive influence of workplace participation for voluntary association membership was suggested. Of the seven waged employees who held executive positions in their association, three indicated they had assumed the position in the last few years, while eleven of the fifteen staff executive members did so. Such suggested the skills acquired in workplace participation facilitated the assumption of an executive position in a

voluntary association. The comments from the WGE supervisor quoted below, supported this proposition.

In Ironmaking 24 per cent (12) of waged employees and 37 per cent (15) of staff indicated a changed involvement in their association in the last few years. Not all specified the change. Of those who did so, most described a change to more involvement. When I coupled the data for workplace participation with the data for a changed involvement in voluntary associations, I found five staff workplace committee members specified a change to more involvement; typical of the comments being, 'more administration', 'more active role in scouts' and 'became president'. And six delegates who described a change to increased involvement. Two responses were worthy of note, because of the extensive workplace committee involvement. The first was an operator who participated in six workplace committees, beginning his participation in the OH&S committee seven years previously. He described the changed involvement as 'joined committee of footy club'. The second was a tradesperson who participated in three workplace committees.⁴⁹² He described the change in involvement as 'involved with monthly meetings at tennis club on how to raise money to pay council their fees for the land'. The numbers were too small (plus many did not specify the change) to claim a link between the learning experience of workplace participation and increased voluntary association involvement. A link became more evident, however, when coupled with interview responses below.

Group interview insights supported the suggestion of a positive link between workplace participation and participation in voluntary associations. An electrical store supervisor, promoted from the shop-floor at the time of WGE's organisational change, who had participated in four workplace

⁴⁹²The CC, a CC sub-committee and the OH&S committee.

committees for four years,⁴⁹³ was a heaven sent example to illustrate the socially relevant learning of workplace participation. At interview, he stated he was very involved in a voluntary association at the executive level and that this involvement had occurred following his experiences in workplace committees. The description of this learning experience was quite explicit during the interview:

What have you gained from your involvement in these work meetings?

Because of these meetings, you get used to them. You're accustomed to this type of thing. Also you feel more secure to take up a job on a committee in some other places. See, my wife, she's Spanish, (I'm Italian). My daughters go to Spanish classes. Before, they asked for somebody to go on the committee—they asked me. I say 'No. I don't want to be involved'. But after I said, 'Alright, I'll have a go'. I've been secretary over there for three years now. But I reckon, because I feel more comfortable with the meetings and that, I thought, 'Alright, I'll have a go'.⁴⁹⁴

The works manager at WGE and a Sinter Plant operator also described a link between participation in workplace committees and participation in voluntary associations. First the WGE interview,

I belong to a church group. One compliments the other; what I do here at work and what I do with the church group.

And from the Sinter Plant interview,

I'm President of the school Parents and Community committee. I have been for two years.

⁴⁹³He participated in the Consultative, Occupational Health and Safety and quality review committees and the production meeting.

⁴⁹⁴WGE group interview, *op cit*.

Did your experience as chair of the Consultative Committee have any influence?

Well, the Steelworks are renowned for their committees. Its bound to have an influence. It made me more willing to do the job.

When specifically asked, most workers could not say their workplace committee experiences had influenced their behaviour in extra-workplace associations, with some expressing the view that they would probably not be aware of an influence anyway. I judged this to be a realistic response. I could not have expected more than one or two to express Pateman's thesis so neatly! While I am not claiming support for Pateman's thesis on the basis of two or three interview responses,⁴⁹⁵ they gave support to the questionnaire data concerning the positive links between workplace and voluntary association participation.

Further support for the learning experience of participation was suggested when I combined professional association and voluntary association participation. Four Ironmaking and WGE waged employees who participated in professional organisations also participated in voluntary associations. A tradesperson from No. 4 Blast Furnace was a good example from Ironmaking. He participated in both a professional organisation and four voluntary associations, was on the executive of two associations and was very involved in his associations. The tradesperson from WGE was very involved in his professional association, was on the executive of two voluntary associations and was very involved in them. One staff respondent from WGE was very involved in his professional organisation (and a workplace committee participant), was on the organisation's executive and was very involved in a voluntary association. These

⁴⁹⁵Elden used a single interview to demonstrate the 'politically relevant spillover from work democracy to political life', where a female worker tried to use participatory skills, learned in the workplace, at a meeting of her school council (Elden, *Democracy at Work*, *op cit*, p. 263).

examples supported the suggestion of a link between workplace organisation and voluntary association participation and suggested a participatory relevant learning experience.

To summarise thus far, a positive link between workplace participation and participation in voluntary associations was suggested, because the data indicated a high proportion of waged employees involved in workplace committees were also involved in voluntary associations. Moreover, workplace committee participants were more likely to be very involved in their association and to hold an executive position. What I could not establish from the questionnaire data was the direction of the influence. That is, was it, as Pateman argues and Elden failed to establish,⁴⁹⁶ that the learning experience of workplace participation caused participation outside the workplace? Or did the experience of participation in voluntary associations encourage workplace participation?

Of the 60 Ironmaking respondents who participated in both workplace committees and voluntary associations, 13 per cent of the waged employee respondents and 15 per cent of the staff stated they joined their association in the past few years. Because the majority joined their associations prior to the organisational changes at the Steelworks, it suggested that participation in workplace committees had not caused membership of voluntary associations.

The suggestion was, however, that voluntary association membership facilitated participation in workplace committees. A greater percentage, 88

⁴⁹⁶Elden encountered resistance to questions concerning behaviour outside the workplace. Consequently, he was unable to use questionnaire data to demonstrate a convincing correlation between workplace participation and voluntary association participation. However, personal interviews did provide information relevant to extra-workplace activities. Elden notes 'that a more extensive data collection was planned on politically relevant behaviour off the job, but because of objections from management, these questions could not be asked' (Elden, *Political Efficacy at Work*, *op cit*, p. 48). Management allowed questions concerning extra-workplace activities only at the last minute. But his open-ended question concerning membership in voluntary organisations was completed by under half the respondents (Elden, *Democracy at Work for a more Participatory Society*, *op cit*, pp. 122 and 170).

per cent of waged employees and staff combined, already belonged to voluntary associations when they were elected to a workplace committee and 68 per cent already held executive positions in their association prior to the introduction of workplace committees at the Steelworks. Interview responses supported the facilitatory effect of voluntary association membership on workplace committee behaviour:

I've been in the Yugoslavian Community Association for five years, so I wanted to go on the Consultative Committee. I'm also part of the Yugoslavian community so I'm used to being with a group. So there was no problem for me to join the Committee.⁴⁹⁷

The training officer from Energy Services, although he did not actively seek to be the staff representative on the CC nevertheless illustrated the learning experience of voluntary association membership with regard to facilitating workplace committee participation. He was secretary of the CC and it was my observation that he was very efficient in this role.⁴⁹⁸ Moreover, despite his initial reluctance to join the CC he continued in the role:

I belong to five committees outside the Steelworks in the water-skiing association; both in the judges and on the board of directors etc. Since I belonged to all those, which involved going to meetings at least once a week, sometimes twice, when I came into the Steelworks there was no way that I wanted to be on any darned committee; let alone the Consultative Committee. I found that I was on it when I came back

⁴⁹⁷Group interview Sinter Plant, *op cit*.

⁴⁹⁸In all I observed three Energy Services CC meetings, which afforded me good insight into the conduct of committee business. At the first CC meeting I attended, the secretary had already distributed a copy of my letter addressed to the CC chair in which I outlined my project and requested the CC's support and a copy of the article concerning my project, complete with photograph, from the *Kembla News* to all committee members. It made my task much easier and saved time during the meeting. This demonstration of efficiency was not repeated by any of the other CC secretaries.

from holidays and ... had nominated me to be on it. So I was on it and I've been on it ever since.⁴⁹⁹

While it was suggested that participation in voluntary associations facilitated participation in workplace committees, socially relevant learning as a consequence of workplace participation was also evident. In short, developmental learning was a two-way process.

2. *Development of Social Interaction Skills*

Pateman argues that workplace participation results in learning skills and resources necessary for further participation. I presumed these skills to be the social acquisitions of a sense of responsibility, self-confidence, understanding of other's opinions, and communication and articulation skills. I found support for the learning experience predicted by Pateman. Workplace committee members acquired participatory relevant skills of social interaction. The learning curve was steeper for waged employees than for staff.

I invited respondents to indicate the extent to which they agreed with perceived changes in themselves as a consequence of their participation. Respondents were given five statements on a fixed five-option Likert continuum.⁵⁰⁰ I rejected for analysis respondents with less than one year's involvement in workplace committees. Subsequently, one Ironmaking delegate, two WGE delegates and one WGE staff respondent were rejected.

A score of sixteen out of a possible 25 was my benchmark indication of socially relevant learning. A score of sixteen or more indicated a positive learning experience. Seventy-eight per cent of Ironmaking delegates scored

⁴⁹⁹Energy Services group interview, *op cit*.

⁵⁰⁰See item 32 (appendix B).

positively, with a positive score mean of eighteen, strongly suggesting socially relevant learning for waged employees. The learning experience for staff was weaker. Fifty-six per cent of staff participants scored positively, with a positive score mean of sixteen (see table 6.14 below). There were four WGE delegates. Two were rejected for analysis and one failed to respond to the item. The remaining delegate scored 21. One of the three WGE staff committee participants was rejected for analysis. Of the two respondents that remained, one scored eighteen and one scored 20. While the WGE numbers were too small for analysis, the results supported the data for Ironmaking suggesting greater learning experiences for waged employees than for staff.

Table 6.14: *Showing developmental learning, in skills of social interaction, experienced by workplace committee participants—Ironmaking*

	IRONMAKING	
	Wages	Staff
percentage with positive learning score	78%	56%
Score mean	18	16
No. workplace committee member respondents	59	36

I expected more developmental learning for waged employees than for staff, given the decision making nature of staff jobs. Because staff were accustomed to decision making, the additional activity in workplace committees was unlikely to have the same learning impact on staff as delegates, who were hitherto unaccustomed to participating in decision making. My assumption was that the level of the delegates' participatory relevant skills was lower than for staff, prior to their respective workplace committee experiences.

Group interview insights supported the survey data. The following exchange from the Coal Preparations interview, together with a comment at the end from WGE, illustrated socially relevant learning:

Has your experience on the committee, of thrashing things out, made a difference to you?

Maybe a little bit more willing to listen.

A bit more patient.

Banging your head against a wall in this committee makes ... you more patient to wait for results.

You say you are more willing to listen and more inclined to be patient.

Does anyone else feel that, or is it just you three?

No we all think that.

I think it runs across the board. Everybody listens now to what other people have got to say. And again we're not here for our own enjoyment or our own ego. We're here to represent the guys that can't be here for one reason or another; whether it be English speaking skills ... So we're sort of the front people for the workforce. I've said this before; that if anybody is here just for themselves or for an ego trip, you're doing yourself a disservice and you're doing the committee a disservice. You're here as a voice. So basically that's how I see my position.⁵⁰¹

And from WGE,

You tend to listen more. You try to figure out what he wants, what he's telling you.⁵⁰²

The social interaction skills of tolerance, listening to others and a sense of responsibility all became apparent during these exchanges. Analysis of both the survey and group interview data strongly suggested developmental learning in skills of social interaction as a consequence of workplace committee participation; social skills that were not only required for

⁵⁰¹Coal Preparation group interview, 21/4/94.

⁵⁰²WGE group interview, *op cit*.

participation but for social interaction in any forum, be it in voluntary associations, in the home or the community at large.

3. Personal Efficacy

A sense of personal competency or efficacy underlies socio-political participation.⁵⁰³ This is because, those who feel more effective in their everyday tasks and challenges are more likely to participate in politics,⁵⁰⁴ or, in the case of my extrapolation of the term, are more likely to participate in socio-political activities. My analysis of the questionnaire data supported these claims. There was a link between a sense of personal competency (or efficacy) and participation. The link became more evident when participation in workplace committees and voluntary associations were combined.

I used item 20 to assess personal efficacy. Responses were scored from one to three; the response 'a very little extent' scoring 1, 'to some extent' 2 and 'to a great extent' 3 (see table A.30, appendix C). Predictably, given their higher status and education level, Ironmaking staff recorded a higher level of personal efficacy than did waged employees. At WGE waged employees scored higher than staff. This finding could have been attributed to the relatively high level of education and status enjoyed by WGE waged employees.

I assessed the relationship between participation and personal efficacy by matching the personal efficacy scores with four respondent types; those who did not participate in either workplace committees or voluntary associations, those who participated in workplace committees only, those

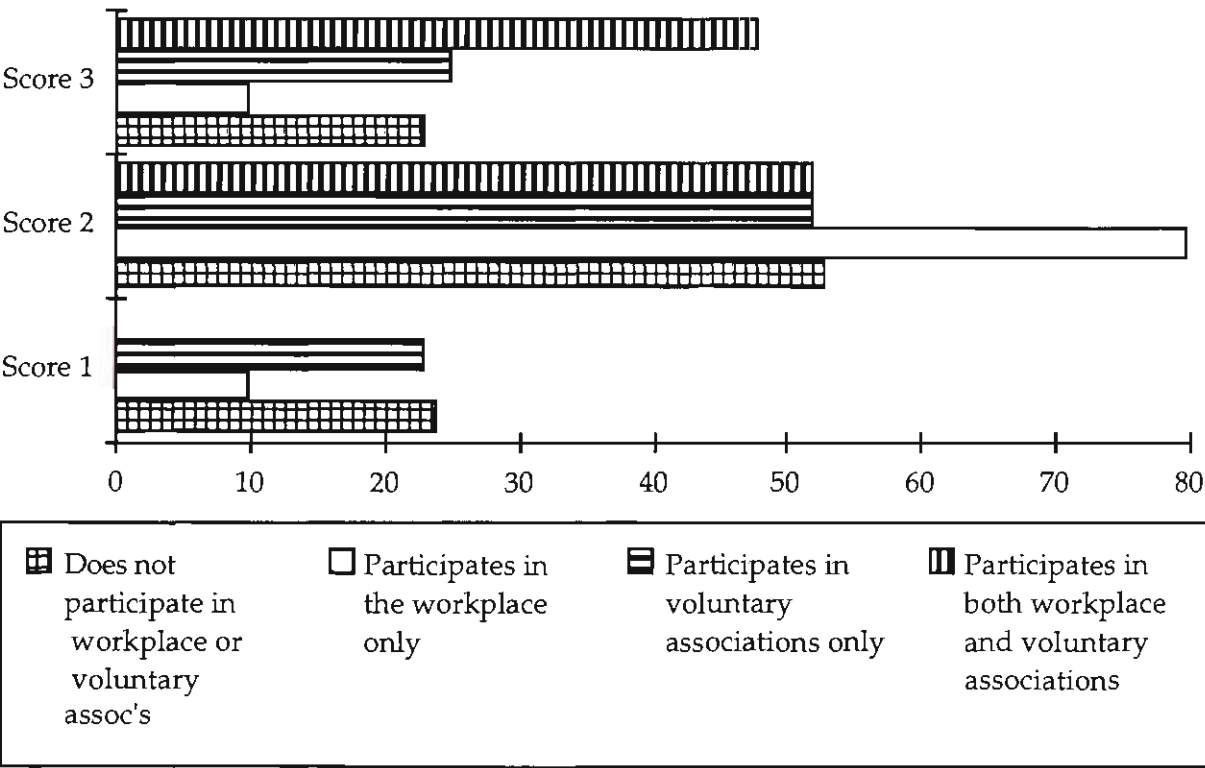
⁵⁰³Pateman argues that people who have a sense of political efficacy are more likely to participate. And underlying a sense of political efficacy is a sense of personal effectiveness (Pateman *op cit*, p. 46).

⁵⁰⁴Almond and Verba, *op cit*, p. 138.

who participated in voluntary associations only and those who participated in both workplace committees and voluntary associations. If there were a positive correlation between participation and a sense of personal efficacy, I assumed personal efficacy scores would rise with the extent of participation.

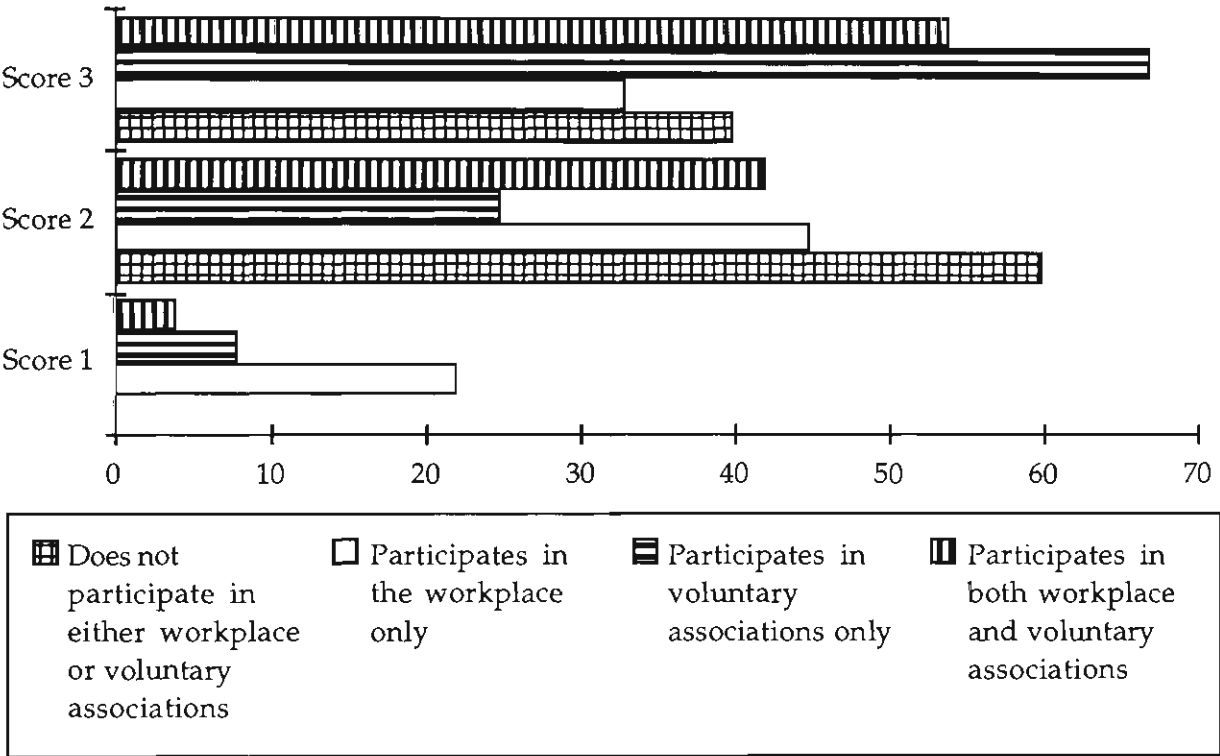
In Ironmaking there was a weak relationship between participation and a sense of personal efficacy (see figure 6.1 below). The number of respondents at WGE was too small to allow meaningful graph illustrations of the data. With regard to Ironmaking, the personal efficacy scores of those who did not participate and those who participated in either workplace or voluntary associations were similar. But a relationship between participation and personal efficacy became obvious when the scores of those participating in both workplace and voluntary associations were combined. In this case, all respondents scored two and three for personal efficacy. This was a marked difference from non-participants' scores.

Figure 6.1: Personal efficacy and participation—Ironmaking Waged Employees



The relationship between a sense of personal efficacy and participation was somewhat different for staff; although a relationship was still suggested. To begin with, staff rated higher scores for personal efficacy than did waged employees. But as with waged employee participants, as participation increased so did the sense of personal efficacy (see figure 6.2 below).

Figure 6.2: Personal efficacy and participation—Irc Staff



A higher percentage of respondents participating in both workplace committees and voluntary associations scored three rather than two, for personal efficacy. In contrast to waged employees however, participation in voluntary associations only was more obviously linked with a rise in personal efficacy. Perhaps this result was explained by staff participants' greater degree of involvement in voluntary associations (table 6.13 above). It might also have been an indication of staff's lesser learning experience, relative to waged employees, as a consequence of workplace committee

participation (table 6.14 above). For staff, the suggestion was that voluntary association membership linked more strongly with the sense of personal competency and than did participation in workplace committees.

4. Political Efficacy

In order to give me a separate indice for political efficacy as opposed to a sense of personal efficacy and orientations of self-determination, two items specifically addressed the formal political process.⁵⁰⁵ Following Torbert and Rogers (see chapter three) I took a sense of political efficacy to mean a feeling of influence in community affairs, a belief that the government is responsive to the people and a belief that the government is actually run by the people. I found, to a moderate degree, a sense of political efficacy amongst waged employees in Ironmaking and WGE and staff at WGE. My analysis of the data for Ironmaking staff, however, was inconclusive. Overall, a positive relationship was suggested between a sense of political efficacy and participation.

If respondents disagreed with the statement 'I don't think politicians care much about what people like me think' and agreed with the statement, 'The way people vote is the main thing that decides how things are run in this country' this indicated, that with regard to the formal political process, the respondent had a sense of political efficacy and scored two points. Scoring ranged from nought to two.

The majority had a moderately developed sense of political efficacy, with WGE rating slightly higher than Ironmaking. Ironmaking staff, however, had low political efficacy scores, with a significant 60 per cent indicating a lack of political efficacy and even Ironmaking Superintendents scoring only one point (see table A.31, appendix C). While Torbert and

⁵⁰⁵I used items 47 and 48 as indices of political efficacy.

Rogers found no relationship between increased levels of education and increased percentages of political efficacy, it was reasonable to assume that those in a position of authority and responsibility would have a greater sense of political efficacy than those on the shop-floor. This was certainly Almond and Verba's finding.⁵⁰⁶ The explanation for Ironmaking data might have been a realistic attitude towards the political process, rather than a poor sense of political efficacy *per se*. It was highly likely that in an electoral area which boasted some of the safest ALP seats in Australia, waged workers would identify with a Labor government as their government and also a government which acted in the best interests of all. This was particularly so in light of the strong union presence in the area and the many years of the Accord. On the other hand, it was most probable that management would not so identify themselves with an ALP government.

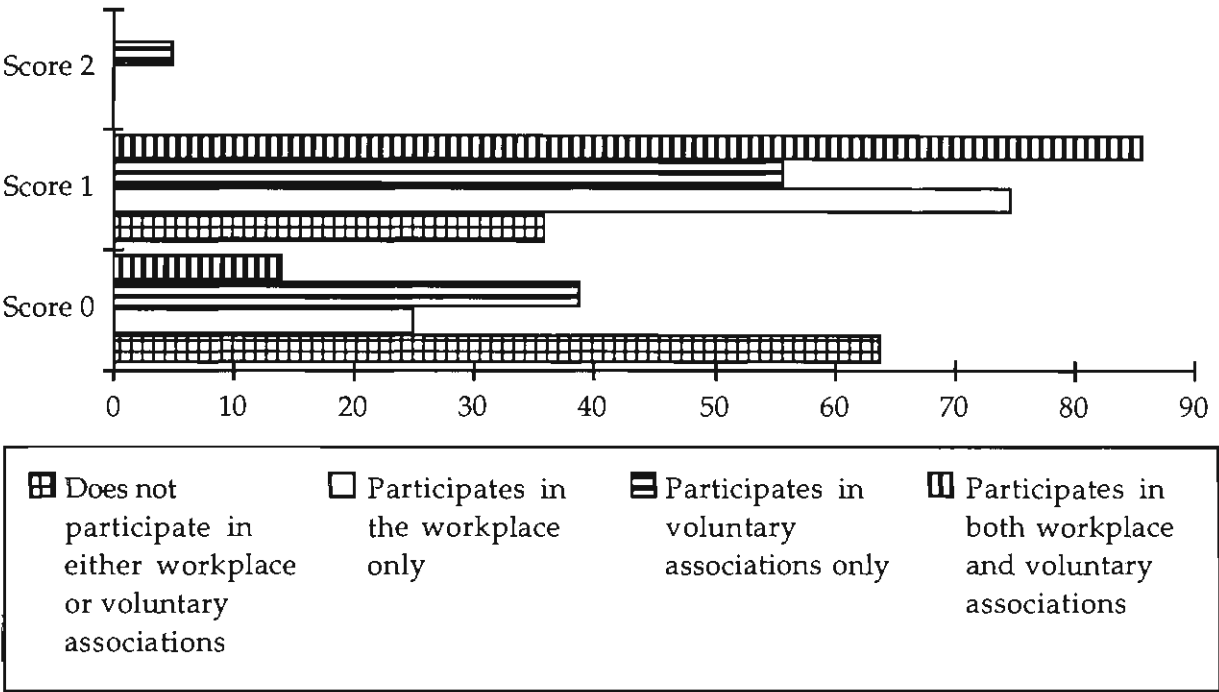
Whatever the reason for staff's low political efficacy scores, their response raises questions that cannot be answered by a questionnaire as a sole research tool. I sought to address this inadequacy during group interviews, by seeking workers' opinions on broad-ranging issues such as the republican debate, whether Australia was a democracy and the meaning of freedom. I also asked them if they kept abreast of topical events. No lack of interest was expressed in these issues. The republican issue in particular prompted the most lively discussion and there was some pondering over the meaning of freedom. Keeping abreast of the news was effected by shift-work. Most said they caught up with the news at the weekend, most commonly via the television.

I used the same method to assess a link between a sense of political efficacy and participation as I did to assess personal efficacy linkages. When I looked at scores nought and one, I found as participation rose so did the

⁵⁰⁶Almond and Verba, *op cit*, pp. 282–3, 294–7 and Table xi 6.

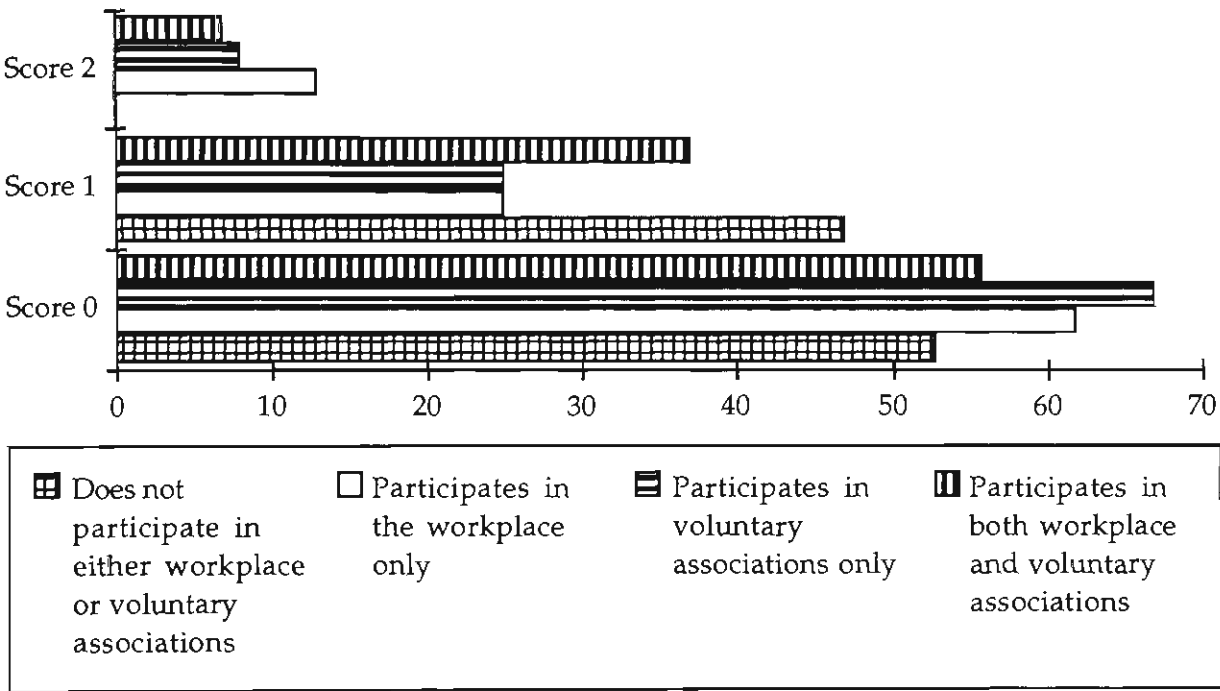
political efficacy score. And a greater percentage of non-participants scored nought relative to participants. Thus a positive relationship between participation and political efficacy scores was suggested for Ironmaking waged employees (see figure 6.3 below).⁵⁰⁷ As with the sense of personal efficacy the positive relationship between participation and political efficacy became evident when delegates were involved in both the workplace and voluntary associations. A negative relationship was suggested for staff (figure 6.4, below). I was unsure what to conclude from this, given the low scores for staff in any event. The finding did, however, suggest support for Torbert and Rogers' study.

Figure 6.3: Political efficacy and participation—Ironmaking Waged Employees



⁵⁰⁷Elden found the relationship between workplace autonomy and political efficacy to be only modestly positive, when compared to the relationship between intra-workplace variables such as satisfaction with developmental opportunities in self-management, linked with equity and decision making autonomy; $r=0.26$ compared with $r=0.65$. Elden, *Democracy at Work for a More Participatory Society*, op cit, p. 179.

Figure 6.4: Political efficacy and participation—Irr Staff



Because the numbers became so reduced, no conclusions could be drawn when the WGE data for participation was matched with the data for a sense of political efficacy.

5. Self-determination

I combined items 23 and 43 to 46 to assess the degree to which people were self-determined rather than directed by fate. Item 23 specifically related to attitudes about promotion in the workplace. Respondents were given three choices to determine whether they would get ahead by their own efforts or by factors outside their control. A choice of item 23(a) and/or 23(b) scored one point, while item 23(c) scored nought. Comments such as getting ahead by 'going to Uni' and the like scored one point while fatalistic comments

such as 'being in the right place at the right time'⁵⁰⁸ and 'having an Anglo name' did not score (see table A.3, appendix C).

Items 43 to 46 were four statements that related to life in general. Respondents who disagreed with the statements 'No matter how hard you try some people just don't like you' and 'Without good fortune people cannot be effective leaders', scored two points for each statement. And respondents who agreed with the statements, 'Becoming a success is a matter of hard work. Luck has little or nothing to do with it' and 'It is impossible for me to believe that chance or luck plays an important role in my life. Everything I do depends on my own actions' scored two points for each statement. I combined scores from items 23 and 43 to 46 (table A.32). The highest possible score was nine. A score of four was my benchmark for self-determination. A score of less than four I deemed to be negative, because it indicated the person was directed by fate, rather than by their own actions. A score of four and above suggested self-determination.

The majority of Ironmaking personnel were self-determined, with only 18 per cent of both staff and waged employees scoring negatively. Ironmaking waged employees were less self-determined than Ironmaking staff; the score mode for waged employee scores was six compared with the bimodal score of seven and nine for staff. All WGE respondents scored positively. WGE staff and waged employees were equally self-determined. Ironmaking waged employees were less self-determined than WGE waged employees; the score mode for Ironmaking was six and for WGE was seven. The variation in self-determination scores might have been related to the difference in education levels.

⁵⁰⁸This comment was inappropriate, given the organisational changes at the Steelworks. Prior to 1986, and the two-tier wage agreement, knowing the right people and being in the right place at the right time were methods of promotion. At the time of the study promotion was based on certificates of learning (interview Quinn, *op cit*).

I assessed the link between participation and self-determination by correlating the nine self-determination grades with three grades of participation. Participation was graded into three values based on the extent of involvement in the relevant organisation. The three grades were, not involved, involved and very involved. I calculated the correlation between self-determination and participation in workplace committees, in voluntary associations and in both. I only used data from Ironmaking; the numbers from WGE were too small for any sensible calculations. My calculations suggested the following: one, for waged employees, a positive but insignificant correlation between workplace participation and self-determination: $r_s=+0.492$ where $N=9$; two, for staff, no correlation between participation in workplace committees and self-determination; three, for waged employees, a positive but insignificant correlation between participation in voluntary associations and personal potency: $r_s=+0.596$ where $N=9$; four, for staff, a positive but insignificant correlation between participation in voluntary associations and self-determination: $r_s=+0.7$ where $N=5$; five, for waged employees, who participated in both workplace and voluntary associations, a shift to a significant positive correlation: $r_s=+0.725$ where $N=9$; and six; for staff who participated in both workplace committees and voluntary associations, a positive but insignificant correlation: $r_s=+0.1$ where $N=6$.

Thus a positive correlation between self-determination and participation was suggested, with the correlation becoming significant when people participated in both workplace committees and voluntary associations. Furthermore, participation had a more positive impact on waged employees' levels of self-determination than it had on staff; a suggestion that is in keeping with the analysis concerning the development of social interaction skills above.

6. *Participation in the Home*

The final issue I considered under the socially relevant consequences of workplace participation, was decision making in the home. Did participation in workplace committees facilitate a participatory home environment?⁵⁰⁹

I found a participatory home environment for both Ironmaking and WGE employees. Sixty-four per cent of waged employees and 73 per cent of staff indicated that decision making was a joint effort between themselves and their partner, with a low percentage stating they alone made the decisions in the home (table A.33). When asked about changes in the way decisions were made at home, 18 waged employees and 8 staff indicated a change in the past few years. All who described a change towards a more participatory home environment, were workplace committee participants. Three staff workplace participants who specified change as 'consideration of long-term effects', 'some consultation with children as they get older', and 'more responsibility' serve as examples. Of the delegates who specified a change, four were particularly pertinent to the socially relevant consequences of participation. The first was an operator from Coal Preparations who was active in the Consultative Committee and a Working Group. He described the change in home decision making as, 'try to discuss things together'. The second was a tradesperson who was a union delegate on two workplace committees. He was very involved in his voluntary association and was a member of its executive. He specified the change in decision making at home to be 'consult spouse more'. The third was a Sinter Plant operator who was very involved in several workplace committees and voluntary associations and stated, 'more consultation' as the change in decision making at home. The fourth was a Blast Furnace

⁵⁰⁹I used items 41 and 42 as indices of decision making procedures in the home.

tradesperson who was a union delegate on four workplace committees, including the OH&S Committee, chair of the CC, had been involved in workplace committees for five years and had undergone extra workplace training. He described the change in home decision making as 'sitting down and thinking before I rush in and do something, by looking at the disadvantages and affectiveness [sic] of how safe this change would be'. The first and second cases were of interest with regard to the social learning consequences of participation, because both were extensively involved in workplace committees and voluntary associations. The third case was of special interest because the reference to safety suggested specific learning, in the light of participation in the OH&S committee.

The number participating in workplace committees who stated changes in their decision making procedures at home was too small to draw definitive conclusions about direct workplace participation consequences for family decision making. Moreover, one could not know from a questionnaire response whether the experience of workplace participation was the direct cause of a more participatory decision making procedure at home. However, what could be said was that three waged employees who were very involved in workplace committee participation described a change to a more participatory way of decision making in the home, and moreover described the change as having occurred during the past few years. Of significance too, with regard to the social learning consequences of participation, may be that two of the respondents who described a more participatory decision making procedure at home participated in both workplace committees and voluntary associations.

The small number of WGE committee members could not establish a link between participation in workplace committees and changes in decision making behaviour at home. However, a participatory home environment was suggested for WGE respondents, with decisions predominantly made by

the respondent and their partner together and the family of two respondents jointly making decisions. Only one respondent stated recent changes in the way decisions were made at home, the result of recent separation.

The suggestion of a spill-over effect in the home from workplace participation in Ironmaking, was not at odds with Elden's interview findings. One worker stated that he used the techniques learned at work to make domestic decisions in conjunction with his wife. In summary, following a long exchange,

So you make decisions differently at home now?

Right, we have more active participation in decisions, especially major decisions.⁵¹⁰

That there might be a link between workplace participation experiences and participatory decision making in the home was not an unreasonable hypothesis, given the research demonstrating non-work social variables such as changes in family structure or notions about status and respectability in determining attitudes towards work,⁵¹¹ and the importance of the family and social structures and social attitudes towards the role of gender in determining changes in the nature of work associated with new technology.⁵¹² And, in particular, given the research demonstrating the close correlation between the character of work (job demand, satisfaction,

⁵¹⁰When asked if he thought changes in decision making at home were 'because of the changes you are going through from here' the worker answered:

Its undoubtedly the changes I've gone through. I really decided this would take place in my home when I felt that well if a manager will sit down and listen to me—I'm not saying this happens all the time but let's just say something like this goes on—if they are willing to do this for me, I can try it in my home and see if it works out.

Interviewer: So, you make decisions differently at home now?

Worker: Right, we have more active participation in decisions especially major decisions. Elden, *Democracy at Work*, *op cit*, pp. 265–66.

⁵¹¹Goldthorpe, *op cit*.

⁵¹²R. Crompton and G. Jones, *White Collar Proletariat: De-Skilling and Gender in Clerical Work* (London: Macmillan Press, 1984) and A. Game and R. Pringle, *Gender at Work* (Sydney: Allen and Unwin, 1983).

involvement) and family characteristics.⁵¹³ For example, workplace autonomy has been linked with autonomous family decision making⁵¹⁴ and its reverse authoritarian workplace structure has been linked with authoritarian child rearing practices.⁵¹⁵ Williams, from a study of 51 marriages, describes a patriarchal attitude to decision making in working-class homes, in the context of an authoritarian male centred workplace in a Queensland mining town. She describes the patriarchal man compensating for his hostile working environment by controlling his domestic environment, so that he could behave 'uninhibited by autonomous demands from his wife'.⁵¹⁶ She observes that, 'Happy marriages appear to be based on implicit acceptance of [the woman's] subordination' and remarks on the 'overwhelming presence of women with a traditional husband-dominated orientation towards decision making in the family and the absence of women with an egalitarian contemporary [meaning the "working wife"] orientation'.⁵¹⁷

With regard to decision making, Williams found that the expectations of wives differed from the attitude of men. The women in her study had expectations of egalitarian decision making, while the men held a patriarchal attitude. For example, ten wives to five husbands expressed the view that the couple should make income decisions together and sixteen wives and seven husbands thought the running of the household was a

⁵¹³For an overview on the current American research on the relationship between work characteristics and family see Patricia Voydanoff, 'Work and Family: A Review and Expanded Conceptualisation' in Goldsmith *op cit*, pp. 1-22.

⁵¹⁴P.G. Herbst, 'Family Living—Patterns of Interaction' and S. B. Hammond, 'Class and Family' in Oeser and Hammond, *op cit*, pp. 173 and 247 respectively.

⁵¹⁵Donald McKinlay, *Social Class and Family Life* (London: Collier-Macmillan, 1964) and Melvin Kohn, 'Occupational Experience and Psychological Functioning: An Assessment of Reciprocal Effects', *American Sociological Review* Vol. 38, No. 1 (1973), pp. 97-188.

⁵¹⁶Williams, *op cit*, p 175.

⁵¹⁷*ibid*, p. 166.

joint area of decision making. But when it came to the important decision to move to the open cut mines, which involved a complete change of lifestyle, patriarchal attitudes prevailed. Twenty-seven wives and 34 husbands said that the husband had made the decision alone, compared with eighteen wives and thirteen husbands who said it was a joint decision.⁵¹⁸

My findings of a participatory home environment compared favourable with those of Williams. I did find some evidence, however, of patriarchal attitudes. A comment from a questionnaire respondent, who participated in six workplace committees, beginning his participation with the OH&S committee seven years ago and was on his football club committee, while indicative of the learning consequences of participation, smacked of William's patriarchal home with the management male devolving responsibility to the shop-floor wife. His comment; 'Gave my wife more responsibility'. And an interviewee expressed the patriarchal attitude of a traditional gender division of labour in the working class home, described by Williams, in the opening lines of what otherwise was a description of a participatory home environment:

I've got two children and a wife that doesn't work. I've always liked her to be home when I am, and to be there with the kids and to look after the house. Do all the bills and things like that. Any major changes in the house we discuss. I don't just say we're going to do that. We sit down and discuss it. I've got a daughter that's seventeen and a boy that's thirteen so they get involved in the discussion as well. We look at the monetary side, if we're going to have to outlay a lot of money. How that will impact on schooling, our general day to day running of the house. So we actually have a lot of thought and planning go into any money that we borrow.⁵¹⁹

⁵¹⁸*ibid*, p. 149.

⁵¹⁹Group interview, Energy Services, *op cit*.

The patriarchal non-egalitarian attitude that Williams finds in working-class marriages is at odds with a participatory home environment. So, too, is the male inarticulateness, as a part of the masculine stereotype, that she finds from her study. Inarticulateness works against the communication skills required for participation. A consideration of the socially relevant learning consequences in the home of workplace participation must take these factors into account.

Shift work, a factor effecting both family and extra-workplace activities, must also be taken into account. Night work increases the sense of comradeship at work,⁵²⁰ but it interferes with normal social life and making friends outside work.⁵²¹ And as I showed above, it interferes with the worker's ability to keep abreast of topical events. In some ways, however, night work can cement family relationships by making the time spent with the family more 'quality time'. Night workers tend to spend their leisure time with their family rather than with friends or the 'club'.⁵²² This became evident with a delegate's response:

... I'm on shiftwork. You don't have a lot of free time to yourself. Its probably selfish, but the time that I do get I like to spend with my family. I like to do things together as a family and basically you probably find that people that work day shift do more outside work than those on shift work do. Socially you're an outcast. You really are. ... Basically you've got four days a month when you are off and you've got to cram a lot of life into those four days. Then you return to night shift and the whole thing starts again. No, I don't have the time.⁵²³

⁵²⁰M. Maurice, *Shiftwork* (Geneva: International Labour Office, 1975).

⁵²¹*ibid* and Finn, *op cit*, p. 33.

⁵²²Folkhard et al., *op cit*, pp. 40-41.

⁵²³Group interview Coal Preparation, *op cit*.

Given this comment illustrating the adverse effects of shiftwork on leisure, there was a surprising number of Ironmaking respondents who were members of voluntary associations.

Finally it is important to remember that the interrelationship between work and family is tied not only to the nature of the job 'but also to the nature of community relationships and institutions, for example, schools, churches, human service organisations, kin networks and social, recreational and neighbourhood organisations'.⁵²⁴ It is interesting to speculate whether the strength and vitality of the Macedonian community in the Illawarra area effected the work/family interface at the Port Kembla Steelworks.⁵²⁵

III Discussion

Prior to analysing the developmental consequences of participation, quite obviously my first objective was to find evidence that a participatory workplace environment existed. This entailed an examination of the physical aspects of the workplace environment. If this proved to negate any desire on the part of workers to be involved in consultative management, all the structures for participation, the formal agreements between management and unions and the desire for consultation on the part of management, described in chapter five, would be irrelevant. I needed to know the physical boundaries of workplace participation as part of my evidence for a participatory workplace environment. My observations and analysis showed that although the workplace environment was not ideally conducive to participation, because it was fatiguing and stressful in the

⁵²⁴Voydanoff, *op cit*, p. 15.

⁵²⁵At the time of my research the Macedonian community was particularly active in the Illawarra. In fact it was because of this that I began my thesis research with an interview with the Secretary of the Macedonian Welfare Association.

Ironmaking workplaces and to some extent isolating in some WGE workplaces, mitigating circumstances meant the environment was not antithetical to workers' involvement in consultative management. My analysis of the data gained from the questionnaire survey, interviews and observations supported this view.

Shift-work while a weak negative influence on workplace participation, did however, affect social activity outside the workplace. At the Steelworks an average of two extra shifts per fortnight were worked, with many working in excess of the average. A working life characterised by sleeping through the day and working at nights and weekends made time with the family precious and left little time for social activities. I was surprised, therefore, by the extent of voluntary association membership.

There was evidence of a participatory workplace environment in both Ironmaking and WGE. I found evidence of the preconditions for participation namely, a reasonable level of education, job autonomy, teamwork, commitment to the organisation, information sharing and structures for dissemination, job satisfaction and management support for participation in the form of implementing employee suggestions at the level of the job and the department. And I discovered participation was taking place in the form of committees and meetings, together with more informal but recognised structures such as teamwork and problem-solving on the job. The number of shop-floor suggestions considered and adopted by management was also evidence that consultative management was occurring.

For there to be a viable participatory environment I believed a culture of participation was required. Such would nourish and facilitate participation and its presence would add support to the evidence of a participatory workplace environment extant. I considered a desire to be involved and an expectation of influence in decision making to be indices of

a participatory workplace culture. While waged employees were not overly enthusiastic about being involved in decision making, I found minimal evidence of apathy. Given the magnitude of the changes at both enterprises from suspicious, adversarial attitudes to ones of trust and cooperation and the newness of these changes, a moderate expression of a desire to be involved is all that I could expect in any event. The overall low level of apathy was encouraging, especially given others' research findings.

Like the desire to participate, there was only a moderate expectation of influence expressed by waged employees. This perception contradicted my analysis of the evidence for shop-floor influence in decision making. I found very little evidence that management ignored waged employees suggestions. On the contrary most were taken up and either implemented or at least considered. Furthermore, the general claim that Consultative Committees were places where things got done, expressed during Ironmaking group interviews, revealed waged employees influence in that decision making forum. Despite the questionnaire data, my overall analysis found indices of an expectation of influence. My overall analysis was that although not strongly developed, a participatory workplace culture existed to some degree in both enterprises.

Several of the preconditions for participation are particularly worthy of discussion. I begin with education. Without some degree of education one cannot understand and assimilate the information required for decision making nor articulate one's ideas. This raises the question of the appropriate level of education required for effective participation. J. S. Mill argued the level to be an ability to read, write and do arithmetic assessed by a state examination (see chapter one). Clearly the level of education I found at WGE and Ironmaking was above Mill's criteria, especially as the level compared so favourably with the national average. But because I surveyed only those with English literacy skills, I can make no assessment of those

who lacked literacy and English language skills with regard to workplace participation and its developmental consequences. Instead, I leave this for further research. In particular the new social movements active in the Illawarra area, especially the ethnic movement formed around the Macedonian community, are deserving of focused research.

The emphasis on training and multi-skilling in both Ironmaking and WGE workplaces that came to light not only illustrated the effects of award restructuring discussed in chapter four but revealed the effect of SIDA and Gallo's buy-out on the Ironmaking and WGE workforce respectively. Likewise did the change to more information sharing and to more consultation of the shop-floor. These changes meant a devolution of responsibility to the shop-floor, altering the character and degree of supervision. The changed character of supervision was relevant to participation. The new workplace culture at WGE, characterised by TQC, meant a change to self-supervision via quality procedures. Rather than the job being supervised by a person, there was a Foucauldian surveillance by paper work. And while there was a change to less supervision in Ironmaking following the 1989 organisational changes, the Foucauldian phenomenon was mooted for Ironmaking with the introduction of standard procedures. Because it negates the need for decision making on the part of the worker and because it reduces workers' control over the job, such surveillance is antithetical to participation.

However, the change in supervision potentially had positive implications for shop-floor empowerment. This was due to the changed role of supervisors. It was evident that supervisors played an important role in information dissemination, skill acquisition and communicating shop-floor opinions to management.⁵²⁶ Workplace organisational changes

⁵²⁶In a training program for supervisors in industrial relations and participative management, business leaders recognise the role of supervisors in the claim: 'CAI research has

described in chapter four meant that the traditional supervisor's role as the front line of centralised management,⁵²⁷ with enormous control over the work process and the workers⁵²⁸ was officially changing to one of communicator. A role that the waged employees perceived the supervisor was in fact fulfilling. But workplace organisational changes and staff rationalisation meant a diminishing number of supervisors. Such potentially leaves CC delegates to be the communicators and shop-floor leaders, with positive implications for empowerment of the shop-floor.

The presence of teamwork as a concept is particularly important for establishing a participatory environment because the social and personality elements that are an integral part of teamwork namely, communication, mutual support, coordinated effort, cooperation and mutual respect, together with openness and sharing are also the basis of participation. These factors are also the preconditions for the development of a democratic personality and for citizenship. The perception that one is part of a team requires a sense of interpersonal acceptance, which in turn is a personality orientation required for participation and citizenship. A developed sense of team efficacy amplifies the factors listed above. Moreover, because team efficacy implies effective team problem-solving and decision making it implies the participatory skills of communication, articulation of ideas and the ability to listen to others.

Once I had indices of a participatory environment, my second objective was to find evidence of developmental consequences of participation. Pateman argues that a participatory environment will result in learning commensurate with the development of a democratic character.

shown that they [supervisors] are the critical link in making change happen in the workplace'. CAI, 'It is Your Move', *Industrial Review* Vol. 75 (May 1991), p. 19.

⁵²⁷Hay and Bittel, *op cit*, p. 7.

⁵²⁸Clawson, *op cit*, p. 130. Prior to award restructuring, supervisors at the Steelworks could decide bonus payments and overtime allocation.

Thus the environment in Ironmaking and at WGE should effect all personnel to some degree. In Ironmaking the shop-floor participated indirectly through delegates while at WGE they participated directly at the general meetings. Accordingly, I surveyed and analysed both workplace committee participants and non-participants. In keeping with Pateman's thesis, concerning the learning effect of participation, I hypothesised that those involved in committees would demonstrate more clearly defined evidence of learning. Thus, when looking for participatory relevant linkages, I particularly looked at committee delegates and staff representatives. And it was committee delegates that took part in the semi-focused group interviews. This approach vindicated Pateman's thesis because I found that as the extent of participation increased so did the developmental consequences.

There was general evidence of developmental consequences of participation. To begin with, some of the preconditions for participation were also consequences of participation. The behavioural studies in chapter three showed, for example, that job satisfaction, organisational commitment and teamwork⁵²⁹ were positive outcomes of more autonomous forms of work organisation. The behavioural studies demonstrated the influence satisfaction with one's job has on one's social and political activity. I have outlined the relevance teamwork has for participation and citizenship, above. I would add here, an appreciation of organisational commitment and a concept of teamwork are obvious prerequisites for any meaningful membership of voluntary associations and indeed for meaningful citizenship. Furthermore, these factors are probably necessary for a fulfilling family life; an issue for further research.

⁵²⁹See also Harrison, *op cit*, p. 100.

The evidence of developmental consequences of workplace participation were commensurate with the development of a democratic personality. A positive link was suggested between workplace participation and the development of interpersonal skills. The experience of workplace committee activity developed skills of communication, articulation of ideas, toleration for others' opinions and in particular developed the skill of listening. This development was supported by both the questionnaire data and group interview data. The skill of listening to others was particularly emphasised at the group interviews. Because the learning curve was steeper for those of low socio-economic status both Pateman's thesis and Ambrecht's findings concerning the development of a democratic character attendant on the participation experience were supported.

Furthermore such skills acquired in the workplace were appropriate to participation in the social and domestic sphere. According to Williams, inarticulateness was a problem for working-class men. If this were indeed the case for waged employees, then their experience as a workplace committee delegate should at least facilitate communication in the home. Because mine was not a longitudinal study I could not claim that the experience of workplace participation influenced the decision making procedure in the domestic sphere. A change to more inclusive decision making in the home, however, was described by a small number of waged employees, three of whom were workplace delegates extensively involved in the workplace. Moreover, two of the delegates were also extensively involved in voluntary associations. Such case histories suggested the social learning consequences of participation. Despite some evidence of patriarchal attitudes, my generalised findings of shared decision making in the home compared most favourably with Williams' findings.

A link between a sense of personal competency or efficacy and workplace participation was suggested. But the link became more evident

for delegates when participation in workplace committees and voluntary associations was combined. Such suggested the importance of associational life for the development of personal efficacy. Staff's sense of personal efficacy was more strongly linked to their voluntary association membership than to their participation in workplace committees. Staff's more extensive involvement in their voluntary associations coupled with their lesser learning experience as a consequence of workplace committee participation suggested the important role associational life had for the development of the democratic character for those of higher as well as lower socio-economic status.

In hindsight my questions to assess the sense of political efficacy were inappropriate despite my attempt to adapt them to the Australian political context. I did not ask questions concerning political personalities as is the custom of American researchers, but rather sought perceptions of the political sphere. Nevertheless, the responses, particularly for staff, were inconclusive. I was, however, able to suggest linkages for waged employees. As with the sense of personal efficacy, I was able to suggest a link between participation and the sense of political efficacy when involvement in the workplace and voluntary associations were combined. Thus not only suggesting the importance of the associational life but also demonstrating that as the extent of participation rose so did the sense of political efficacy. Staff suggested a negative relationship between participation and political efficacy. Such finding suggested support for Torbert and Rogers' study.

Like the link between participation and a sense of personal and political efficacy, the correlation between participation and self-determination, or the sense of personal potency, only became significant when people were involved in both the workplace and voluntary associations. A positive correlation was demonstrated between participation on workplace committees and a sense of personal potency, but the

correlation became significant when people also participated in voluntary associations. And again, like the development of interpersonal skills and the sense of personal and political efficacy the suggestion was that participation had a more positive impact on waged employees' levels of self-determination than it had on staff's.

Finally, a link between participation in workplace committees and participation in voluntary associations was suggested. A significant percentage of workers and staff were active in both workplace committees and voluntary associations. And the degree and extent of voluntary association membership was greater for those people on workplace committees than for those members who were never directly involved in the workplace. While the direction of the link was not clearly established, the suggestion was for a two way influence. It was suggested that skills acquired in workplace participation facilitated activity and influenced involvement in voluntary association. And because a large percentage of workplace delegates were already members of voluntary associations prior to their involvement in the workplace, the suggestion was that the experience of participation in voluntary associations facilitated participation in workplace committees. This was particularly so for staff, because their voluntary association involvement was more extensive and the link with personal efficacy and participation in voluntary associations was stronger when compared with waged employees. Such suggested the learning experience for staff may be found in voluntary associations rather than the workplace.

There was evidence of multiple voluntary association membership, with respondents belonging to two or more associations. Such suggested associational life was strong. The vigorous associational life coupled with the suggested developmental consequences of voluntary association membership with regard to workplace participation and the development of

the sense of personal and political efficacy and self-determination, points to the importance of the social sphere for empowerment. Such is in keeping with Poulantzas' and Walzer's claims for empowerment in associational civil society, discussed in chapter two.

IV Conclusions

The empirical evidence suggested support for Pateman's thesis concerning the development of skills and personality orientations commensurate with a democratic personality as a consequence of workplace participation. Teamwork, organisational commitment and a desire to be involved in decision making were evident. The behavioural evidence in chapter three showed these factors to be the consequence of more autonomous forms of work organisation. Involvement in workplace committees were linked with the development of interpersonal skills required for participation. The learning was more pronounced for those of lower socio-economic status. And it linked with socio-political development demonstrated behaviourally in voluntary association membership. People on workplace committees were more likely to be members of voluntary associations and more likely to be committed to their associations. Finally, workplace participation linked with self-determination. But the link between participation and self-determination was stronger for those involved in both workplace committees and voluntary associations. Similarly a link between participation and a sense of personal and political efficacy became more evident when people were involved in both the workplace and voluntary associations. Such suggested the importance of associational life for the development of participatory skills. The importance of associational life was strengthened further when the casual relationship between workplace participation and voluntary association membership was explored.

The two way developmental influence between workplace and voluntary association involvement indicated the empowering potential of the development of a democratic personality because participation in one area of life fostered participation in another area. The importance of the social space for empowerment was also suggested. It now remains to examine the findings of my study in the light of democratic theory, particularly with regard to the significance associational life has for empowerment. This is my task in the following chapter.

CHAPTER SEVEN

BEYOND PATEMAN

In chapter four I outlined the contradiction between consultative management practices formed by the movement for consensus under the Accord and the atomised self interest of *homo economicus* which underlay its economic rationalist agenda. Accordingly, one might expect that any democratic consequences from the consultative process might be muted at best or nullified at worst. Chapter six, however, demonstrated considerable evidence for empowerment through self-development and learning as a consequence of participation, indicated by positive psychological changes and by behavioural evidence. A correlation was suggested between participation in workplace committees and the development of a 'democratic character' as described by Pateman. Such democratic character took the form of improved skills of social interaction and personality orientations of self-worth and self-determination and the development of a sense of political efficacy and competency demonstrated by increased involvement in voluntary associations. Thus I found considerable support for Pateman's thesis of the developmental consequences of workplace participation. The purpose of this chapter is to review my empirical findings in the light of the democratic theory discussed above. I will show how my findings support the ontological basis of a degree of fusion between pluralism and participatory democracy. And I will show how later developments in participatory theory highlight untouched areas in Pateman's work. Such will explain how participation in the workplace translates to an enhanced sense of political efficacy in the broader public arena demonstrated by my study and explain how the development of a

democratic character and associational life can occur in a seemingly antithetical political economic environment. And such will show how my results qualify the more intense pessimism of some of the republican theorists of secular decline.

In order to examine the implications of my study for democratic theory, it is necessary to review my most relevant findings. My research confirmed the major propositions of Pateman's thesis and largely confirmed the results of Elden's study. At both WGE and in Ironmaking there was ample behavioural evidence of workplace participation. Teamwork, group commitment and problem-solving were evident at both Ironmaking and WGE, indicating the presence of participatory relevant skills of communication, articulation of ideas, openness and sharing. Many had a sense of interpersonal acceptance and just over half the waged employees felt positively about their job. These findings indicated the presence of personality orientations relevant to enhancing participatory skills and political efficacy.

Furthermore, I confirmed the developmental consequences of increased participation in the workplace for political life. As outlined in chapter six, I was concerned with politics in its broadest meaning, with the development of attitudes such as sociability and an enhanced sense of personal worth, crucial to the development of a polity which can counter the effects of alienation and *anomie*. The existence of socio-politically relevant consequences of participation are consistent with Pateman's thesis. I uncovered considerable evidence for empowerment through self-development and learning as a consequence of participation. Such findings included positive psychological changes and observable behavioural evidence. These findings are supported by the behavioural studies reviewed in chapter three. A correlation was confirmed between participation in workplace committees and the development of a

'democratic character' as described by Pateman. Enhancements of the 'democratic character' took the form of improved skills of social interaction and personality orientations of self-worth and self-determination. Importantly, the development of a sense of personal efficacy, political efficacy and self-determination became more evident when delegates were involved in both the workplace and voluntary associations. Such findings not only support Pateman's thesis of the developmental consequences of participation but also reveal the significance of associational life in enhancing the sense of community and citizenship. I will return to this point below.

The findings for a sense of political efficacy raised several questions. The level of political efficacy was significantly low for Ironmaking staff. Was this finding due to staff's perception that living in an ALP strong-hold rendered government irrelevant to their needs, or did it simply suggest support for Torbert and Rogers' findings that there is no relationship between the level of education and the sense of political efficacy? Problems with determining appropriate indices of political efficacy came to light in behavioural evidence in chapter three. The questions used by overseas researchers were not appropriate in Australia as they often concentrated on knowledge of political personalities and voting behaviour. Unlike America, there is not the emphasis on teaching civics in Australian schools. And Australian politics tends to be more oriented to party identification than in the USA, because of the tight party discipline in Australia's parliaments. Political parties claim a mandate in Australia rather than a protector or trustee role as is classically claimed in the USA. Thus, one would expect that a smaller proportion of people than in the United States would know the names; of the leader of the government in the Senate, the local member in the House of Representatives or the Majority Leader in the House of Representatives. A semi-formal survey conducted by the Dean of the

Faculty of Arts and politics staff found that a majority of first year politics students at the University of Wollongong did not know the answers to these questions. This in part demonstrates the inadequacy of such questions and the limitations of a questionnaire as a tool to assess political efficacy.

I addressed this issue in the group interviews. The interviews revealed further complexities in assessing political efficacy. It came to light, for example, that shift work prevented continuous access to topical events. Some stated they caught up with the news at the weekend, usually via television. However, when asked questions concerning issues such as the republican debate, whether Australia was a democracy, or what freedom meant, my impression was one of interest in public affairs comparable at least with that of first year politics students from the region. The republican issue resulted in a lively discussion at WGE for example and there was much pondering about the meaning of freedom.

Such willingness to engage in political debate suggests that a central tenet of the revisionist theorists' rejection of classical democratic theory is called into question. It strengthens Pateman's claims about potential personal development and the development of political efficacy through participation, however, not in the way she claimed. It throws doubt on the claim that an authoritarian personality and political apathy is a product of a lower socio-economic status (SES). This is a position accepted by Pateman. My results are consistent with Ambrecht's evidence of a link between low SES groups participating in Advisory Councils and their subsequent development of a democratic personality, discussed in chapter three. My position is further strengthened by Rosenberg's findings, outlined in chapter three, that low self-esteem links with political apathy. While classical democratic theorists, such as J.S. Mill and later behaviouralist studies of political culture, claimed that education levels and a sense of political efficacy were linked, Torbert and Rogers found no such link. This augurs

well for the less well educated. Political efficacy is fostered by another factor, that of experiencing participation in the workplace and voluntary associations.

Taking the meaning of political efficacy in its broadest sense I used involvement in voluntary associations as a behavioural measure of the developmental consequences of workplace participation. In keeping with Walzer and the English pluralists' concept of associational life, voluntary associations are relevant for a study of the developmental consequences in behavioural terms. It is not the point to find whether people are 'politically' active in the narrow sense of the word but whether a democratic personality can be demonstrated in behavioural terms, whether they are active in a non-apathetic community. Workplace committees are formalised ways of participation which I consider contrast strongly with the communicative interaction and activity outside the workplace. Hence, if behavioural and personal developments gained through formalised participation can be linked to the more casual interactions of voluntary associations it shows a strong form of gaining a 'sense of the other' in communicative interaction, with positive political consequences.

Moreover, taking Walzer's arguments into account, traditional questions concerning political participation (in the sense of involvement in issues of government) are not the most important ones to ask most people. It must be remembered that even if I were to concentrate on local branch Party membership, resident action groups and the like, deemed to be political in the narrow sense of the word, in reality these groups have a greater social orientation than workplace committees. There is no Chinese Wall separating the political and the social in the functioning of local branches, as attendances at ALP barbeques, curry nights, and 'politics in the pub' would show.

My study suggested a link between participation in workplace committees and involvement in voluntary associations. The suggestion was for a two way effect. Importantly, however, the greater effect appeared to be that of voluntary association membership influencing workplace participation. Those already participating in voluntary associations outside the workplace were those most likely to participate inside the workplace. I also found considerable evidence of multiple membership of voluntary associations. A very significant number of respondents belonged to two or more associations and were active in both workplace committees and voluntary associations. The extent of multiple voluntary association membership, particularly for waged employees, supported American pluralist theory described in chapter two. Furthermore, multiple membership suggested socially relevant consequences of participation in terms of observable behaviour.

The centrality of voluntary associations to the political practice of those surveyed suggests a form of pluralism, best describes their behaviour. Pluralism has usually focused on the role interest groups or voluntary associations play in bringing issues into the political arena and forming decentred *loci* of political power. As such it was the main focus of Pateman's attack on democratic revisionism. Her arguments concerning the place of participation in democratic thought were meant as a counter to the basic stated assumptions of the revisionists. My argument, based on my research evidence, is that voluntary associations are central to the enhanced sense of political practice which stems from the development of a participatory work environment.

But the pluralism revealed by my study runs counter to the economic rationalist framework in which it operates. Economic rationalists regard interest group politics as a distortion of the political market system, because they claim interest groups try to use their collective power to extract 'rents'

from governments. In doing so, interest groups contradict the strong individualist premises of economic rationalism and distort individual preference schedules.⁴⁸¹ And the pluralism my research describes runs counter to Pateman's analysis of liberal pluralism. According to Pateman's analysis and to the conventional account of liberal pluralism, liberal pluralism and economic rationalism share an individualist ontology. Thus the robust associational life described by my research findings appears to fall victim to a clash of ontologies. I argued, however, in chapter two that the liberal pluralists contradict the economic rationalist's liberal premise of particular competing goods giving rise to an aggregative public good. Liberal pluralists favour compromise between groups operating in a consensus framework of toleration, shared values and norms and a shared understanding of procedure, all of which imply cooperative individuals and at the very least an ethic of public spiritedness and a weak concept of a common good. This weak concept of the good, I argued, springs from the liberal pluralist's republican base.

Pluralist associationalism does not contradict Pateman's three theorists Mill, Rousseau and Cole. Mill argued that experience in local government and in workplace self-management would develop a sense of independence and self-worth. It would both educate participants in their social responsibilities and develop the qualities necessary for large scale political activities. Human life would be transformed from class conflict based on opposing interests to friendly rivalry in the pursuit of a common good.

⁴⁸¹See Chris James, Chris Jones and Andrew Norton (eds), *A Defence of Economic Rationalism* (Sydney: Allen and Unwin, 1993), Brian Toohey, *Tumbling Dice* (Melbourne: William Heinemann, 1994), Peter Self, *Government by the Market?* (London: Macmillan Press, 1993) and Mancur Olson, *The Logic of Collective Action* (Cambridge Mass: Harvard University Press, 1965).

Mill's support for socialism rejected a centralist form of organisation in favour of voluntary organisations based in small communities which could be reproduced nationwide to allow for widespread participation. Socialism would involve workplaces organised on syndicalist cooperativist lines through the existence of trade unions and small competing cooperative associations. He advocated self-management in the workplace as a way to end the alienation and drudgery of the industrial labourer's life and the division of labour which limited their activities and stultified any public spirit, or sense of unity with their fellows. He was fearful of a secular decline if waged slave labour was not addressed. He therefore argued for the educative role of participation in the workplace as a way of addressing secular decline by developing the capacities of social sympathy and practical intelligence. This would result because workers who were in charge of their own employment would no longer be in a servile relationship with their employers. Their intelligence would be engaged, they would gain autonomy, dignity and responsibility and their intellectual and moral powers would be developed rather than stultified. Most importantly their interests would be broadened beyond the selfish and narrowed interests of 'getting on and money making', selfish interests would wither away and society would be transformed. Such meant every member of the community would be full participants in an on-going process of social development.

Similarly, Rousseau argued that society would be transformed by the participation of citizens. His was a pessimistic view of the coercive, corrupting influence of society. But because the moral education of the citizen lay in participation in public life, such participation would change society into 'the free form of political and ethical community', radically transforming the individual's whole perspective of their existence. Rousseau's sphere of participation included voluntary associations, seen in

his support for the circles in Geneva society and the ad hoc organisations that arose in Poland to uphold the independence of the State. Such voluntary associations helped to preserve republican morals among citizens. Associations combined everything which contributes to making individuals into friends, citizens and soldiers and consequently, all that is 'most appropriate to a free people'. Their existence was essential to the health of the Republic.

The conventional account views associational life to be anathema to Rousseau. It is true that nothing should stand between the individual and the general will. But so long as intermediary associations remained free from faction or party attachments, they were as numerous as possible in order to equalise their influence and their interests were not at odds with the public interest then they would enlighten the general will and 'the people shall in no way deceive itself'. The state would integrate the wills of the intermediate groups just as the group integrated the wills of its members. In this way the will of the state and the groups would share in the general will. Thus, for Rousseau, groups were desirable so long as they fulfilled basic human needs as distinct from mere wants and made the individuals good citizens by preparing them for living under the authority of the general will. In this way voluntary associations could develop human potentialities and create conditions favourable for good government.

Cole based his argument for guild socialism, which was a form of associationalism, on his reading of Rousseau. Cole's idea was to recapture the spirit of free communal service of the Medieval guilds. Because each held the associational impulse that made cooperation possible, it was the individual upon which Cole's system turned. Hence it was the individual that made society a 'complex of associations held together by the wills of their members, whose well being was its purpose'. Prefiguring Walzer's

concept of individuals freely associating and disassociating in civil society, Cole expected that much of a person's life would be spent outside associations. Such pragmatic expectations and his emphasis on the importance of the individual in system of guild associations makes his community of service a direct contrast to the spacio-temporal community of classical and civic republicans. And makes it unlike Rousseau's republican concept of civic duty, where participation taught people to be public citizens to the extent that the public sphere assumed greater importance than the private sphere of home and family.

My study revealed the importance of private life and thus the inappropriateness of the republican concepts of civic virtue. Many were involved with associations allied to their children: parents and community associations, children sports committees, children's development associations, neighbourhood watch committees and the like. The central place that family held for Steel workers became particularly evident during the group interviews. Several expressed the desire to be with their family to the exclusion of involvement in social activities. For these workers, family life was a precious commodity to be savoured after shift work and shifts worked back to back. This is not to say that these workers could not be socio-politically active if prompted. For example, some suggested they might join a resident action group if they had a personal interest in something and knew a committee existed, particularly so if they 'had young kids', while another explained he'd 'been involved [on the committee] for probably eleven years. Since [his] little bloke started playing'.⁴⁸² Cole's concept of alternating cooperation and dislocation and Walzer's freedom to disassociate seems more apt for workers who opine, 'Its probably selfish, but

⁴⁸²Group interview, Coal Preparations, *op cit.*

the time that I do get I like to spend with my family. I like to do things together as a family ...'⁴⁸³

Rousseau, Mill and Cole wrote of the integrative effects of participation. Rousseau argued that participation forced a cooperative effort to find laws in the best interests of all. In other words from the cooperative effort to reach a consensus, the general will arose and along with it an integrated sense of community. Cole argued that individuals learned a social spirit and developed cooperation and fellowship through participation. And Mill claimed that participation forced people to widen their interests beyond those of themselves and their families. A spirit of cooperation and fellowship was demonstrated in my study of workplace committees. Committee delegates expressed their understanding of management's viewpoint and operator and trade delegates were more able to resolve their differences. Management, too, expressed more understanding of the unions' viewpoint: a direct result they believed of working in tandem with unions in the consultative management process. There are of course potentially dis-empowering consequences of such feelings of fellowship and understanding, because workers can subjugate their interests to those of the company, the defence mechanism of a division between trades and operators is lost and unions involved in management issues can lose sight of their members' immediate interests. I highlighted these consequences in chapter four. Nevertheless, the point remains that my study supported the integrative effects of participation claimed by Rousseau, Mill and Cole.

In combination, the three theorists argue that through participation a public spirited type of character developed and people were guided by the common good. The explanation for the phenomenon described by

⁴⁸³*ibid.*

Pateman's three classical theorists lay in learning. Through participation, they claimed, people learned responsibility, learned they must consider matters wider than their own interests, learned a public spiritedness from which the democratic character ensued. My study certainly suggested this learning phenomenon. Many said they felt more responsible and that they listened more to others' opinions. Delegates were not on workplace committees for their 'own enjoyment' but for 'the guys that can't be here for one reason or another' and the experience of workplace participation meant they 'listen[ed] now to what other people ha[d] to say', and tried 'to figure out what [they wanted]'.

Having found evidence in support of the developmental and learning consequences claimed by Pateman and her three theorists we are still missing an explanation as to why this phenomenon occurs. Why does the 'public spiritedness stultified by the drudgery of work' develop? Why do people develop a democratic character, a substantive concept of the common good and a sense of community? Mill claims people develop morally and intellectually because through participation their selfish interests wither and life is transformed to a pursuit of the common good. Goldsmith found evidence in Rousseau's work to suggest the good would operate at all levels, describing a tiered and integrated effect of the general will. The explanation for this lay in Rousseau's claim that in voluntary associations people learned to be citizens and thus created the conditions for good government. To my mind, a theory of learning is not entirely satisfactory. It does not explain how this learning occurs and, moreover, it does not explain how the now developed democratic character might transcend the workplace or association boundary. Such explanation is missing from Pateman's account. Furthermore, a theory of community and common good appears incompatible with a liberal democratic society. Neither Pateman nor her three theorists address this issue, despite writing

at a time when individual rights were prioritised over the good. This is particularly relevant today, in light of the economic rationalist political economic movement of current Anglo-American liberal democracies.⁴⁸⁴

Because Pateman's study considerably underplays the associational elements of Mill, Rousseau and Cole's theories and the role associations play in articulating workplace participation with participation in politics at state level and because an explanation of the learning phenomenon claimed by Pateman based on the work of Rousseau, Mill and Cole is missing, I propose a number of modifications to her theory which take account of the articulating role of associations and the different tiers at which participation takes place. Such modifications are suggested by my study of workplace participation at WGE and the Steelworks and my research into democratic and republican theory.

Community is central to all the theories of politics I discussed in chapter two. I argued that from Rawls' Kantian conception of the person to the various guises of communitarianism and socialist pluralism the community is central to their basic ontological and moral claims. English and socialist pluralists regarded associational life as the key to developing an all-round ability to change society. Their view was the opposite of the statist projects, largely adopted in Australia and other developed capitalist liberal democracies since the Beveridge report in Britain, which sought to change the character of society via the state and bureaucratically ordered welfare programs. The growth of bureaucratism quickly followed the assumption of welfare by the state and brought about a potential form of social control of aspects of everyday life. Fearful of statism, as posing a threat to the life of the community and civil liberties, nineteenth century English pluralists

⁴⁸⁴Judith Brett, 'Ideology' in Judith Brett, James Gillespie and Murray Goot (eds), *Developments in Australian Politics* (Melbourne: Macmillan, 1994), p. 8.

such as Figgis sought a different way: through voluntary associations.⁴⁸⁵ In a similar vein Poulantzas regarded enhancing associational life, accompanied by representative democracy at the state level and participatory democracy at the local level and the workplace as a way of controlling bureaucratisation and the authoritarianism inherent in statist projects.

Controlling the growth of bureaucracy and statism is a central concern of economic rationalists. They have a position which is the opposite of communitarians and associationalists, in that they focus on the individual and aggregations of individuals. As I argued in chapter four, economic rationalism has policy prescriptions which contradict both consensus oriented politics and the prerequisites for developing a democratic character essential to participatory democracy. Economic rationalism thus creates a hostile environment for the development of a participatory culture. It has elements which are destructive of community and hence the body politic.

Viewed in the logic of Barber's position, economic rationalism is a pernicious form of monism because its claims to be a universal truth are antithetical to developing a creative consensus. Economic rationalism has elements reminiscent of a religious truth which means that it can lead to a coerced consensus. However, Barber argues that group membership can immunise participants against such potential totalitarian outcomes. As membership of a group creates voluntary self-identity and allows peer influence and group loyalty rather than subservience to a 'unitary' truth, workplace committees and voluntary association membership can mitigate the 'totalism' of economic rationalism.

By participating, a creative consensus can be created from common talk, common decision and common work. Hence, it is an open consensus created on a transforming good which is constantly developed and

⁴⁸⁵Paul Hirst, 'Associational Democracy' in David Held, *Prospects for Democracy* (Cambridge: Polity Press, 1993).

transformed by actively participating citizens. Thus, a creative consensus is not coercive. It is not a closed consensus based on a common good or ends. By facilitating a creative consensus participation can foster a sense of community. A creative consensus involves conflicting persons freely consenting to resolve their differences without recourse to mediating common standards. One's needs and interests develop in the process of listening and accommodating to others' needs and interests so that the self is placed in the context of the 'other'. Therefore, as views are reformulated and interests reconstituted by reference to the 'other' it is an act of reasonableness.

Moreover, consensus decision making is a form of participatory democracy, not only because it is based on active citizenry but also because it requires ongoing dynamic activism to maintain the active consent of citizens. Legitimate decisions only emerge when an active participatory process modifies and develops the options under consideration. Hence, it differs from a pluralist consensus because it is not a bargained consensus based on a utilitarian selection amongst options. Barber considers creative consensus to be the most democratic form of decision making.

Barber's conception of consensus is, however, a condition which can only be applied in small groups or committees. In chapter two, I judged New Left views of consensus to be unfeasible for the community as a whole because of the considerable commitment of time and effort required for decision making. Barber's scheme has similar defects in that it does not consider the limitations posed by capitalist social relations, the social and gender divisions of labour and constraints of time in achieving a consensus. A consensus is likely to be achieved by excluding women and shift workers for example. Furthermore, the decentralisation required in such a scheme can limit rather than empower the influence of groups, as people have to take on such a range of responsibilities that they cannot perform each task

adequately and consequently have to surrender responsibilities to paid officials or bureaucrats.

While Barber's overall scheme may have its limitations, his idea of a transforming good and the way interaction within the group can insulate it from totalising influences demonstrates the potential of participatory democracy. By insulating groups and thereby creating a group consciousness, participation can counter the effects of secular decline and totalising ideologies. Barber shows how secular decline, and implicitly economic rationalism, can be checked by strengthening participation and associational life and thereby strengthening the role of community. Hence the answer to secular decline is to strengthen community by creating insulated pockets of resistance and renewal through encouraging workplace participation and voluntary associations.

The secular decline of communities is central to civic republican criticisms of modern society. For Arendt the decline and decay of the public sphere into society was critical in allowing the growth of modern authoritarianism particularly evident in people's working lives, where the degeneration of work into labour destroyed the sense of action and speech, the *vita activa* from political life. From her Aristotelian perspective Arendt deplores the loss of associational life and the growth of liberal individualist values of rights in the social space and the consequent totalitarianism of mass consumerist society.

For Arendt politics is a product of action and speech which occurs in the public space. Engaging in politics means active participation in those public forums where community decisions are made. Importantly, a political community arises from shared action and speech and from the shared interests of the public world not from shared values. Arendt stresses active participatory citizenship and impartial solidarity as the basis for collective identity. Due to her stress on the *vita activa*, on action rather

than intimacy, her conception of the public realm is opposed both to society and to community; to the *Gesellschaft* as well as to *Gemeinschaft*. Her concepts point to the significance of the social elements of participation found by my study of workplace committees and implied by my finding of a strong teamwork presence; social elements such as communication, cooperation and mutual respect were present, together with openness and sharing. Personality prerequisites of self-esteem and inter-personal acceptance were also indicated. Furthermore, the highly developed sense of team efficacy, particularly found at WGE, together with the strong group commitment found, implied social skills which are also crucial in a participatory environment. Such findings are significant because they point to Arendt's communicative environment of interaction, her space of action and speech. While there are still clashes of interests between managers and workers, because both participate in an environment of communicative interaction they have to take account of one another's interests. In so doing, each moves beyond their own immediate needs. Hence, some explanation can be found in Arendt's work for the learning process claimed by Pateman to be the consequence of workplace participation.

Arendt regarded society with deep suspicion because of its totalitarian potential. The social arose from family units being absorbed first into social groups and then into mass society. When social behaviour overcame the *vita activa* it resulted in behavioural conformism, because the world between people in mass society, governed by mass production and mass consumerism, had lost its power to relate and separate. The result is mass conformism and probable totalitarianism. Much of what Arendt argues involves an implied critique of economic rationalism, which maintains a model of human nature where the individual exhibits most of the tendencies she finds dangerous. *Homo economicus* is self interested and not bound by any moral or ethical considerations. Moreover, all people if

they are behaving rationally act in the same instrumental, hedonistic and self-centred way. Economic rationalists are not only disdainful of key elements in building a democratic character but they claim to have the answer to a nation's economic questions. Hence, they are inherently totalitarian in Arendt's terms.

In concert with republican sentiments she claims the public sphere was further demeaned and eroded by liberal individualism, the market economy and the public nature of work, particularly when work became labour and was itself demeaning. The public became a sphere of labourers and consumers concerned with producing abundance. Civic virtue was threatened by the modern individual's involvement in the economy, while speech and action were absorbed into the private. Arendt's proposals to overcome the problems she identifies do not really address the issues associated with the decline of work into labour. She does not tackle the problems of organisation and meaning in the modern workplace, nor does she consider the role which workplace participation might play in stemming the decline of the *vita activa*. While she diagnoses a secular decline of the community her solutions are concerned with reforming the state. She thought participatory democracy represented the best way to counter the loss of *vita activa*. She endorsed Jefferson's advocacy of small republics or wardships and she supported spontaneous participatory assemblies such as soviets. Like Jefferson she thought the only true form of freedom could come from keeping the spirit of the revolution alive in the republic. This view of freedom is consistent with her view of the importance of the *vita activa* in the public sphere. Building on Jefferson, Arendt argues that sharing the power that comes from civic engagement and common deliberation gives each citizen the experience of public happiness in the sense of freedom and a feeling of effective political agency.

Arendt shows that participation is crucial to overcoming the political defects of mass society. Participation is in itself an enhancement of political freedom, individuals no longer only express freedom when they vote for a representative. But the beneficial effects of participation can be demonstrated from a more minimalist form, of the kind central to my study. As my study showed, participation and multi-skilling can potentially create greater meaning in the workplace, thus offsetting, to a degree, the degeneration of work into labour. The effects of participation also involve changes in the way people relate to each other: to the nature of action and speech. I have shown that managers and workers have had to take each other seriously and that this involves the development of mutual respect and trust. While the consultative forms I studied were limited they still involved workers in making decisions which affected their lives; decisions which were hitherto denied them. Participation also effects the family. Where Williams had shown that working class men tended not to be consultative and communicative in the home, as a reflection of authoritarian management in the workplace, my study showed that experience in Consultative Committees encourages men to be more consultative and communicative in the home. Hence consultation and participation counter some of the dangers to the family Arendt identified in mass society.

Arendt's advocacy of a maximalist form of participation is problematic however. As I argued in chapter two Jeffersonian participation is inappropriate in a complex modern society. Decentralisation can actually weaken the capacity of democratic forms to control and limit bureaucracy, as small decentred bodies have little resources to act as counterpoints to bureaucratism. Arendt's classical position also requires a degree of single-minded civic virtue inappropriate to a modern setting, particularly where shift work is practised and women are no longer seen as 'homemakers'.

The defects associated with Arendt's maximalist classical position also apply to MacIntyre's Aristotelian argument for a return to virtue-centred communities to counter the fragmentation of liberal democratic societies. MacIntyre's critique of egoism and fragmentation in modern society and implicitly economic rationalism, is well taken. The conditions he puts forward for a return to virtue are less convincing. Striving for excellence in the narrative of one's life is more appealing to an artist or tenured academic than to a person working in Coal Preparations. The demeaning aspects of working in modern society, which resemble Arendt's conception of work becoming labour with all its alienating consequences, would be maintained in MacIntyre's schema. MacIntyre's solution fails because it is maximalist in its expectations of community and minimalist in addressing the impact of a modern division of labour.

A classical republican requirement for a fully committed citizenry is unrealistic in today's complex society. The complexity of the modern (or post-modern) division of labour, the transient nature of employment, the restructuring of gender roles and the fluidity of movement in contemporary society make their view of community of place and virtue unachievable today. Moreover, communitarian republicanism is necessarily elitist because it seeks to enhance the role of intellectuals, as in MacIntyre's case. And it is sexist in that classically, as in the case of Machiavelli, women were relegated to the private sphere because they were seen as a threat to the good order of the public sphere. The demands of citizenship in the republican-communitarian schema would appear to require that women are relegated to the private sphere, to fulfill their role as nurturers and gain virtue in the narrative unity of their life. Moreover, while the community is seen as the source of decline Skinner and MacIntyre do not propose coherent answers to the problems of working life and empowering workers. Therefore, while communitarian republicanism has contributed to American pluralism's

weak concept of the good, its own concept of the good is too strong and demanding of inappropriate commitment

In retaining representative democracy, along with calling for greater participation, communitarians do not face up to the organisational problems posed by the necessity to prevent bureaucratic domination. A continuing bureaucracy is inevitable in a society governed by rules and instrumental rationality. Hence, there is a need to exercise countervailing political controls. Because of their already onerous public commitments, it is not feasible to expect committed citizens to assume this role.

In dismissing the maximalist, communitarian-republican view of community as unattainable in modern society I do not seek, however, to dismiss their concern at the loss of community. I also agree that the modern day cult of individualism and rationalism that underpins the egoistic subjectivism communitarians abhor is the product of a loss of community. The loss of virtue is clearly exemplified in the economic rationalists' claims that there is no society and their claim that individual wants should be pre-eminent over any other conceptions of the good. Economic rationalists are actually reliant on self interested wants for their model of the market to operate. The economic rationalists' conception of the individual is one who disregards the interests of others, all moral codes, has no sense of community, no sense of alienation or *anomie*, and has no concern about breaking laws if there is no danger of being caught. Hence, P.J.D. Wiles could observe that the concept of the person underpinning economic rationalists' views could correctly be described as psychopathic.⁴⁸⁶

Moreover, economic rationalists are opposed to consensus. In their view, political consensus means politicians have not yet completed the objective, the real work remains half done. Political decision making

⁴⁸⁶Cited in Toohey, *op cit*, p. 41.

should be divisive as it means that the hard tasks are being addressed and 'rent seeking' interest groups are being challenged. Because economic rationalists of the general equilibrium school claim to have a timeless and context free model of economic behaviour, they regard their view as scientific. As they regard their view as scientific, they can claim their policy pronouncements as optimal and further consultation or political bargaining as sub-optimal. Hence, politics, citizenship and society should be subordinate in policy terms to 'good economics'. Such a position is clearly a challenge to the role of community in political life.

Egoistic individualism poses another threat to political community by privileging negative individual rights above basic concerns of justice such as equality of respect for persons. Indeed Dworkin's characterisation of rights as trump cards⁴⁸⁷ is particularly contemptuous of political processes and the value of justice and contradicts his claim to promote equality of respect as his main principle. Litigious behaviour of the kind criticised by Taylor and Etzioni⁴⁸⁸ in the United States clearly is more concerned with the person than the community. This type of litigiousness does not connote a respect for procedure which is described as an attainable ethic of community by Mouffe. Her development of Oakshott's characterisation of *respublica* reflects a long term republican concern with the role of procedure in maintaining community and virtue. It is a concern which Mouffe traces back to Machiavelli, James Harrington and Madison among others.

Mouffe seeks to combine a republican conception of citizenship with modern liberal plural democracy. To avoid enhancing the participatory potential of citizenship by sacrificing individual liberty she claims that liberty has to be reconceptualised; and citizenship must require not a

⁴⁸⁷Ronald Dworkin, *Taking Rights Seriously* (London: Duckworth, 1981), p. xi and for some expansion of his position see pp. 82–90.

⁴⁸⁸Amitai Etzioni, *The Spirit of Community* (New York: Crown, 1994).

singular conception of the good imposed on all. To defend liberal pluralism and rights while returning to a community of shared moral values she seeks a way of reformulating the ethical character of modern citizenship to be compatible with moral pluralism, while respecting the priority of right over the good. For Mouffe, Oakshott's concept of *respublica* enables the creation of a common good which is strong enough to provide a focus for a renewed form of participatory citizenship while not threatening plural values and liberal rights. To support her ethico-political community where a theory of participation and a non-substantive concept of the good can be reconciled, the good has to be seen as a set of procedures which both protect rights and facilitate participation. Such respect for procedure is seen in the work of Madison who drew similar conclusions from Machiavelli as did the English seventeenth century theorist James Harrington.

I have argued, in chapter two, that the reconciliation of community with a defence of liberal rights is an important element of John Rawls' later developments of his theory of justice. Nevertheless, Rawls still defends the deontological liberal position of privileging the right over the good. Under his Kantian conception, where persons are respected on the basis of their capacity to be free, rational and self-determining agents, the person has two moral powers; the capacity to be reasonable and to have a sense of right and justice and the capacity to be rational and to conceive the good and thereby develop a scheme of goals and aims for a worthwhile human life.

To Rawls the bargains struck in the original position take place on the basis of equality of respect. The objectivity of his 'veil of ignorance' ensures that freed from any random, arbitrary social contingencies of power, knowledge of material status, and consequent bias, bargains reflect the mutual recognition of persons having two moral powers. In my view Rawls' argument means that not only social cooperation and political justice are products of the two moral powers, but also citizenship. In the

original position, bargains are struck over the arrangements attached to entry into public office and the respective rights of all parties to the pact; in other words to the conditions of citizenship. Citizenship claims are independent of material position and natural endowments. Because citizens are reasonable and rational they regard each other as full and equal members of society. As each regard themselves and each other as possessing the two moral powers and the capacity for social cooperation, equality of respect forms the basis for equal citizenship. Rawls has thereby rejected the 'traditional' liberal ontology of atomistic and egoistic individuals. And he creates an argument for citizenship based on equality of respect rather than an individualist, egoist social contract. His argument for community is for a community of choice rather than the spatio-temporal community of place understood by some communitarians. While he does not consider the implications of the workplace for citizenship, Rawls' concept of equality of respect is a basic requirement for the efficacious running of workplace committees. Moreover, his concept of society as an association of associations allows for voluntary associations to play a key role in a community of choice. Therefore participation does not necessarily mean a consequent suffocation of the role of the individual.

Moreover, while Rawls may claim that his deontological theory has no overarching principles, I argue that equality of respect assumes the position of a guiding principle. Hence, while Rawls is often characterised as an archetypical liberal individualist he has added a new liberal dimension to the liberal/communitarian debate by basing his conception of individualism on a community of choice. His contribution is also critical because it challenges the common claim that individual rights cannot be congruent with a strong conception of community. In my account Rawls combines a support for liberal values with a communitarian ontology based on Kant. There is no necessary antithesis between individualism (as such)

and the more collectivist values of participatory democracy, as the original Pateman-'Revisionist' divide would suggest.

From Rawls it can be seen that the developmental aspects of workplace participation are not necessarily antithetical to liberalism. By working together in consultative groups workers and managers gain a sense of the 'other'. The act of consultation requires that people are brought together in discourse, that they respect each other as rational beings; to quote the radical South Coast Labour Council Secretary Paul Matters 'workers are now viewed as intelligent conscious beings not just muscle'. Participation thus brings about the first conditions necessary to achieving equality of respect. Rawls' position is also opposed to the view of human nature espoused by economic rationalists: *homo economicus*. By conceiving people as rational and moral through their possession of the two moral powers, Rawls presents a different ontology to the economic rationalists. Moreover, his argument necessarily rejects *sui generis* individuals in favour of community.

Walzer combines elements of liberalism and communitarianism by integrating liberal values of pluralism with a defence of community. He, too, opposes liberal conceptions of the *sui generis* individual detached from community and tradition and he seeks to defend and radicalise the liberal democratic tradition by invoking a concept of complex equality, which underpins his pluralist conception of social justice. Pluralism in this case refers to the existence of different distributional spheres each with its own concept of the good within which specific distributive arrangements are appropriate. But Walzer is more than a liberal pluralist with a particularised idea of good. His communitarianism lies in his claim that the difference accorded to goods derives from their social meanings. All goods are 'social goods' and as such gain meaning as products of an historical, cultural process, where they are produced, encountered and

utilised. Hence, as the principles of distribution derive from social meanings, they must also be particularised. Walzer's radical particularism means that distributive principles must be good-specific and therefore culture-specific. These concepts of the good and cultural particularism are a means of reconciling rights bearing individuals with the good. Walzer is a pluralist who combines liberal freedoms with both a relativist and a substantive concept of the common good.

Economic rationalism would attack Walzer's concept of community and his particularism. By extending market conceptions of justice from the economic sphere into the other spheres of society, economic rationalists deny the particularity of each sphere as well as the viability of its socially derived sense of the good, thereby denying community. Economic rationalism is, moreover, a form of monism which offends Walzer's pluralist philosophical position.

I mentioned above that Walzer's views on community support the pluralist behaviour found in workplace committee delegates and the attachment to family life described by some. Walzer challenges a strong view of community of place. For Walzer people are both geographically and socially mobile to such an extent that community of place is no longer relevant to highly industrialised societies such as the United States. In opposition to MacIntyre, Walzer argues that freedom lies in leaving the group rather than in joining it. He stresses freedom as dissociation in contrast to most American and English pluralists who stress the freedom of association. According to Walzer, the most important of all possible association memberships is, however, the political community. Practically speaking, people are citizens because they need to look after the political community which fosters and protects the associational network. In this way, Walzer explains how association members are compelled to conceive of a common good beyond their own self-interests. Hence Walzer explains

how people are members of associations or workplace committee delegates and citizens at the same time.

Despite Walzer's attack on the concept of community he places considerable stress on how each good is constructed by social meanings. Such derives from shared meanings in community with others. Meanings and values are irreducibly communal and cannot be created by individuals acting alone. Thus, as I have argued, Walzer has a foot in both the liberal and communitarian camp. But his concept of human beings are self-interpreting socially constructed animals with the capacity to endow the world with significance and value, also throws light on the learning consequences of participation demonstrated by workplace committee delegates. The understanding gained through communication with others is internalised, fostering and developing the democratic character.

Taylor's concept of the community is one constructed by meanings and language. Hence it is not necessarily bound by spacio-temporal considerations. Virtue is the product of past discourse as well as the constantly reconstructing product of the present, indeed to a degree, as discourse, meanings and language involve expectations and projections about the future it is also a product of the future. Taylor and Walzer share a similar ontology of the social constituting meaning and a discursive concept of community, but unlike Walzer, Taylor revitalises civic virtue in the guise of patriotism. Taylor employs his concept of patriotism to posit a common good in a liberal procedural democracy. And by separating advocacy and ontology, Taylor is able to posit a common good within liberalism, even though liberal atomistic ontology regards the good as the convergence or aggregation of individual goods.

Like Walzer, it is the process of sharing that Taylor values. It is the process of sharing and its resulting bond of solidarity which animates '*virtu*', understood as patriotism. As an action which becomes a socially

endorsed common end, patriotism is based on identification with others in a common enterprise. It is, thus, the common expression of a collective dignity which forms bonds of solidarity. Taylor's concept of patriotism as *virtu* is commensurate with the Mouffe/Oakshott conception of *respublica*. It is Taylor's concept of sharing and identification with others in a common purpose which reanimates *virtu*, that, to my mind, explains the development of the democratic character described by Pateman as being the consequence of workplace participation.

Taylor argues that any coherent view of the person must take into account the existence of language and communication and thereby the existence of common understandings and meanings. Moreover, human nature and morality can only be realised and understood in terms of membership of a community. Human beings are self-interpreting individuals, because a structure of meanings cannot exist independently of a person's interpretation of them. As identity is primarily constituted by internalised self-interpretation it depends on one's orientation and attachment to conceptions of the good, because we create our 'selves' by facing a space of questions in searching and orienting our actions to the good. As no system of morality can become an ethic without strong evaluation, the good requires an evaluative framework to determine the significance of events and things. In Taylor's case this framework derives from membership of a linguistic community as language, or the available vocabulary, is the vehicle which characterises meaning. In interactive discourse, therefore, individuals, not only learn of the good but also gain their identity as human beings by relating to that good. Moreover, if humans are self-interpreting then they must be able to act as autonomous choosers of ends because otherwise, individuals could not have such a capacity.

According to Taylor, persons only develop themselves by interacting with others and by subscribing to shared meanings. Moreover, many basic forms of behaviour are impossible without common meanings and shared understandings. For example, if promises were always broken the whole concept of 'promise' would disappear and with it any way of providing for contracts, agreements and ultimately rights. The 'basic rights' claim requires a corresponding duty and a promise of others in society to support one's claim to possess rights. Taylor's ontology implies a strong critique of economic rationalism. The protection of contract is one of the major roles economic rationalists demand the state should ensure, yet their ontology does not explain the shared meanings and common meanings on which such contracts are made. As shared meanings and common meanings do not exist in a vacuum but in a community, a state charged with protecting the status of contracts has to protect community above an egoistic individual.

According to Pateman, people gain greater control of their lives both by participating and through the collective developmental consequences of participation in the workplace and voluntary organisations. By participating they not only develop their own potentials but develop a sense of the value of others and the community. Individuals are also better able to realise their own qualities and recognise the qualities of others. Taylor's depiction of language as communication shows how such a process can take place and explains my findings of the development of the skills of social interaction amongst workplace committee delegates. In Taylor's view, communicative language involves two or more people in a collective endeavour, it is not merely a situation of statement and response but one where each person is committed to the act of communicating. In framing a statement one tries to convey a message in a form the other will understand, one therefore tries to put oneself in the other's position, one seeks areas of common ground and

understanding. The people have a common purpose: to understand each other. This common purpose involves links which are akin to his analogy of two people sawing a log. Because participation requires skills of communication it creates a similar structure of common endeavour, even if on the surface disputes arise. To say, 'I disagree' is to signal that you have something to say and that you think it is worth trying to make your views known. It also assumes there is a logic understood in the group to which it is possible to appeal. One in fact respects the others as rational reasonable companions. Hence in the process of sharing understandings, in trying to make oneself understood and vocalising concerns one develops oneself and a sense of community. Such insights explain the personal developmental and enhanced sense of community as a consequence of workplace participation; an explanation that is missing from Pateman's work.

The problem arises, that while Taylor, Rawls and Walzer can demonstrate the compatibility of liberal freedoms and communitarian values of the good and account for the developmental potential of participation they have not given adequate attention to the problems posed by the existence of capitalist social relations exemplified most starkly by the teachings of economic rationalism. In the context of an actually existing liberal democracy, where antagonisms between capital and labour and a social division of labour remain, is it possible for sense of community and a substantive concept of the common good which are essential prerequisites and consequences of participation, to be realised or will the good remain particularised to the workplace or substate organisation? Pateman failed to examine this issue in her path-breaking study. In addressing this issue, it is necessary to take account not only of the ontology of community and individuals but individuals and community characterised by social relations. Such is Gould's contribution.

Gould reconstructs democracy to mean the equal right of all individuals to self-development by building on an ontology of internal relations. She combines a concept of free individuality with a recognition of the importance of 'sociality' for self-development. Because she regards liberal individualism, pluralism and holistic socialist theory as ontologically and substantively incoherent she seeks a new ontological foundation which can coherently link individuality and 'sociality'. For Gould democracy should involve the right of participation in all areas of life consistent with individual freedom and an equal right to the conditions for self-development. Her view of democracy emphasises equal rights and equal representation, based on her concept of the equal agency of individuals, freedom of choice, negative freedom and the primacy of the individual. However, freedom also includes equal access to the conditions which enable individuals to develop their potential. In combination with material circumstances, the social relations in which agents act are an important part of these enabling conditions. Such considerations require adhering to a concept of 'sociality'.

Because Gould's reconstruction of democracy involves conflicting ontologies and explaining the social reality of economic and social inequalities, she proposes an ontology of individuals-in-relation and a reformulation of the primary values of freedom and equality. Because individuals have a characteristic mode of being which is either relational or essentially involves relations with others, individuals are ontologically primary and relations among them are essential aspects of their being. Therefore, Gould argues, as relations are a property of individuals they cannot exist independently and individuals become who they are fundamentally through their social relations. This is because relations are internal relations whereby individuals are fundamentally changed by their relations with others. Individuals are constituted by the conditions and

relations in which they exist. But she argues individuals are not wholly constituted by their relations, because as concretely existing beings and as free agents they have an original capacity for choice and purposeful activity. Individuals can choose and create many of their relations and therefore can be described as 'self-constituting'.

Gould's logic of internal relations preserves the importance of 'sociality' but not at the cost of creating an overarching totality which makes individuals mere component parts or functions. Internal relations have normative implications for an adequate conception of the good. Internal relations not only provide an account of free individuality, but also stress the importance of 'sociality' for self-development. In her depiction of community or society as individuals in social relations, Gould unites the potentially contradictory values of individual freedom, equality and social cooperation.

Gould rejects the abstract individualist ontology of liberalism and its view that individuals can exist independently of each other, related only in external ways. It is through social relations which are internalised that individuals gain their identity. Thus identity cannot rely on external relations alone. Gould also rejects a strong form of socialist ontology because its holism disregards the ontological status of individuality and assumes all relations are internal relations. She also rejects holism on the grounds that it attributes agency and freedom to the community. She argues that as agency requires intentionality and the capacity for choice, a community cannot be an agent. Only individuals within the community have the properties of consciousness, choice and intentionality required for agency. Gould's idea of community agency really stands for the conjunctive actions of individuals within the community.

Ontology is also at the centre of Gould's rejection of pluralism. Because pluralist ontology conceives individuals in terms of their group

membership, the concrete differences between individuals and the internal relations among individuals within a group are not recognised. To Gould, it is necessary to know what constitutes the group, the common interests and shared understandings of individuals within the group, and the nature of their agreement to actions which are taken by the group on their behalf. Within the group individuals internalise their relations with each other and constitute themselves through their relations with the individuals with whom they identify. And the group itself internalises its relations with other groups; it is constituted and changed by its relations with other groups, particularly when relations are conflictual.

As I have shown in my study, for participatory democracy to work individual agency has to be present as part of a participatory environment and as a precondition for political efficacy. Furthermore individuals need a strong sense of their agency and its potential. But gaining an enhanced sense of agency in the workplace is of little use if there are no institutions or associations which can channel and nurture such senses in the community. While I have rejected extreme or strong forms of participation as undesirable, because as Walzer shows they would have suffocating consequences, this does not rule out the weaker form of participation found in associationalist or radical forms of pluralism.

My synthesis of Gould's critique of pluralism and the insights of Taylor, Walzer and Mouffe provides a basis for a new way of understanding associationalist/pluralist theory. Such an understanding provides a way of interpreting the broader political implications of my study. As I've argued throughout this thesis, the political economic environment of my study is shaped by the contradictory elements of consensus embodied in the Accord and economic rationalism. Whereas American pluralism tends to see groups forming around interests that emerge in the political arena and the English pluralists had focused on developing the potential of voluntary

associations which crop up in nearly all aspects of civil society, neither have really developed a theory which sees pluralism within the social relations of capitalism. This is because they focused on the dynamics of politics and not broader political economic social relations. Because pluralist ontology conceives individuals in terms of their group membership, the concrete differences between individuals and the internal relations among individuals within a group are not recognised. As Gould has demonstrated, it is necessary to know how the group is constituted and what its goals are. The group good—or its sense of its goal(s)—is a product of the individuals within the group having common interests and shared understandings and coming to agreement on collective action by the group. Thus members gain, in Walzer's terms, a particularist sense of community and a particular sense of the good. But to Walzer the good is defined in a reciprocal process where it is particularised according to social, cultural and traditional practices in the community, which then informs and modifies its cultural environment. Thus Walzer has an over-arching good of equality of respect.⁴⁸⁹ This is in contrast to the conventional account of the liberal pluralists' view of a particularised good according to the self-interest of an egoistic individual.

Because Gould's individuals are constituted in relations, she is able to view the actions and agency of individuals in a context of capitalist social relations. Hence both the group and the relations within it are constructed in an ontology of capitalist relations. Individuals internalise their relations with each other and constitute themselves within the group. They gain what Taylor has described as self-understanding through this form of advocacy. Hence they gain a collective identity through advocacy, while still

⁴⁸⁹For an extension of this argument see Rosemary Costello, 'Rawls and Walzer—The Implications for Income Redistribution', *Flinders Journal of History and Politics* (December, 1990).

maintaining individual agency and individual rights. Following Walzer and Gould the group itself is changed because it internalises its relations with other groups and takes on a sense of a common good.

This sense of the common good is not an overwhelming substantive sense nor is it reliant on a spacio-temporal concept of community. The concept is rather one of shared meanings and understandings. As such this concept of community avoids the criticisms which Walzer has made of spacio-temporal concepts of community. Mouffe shows that to develop the full potency of associations, they need to become part of a broader configuration of social movements which are able to influence and at times resist politics at the state level. The concept of good appropriate at this level of political action is one of *respublica* for the reasons outlined by Mouffe. As I have shown above *respublica* is commensurate with Taylor's concept of *virtu* as patriotism.

What I am describing is a multi-tiered conception of citizenship: that of workplace, voluntary association, social movement, the state, where individual agency is preserved while recognising the ontological priority of the individual. Social relations have a reciprocal relationship with individuals, where individuals gain a sense of efficacy and self-understanding in the workplace which is able then to be transposed into the life of the community via associations and fed back into the workplace. A sense of good at this community level of associational interaction is that of a community of common meanings and shared understandings, which nonetheless reflect a historico-social, or cultural good. As voluntary associations move into the next tier of action the unifying common good of social movements involves broadly understood ethics such as equality of respect which requires a procedural view of the good, the *respublica*.

My study, therefore, has something to say about the lower tiers of citizenship and community. It elucidates political relationships at the most

fundamental level of the development of a democratic character and the polity. Following the arguments of Barber, Taylor, Walzer and Gould, I have shown how participation creates a sense of enhanced self worth, group identity and ultimately political efficacy.

My survey results show that Arendt, Skinner and MacIntyre are overly pessimistic about the extent and effects of secular decline. A changed workplace culture potentially combats secular decline. I found considerable evidence of changed management attitudes towards workers as part of the new workplace culture, with managers regarding workers as rational conscious beings. This change was reflected in management support for workplace participation at the job and departmental level and indications of a change to more consultation. I found ample behavioural evidence of a participatory workplace environment supported by a culture of participation. I also found evidence of personality orientations commensurate with the democratic personality, namely interpersonal acceptance, skills of communication, articulation of ideas, openness and sharing. And I confirmed a correlation between participation in workplace committees and the development of a 'democratic character' as described by Pateman. Such a correlation is supported by the theory of self understanding which I developed from Taylor. Enhancements of the 'democratic character' took the form of improved skills of social interaction and personality orientations of self-worth and self-determination. Consistent with the arguments of Pateman concerning the development of personal efficacy, political efficacy and self-determination and of Taylor, Gould and Walzer concerning the development of common meanings and shared understandings, developed senses were more evident if delegates were involved in both workplace and voluntary associations. My findings not only support Pateman's thesis of the developmental consequences of participation but also underline the significance of associational life in

creating a greater sense of community and citizenship. The existence of such socio-politically relevant consequences of participation are consistent with Pateman's thesis and Gould's thesis.

My study suggests the possibility of a creative consensus developing out of the internal relations of the group and its communicative interaction. Such a creative consensus is important in maintaining a sense of community against the atomising forces of economic rationalism which by suffocating action and speech would lead to its destruction in mass conformism. Consistent with English pluralist conceptions of group loyalty, the voluntary self-identity and peer pressure within the group immunises individuals against the unitary truth of economic rationalism. Thus there is the potential for a creative consensus and a transforming good within the participatory group of workplace committees. But left to themselves, workplace committees may not be able to withstand the relentless forces of capitalist relations of production. To ensure immunisation from coerced consensus, committees require well resourced, informed, legally supported and democratic unions to facilitate a transforming good.

My study suggests that the social space is not a sphere dominated solely by the conformist consumerism that economic rationalists would celebrate, but rather a more vigorous source of strength for the political sphere. One of the reasons civic republicans tend to be overly pessimistic about the strength of community in contemporary society is that they tend to posit the individual against the holistic forces working to wreck communitarian goals. Individuals are thereby subordinated to virtually immutable relations. As Gould shows, however, individuals can both choose and create many of their relations and therefore can be described as 'self-constituting' in a set of relations. Gould amplifies and clarifies Marx's position in this regard; relations between land, labour and capital are not relations between things and they are not immutable relations. They are

relations among people or social relations, with all that Gould shows follows: they are self constituting. Self constitution in terms of political action requires participation in immunised groups or pockets, which can provide an environment for resistance and renewal.

My study has shown that delegates have the necessary prerequisites of the democratic character and citizen. They are not weighed down by low self worth and *anomie*. Such findings suggest a means to combat the secular decline so abhorred by Arendt, Skinner and MacIntyre. In my account of Rawls, Walzer and Taylor I have shown that each has an ontological foundation for combining a weak view of the community with liberal freedoms and thereby a strong role for persons as agents. What is missing from Rawls, Walzer and Taylor is an adequate account of society and understanding of the ways in which capitalist social relations tend to act against community and aid the process of secular decline identified by Arendt, Skinner and MacIntyre. The ideas of community of choice, communities based on common meanings and shared understandings have considerable potency for the purposes of discussing ethical issues, but they do not provide a mechanism or an institutional basis for strengthening community or a site to overcome secular decline such as provided by Mouffe's conception of a procedural republicanism based on Oakshott's *respublica*.

If we can find evidence of developmental consequences in a worldly situation where the dominant ideology of economic rationalism—which is antithetical to participation and consensus—is hegemonic, it augurs well for Pateman's thesis. The workplace environment, at the time of my study, reflected over a decade of widespread job losses in the Illawarra region, which had been compounded by a recession that still had a strong hold on the region. It was an environment where the threat of imminent redundancy was constant. In a number of workplaces adverse working

conditions and extensive shift-work brought on by constant downsizing seemed formidable barriers to the human spirit. My findings, however, suggested a healthy social sphere, evidence of other regarding behaviour and self-development, all central to the development of a democratic personality. Despite conditions which should have been most inhospitable to the developmental potential of workplace participation, I found ample evidence to support Pateman's claims for participation and its effects on political efficacy.

CONCLUSION

This thesis was prompted by Carole Pateman's arguments for the social and political benefits of increased participation in the workplace, which appeared to address my sense of disquiet about empowerment in modern liberal democratic society. Pateman's argument for participation has become a major work in modern democratic theory, as influential in its way as the democratic revisionists she criticises. For all the status her work has achieved it is perhaps surprising that few studies have attempted to examine her thesis, its assumptions and the evidence it relies on. McLean has argued that supporters of the Schumpeter thesis and Pateman tend to argue past one another by offering different kinds of evidence and incommensurate argument. It is he claims a 'dialogue of the deaf'⁵²⁰. To counter such problems, I have examined a number of the key propositions of Pateman's thesis in order to see if further studies can throw new light on her claims. By isolating her main propositions I have concentrated on the following. She argues that by democratising the structures of authority in industry, workers would be required to develop the skills, practices and resources necessary for improving participation in political life beyond the workplace. Workplace democracy would result in workers developing a democratic personality, the characteristics of which involve greater senses of political efficacy and political competence. These senses she describes as confidence in one's own ability to deal with the world expressed in an enhanced feeling of self-worth and personal effectiveness. I argue such developmental consequences of workplace participation are potentially empowering, because with self-management comes a confidence in one's abilities to do so

⁵²⁰Iain McLean, 'Mechanisms for Democracy' in David Held and Christopher Pollitt (eds), *New Forms of Democracy* (London: Sage Publications, 1986), p. 143.

which gives rise to further participation and yet more developmental consequences.

Pateman argues that only relatively minor changes to existing workplace authority structures might be necessary to develop political efficacy. The workplace could be a potential training ground for participatory skills and resources, provided that it is organised according to participatory principles. If workers are encouraged to develop the skills, resources and values shown by political efficacy researchers to be necessary for socio-political participation, then she argues participation in political life will improve. Moreover, participation reduces the apathy and alienation commonly experienced under models of industrial authority which stress hierarchical organisation. To support this claim she cites the limited behavioural evidence available at the time. Such studies showed that lack of workers' discretion leads to alienation and an authoritarian servile personality (the opposite of a democratic personality) and political apathy. She cites empirical evidence from two democratised workplaces in England and Yugoslavia's participatory experience as examples of changed authority structures.

Pateman develops her argument from the writings of participatory theorists J. J. Rousseau, J. S. Mill and G. D. H. Cole. They argued that by participating in making the decisions that effect one's life a present but hitherto dormant side of one's personality was developed. Such developments were the skills required for participation. According to participatory theorists it was the 'doing' that was important, because by participating people learned the skills for further participation. Pateman assumed these skills to be enhanced senses of political efficacy and competency. In Pateman's terminology, a democratic personality was developed as opposed to a servile, authoritarian one. Together with enhanced senses of political efficacy and competency, the democratic

character included respect for others' needs, opinions and beliefs and a concept of community.

In arguing for the developmental consequences of participation Rousseau did not specifically argue for workplace participation, because his concern was with the republican city-state of Geneva. In combination with Mill and Cole, Rousseau's position is nevertheless useful in supporting Pateman's thesis. Mill argued for the developmental consequences of participation in substate organisations like local government and the workplace. And Cole, who largely drew on Rousseau's work, argued for the workplace as the basis of his functional participatory society. Pateman advocates the eventual democratisation of all institutions,. She argues, however, that the workplace is a good place to start, because it is a meaningful environment in which to make decisions affecting one's life, making it a good training area for political efficacy. This view is supported by Pixley's thesis that in the Australian political economic climate, paid work is germane to the meaningfulness of non-work activities and to people's capacity, as full citizens, for involvement in social movements; which is to my mind the behavioural expression of Pateman's political efficacy. Guided by Pateman and Pixley I deemed the workplace to be a good place to begin an examination of the developmental consequences of participation.

Because the literature abounds with unsuccessful struggles to define workplace democracy and because in light of the cases I cited in chapter three, in the Australian context industrial democracy was not a useful term, I used the term employee participation throughout the thesis. This term best described the way in which employees were involved in decision making in consultative management, which was the model of workplace democratisation I chose to study the developmental consequences of

participation. And, moreover, employee participation is the terminology preferred by the Australian Federal government.

In chapter three, as part of my study of the consequences of employee participation I reviewed the literature on the behavioural and socio-political effects of more autonomous forms of workplace organisation. Elden's was the only study to specifically address Pateman's thesis. Elden admits that his study of autonomous groups was only a partial test of workplace democracy, because only four teams were autonomous. The majority of teams still had managers, albeit acting as consultants rather than bosses. And, because Elden's workplace was not unionised, he believes the democratic potential of the workplace reorganisation was under threat. Nevertheless, from his study of workers in semi-autonomous work groups he found evidence of developmental consequences of participation inside the workplace in terms of enhanced concepts of team-work and organisational commitment, satisfaction with the decision making process and levels of personal potency. Despite restricted methodology Elden also found evidence of a link between participation in autonomous work groups and a sense of political efficacy measured by observable behaviour in voluntary association membership. The literature largely supported Pateman's and Elden's claims regarding a link between increased participation in workplace and a less detached socio-political life outside the workplace. When the literature was considered in combination, the *leitmotif* of Australian and overseas research into the consequences of developing participatory organisations inside the workplace was the strong indication of links between quality of work schemes incorporating a degree of self-determination and psychological changes for improved worker participation and correspondingly enhanced social and political activity outside the workplace.

As part of my review of other studies I sought to find an appropriate model of employee participation. A review of the various models adopted

in Australia, Europe and the United States revealed consultative management to be preferred as an acceptable model for the study of the developmental consequences of participation: although because management prerogative was retained it clearly lacked parity in decision making. I found all participatory or consultative models had significant limitations or drawbacks. For example, in the European models of Co-determination, while they enjoyed a legally sanctioned role for unions, employers in fact had greater power in decision making. Likewise the experience of the Yugoslav participatory society based on workers' councils, was one of domination by management. Exploitation of Yugoslav workers was also noted, as low pay forced many to take a second job. Exploitation was a key danger of worker share holding schemes; the model of employee participation favoured by the Liberal Party. The exploitative potential lay in such schemes effectively exacting a double tribute from workers. Autonomous work groups are purported to give workers direct control at the shop-floor level. But the Japanese example of quality circles throws considerable doubt on the degree of democracy and empowerment workers enjoy in socio-technically organised workplaces. Workers have little relative control over their work and influence in company affairs. And I argued that because quality circles relied on a significant element of Foucauldian self surveillance workers did not enjoy 'real' participation but a form of policing: consequently this form of employee participation was not even humanising.

Finally, workers' cooperatives which are deemed the most democratic form of employee participation because there is parity in decision making—workers are also bosses and owners—had not succeeded in most places for a number of good reasons. Usually they failed because of poor management, insufficient capital, and the exploitation of workers who found themselves working for long hours for low wages in order to keep the enterprise afloat

in a competitive environment. State funded Australian cooperatives in the 1980s failed because of insufficient union and worker support.

In any event, the logic of cooperation within workers' cooperatives clashed strongly with the instrumentalist profit maximising logic of the market. My aim was to examine a model of employee participation pertaining to the 'real world of capitalist relations of production'. It was my view that if developmental consequences could be found in a limited model of participation then it augured well for Pateman's thesis. Consultative management did not provide for equality of influence and status in the decision making. However, if I could find evidence of developmental consequences stemming from limited forms of participation then Pateman's case would be strengthened. Presumably with the stronger forms of participation found in other countries where parity was more closely achieved the developmental consequences would be greater.

As parity did not exist in consultative management, I argued there was a need to provide protection for workers' interests. Consultative management can be a method for capitalist managers to cut costs, particularly to find ways of shedding labour or increasing the burden on remaining workers. For reasons explained in chapter four some degree of increasing the burden on labour was regarded by unions, business, academics and government as necessary, if Australia were to retain and hopefully strengthen its manufacturing base. The problem is one of degree: when does multi skilling, improved productivity, longer hours of work and increased flexibility in conditions become outright exploitation? To provide the necessary venues for independent research, advocacy at government and managerial levels and avenues for communication of workers' interests, I argued that strong, well resourced and legally supported unions are needed to stop exploitation.

In chapter three I argued that the development of consultative management in Australia lagged behind many other comparable countries. Australian managers were resistant to change and slow to adopt even token forms of employee participation. Beginning in the 1970s with job enrichment schemes and token participation it was not until industry restructuring accelerated during the 1980s that consultative management was implemented. The further opening of the Australian economy to global influences and competition at the end of the 1980s motivated some Australian managers to adopt a new workplace culture. As part of an organisational strategy for the renewal of manufacturing and increased job satisfaction genuine employee participation began to be more widespread. The model for change in the workplace was consultative management. It was promoted by the national experience of bipartist and tripartist consultation. Early developments included joint consultation in the public sector and Occupational Health and Safety Committees which were legislative requirements in the public and private sectors. Moreover, promotion and facilitation of joint consultation in the workplace was supported by a Labor government committed to consultation at the national level as part of its renewal strategy. Importantly these developments were supported by a change in thinking in the arbitration courts (later to become the Industrial Relations Commission). In summary, the development of employee participation and consultative management in Australia and a close examination of the alternatives shows the consultative management model to be the most appropriate form of employee participation in the current circumstances. With this in mind I analysed the development of employee participation and consultative management practiced in two contrasting heavy industry workplaces: at the Port Kembla Steelworks and WGE.

Consultative management at the Steelworks was prompted by the adverse economic climate and the need for organisational survival, which I outlined in chapter four. The transition towards more consultation began early in the 1980s with the government orchestrated Steel Industry Plan, culminating in the Steel Industry Development Agreement (SIDA). The result was a formalised structure of workplace committees (Consultative Committees, Working Groups and Occupational Health and Safety Committees and Five Star Safety Committees). The Consultative Committees and Working Groups and five Star Safety Committees provided input into decision making at the departmental and workplace level, with the final decision being the prerogative of management. The Occupational Health and Safety Committees on the other hand, having legislative support, exerted more influence over management. This influence however, was restricted to health and safety issues. Management made all the capital and marketing decisions; investment, profit distribution, customer choice and like decisions. At the lower level, therefore, workplace committees provided partial representative participation through elected shop-floor delegates who must report to and be guided by the shop-floor. Added to this there was some limited forms of direct participation of the shop-floor in that the job specific problem solving extant at the Steelworks prior to SIDA was formalised.

The consultative approach evident at the Steelworks was a management initiated workplace participation scheme, as part of TQC. It was, however, developed and operationalised with the collaboration of the Steel Unions as part of the Steel Industry Development Agreement and its successor the Steel Industry Agreement (SIA). Union officials continued to be part of the Divisional Consultative Committee and union delegates were included in the departmental and workplace committees. But despite this close cooperation with unions there was no union representative on the

board of management and the unions were not fully informed of management's plans. There was, therefore, only a limited, partial participation at the upper levels of management.

There was no pretence to parity in decision making, particularly as management prerogative was emphasised as part of the SIDA. Employee participation was nevertheless genuine, in that it resulted from a management strategy for organisational survival. This was in contrast to a strategy for organisational maintenance characterised by tokenism and prompted by signs of job dis-satisfaction and worker unrest. Despite its limitations, I found consultation at the Steelworks to be meaningful. For example, many of the suggestions from the shop-floor were considered by management, the shop-floor participated through working groups to construct their training programs under the auspices of award restructuring, job rotation allowed some control over who does what and when and the reduction in direct supervision allowed increased control over the job. The formal undertaking by management under the SIDA to improve information sharing and under award restructuring to facilitate training ensured more genuine employee participation. While there was exclusion of those unprepared for change, the need for consensus as the basis of decision making was nevertheless an inclusivist approach to consultative management. And while the discussion germane to consensus potentially dis-empowered the non-articulate, I argued that decisions made on the basis of consensus allowed for more informed decision making and moreover, following Barber, was a developmental process in itself.

Like the Steelworks, at WGE the move to a consultative management as part of a new workplace culture and TQC was prompted by the need for organisational survival. In contrast to the Steelworks, the change at WGE was quite dramatic, occurring with the buy-out by the current manager-director. There was a transition to full direct participation at the upper level

of management. The general meeting of workers and secret ballot allowed workers to participate directly in making decisions that ranged from work-boots to capital investment. And the issue specific committees and quality and production meetings involving representatives of staff and shop-floor workers provided representative participation at the lower level of management. Like the Steelworks, the move to a consultative approach was management inspired. While unions supported the consultative procedures and management supported and encouraged union involvement in and presence at the workplace, like the Steelworks, there was no union representative on the board of management. While management prerogative was relaxed in comparison to the Steelworks, major decisions were nevertheless management inspired and decisions relating to customers and production remained the province of management. Resistance to change meant not all were involved in the consultative process. Probable exclusion also resulted from the practice of management, rather than a shop-floor delegate, chairing the general meetings and the practice of a super-majority, rather than consensus, to decide the issue.

The transition to consultative management in both enterprises represented a huge change in industrial relations; from the adversarial days of union suspicion and attitudes of 'whipping the workers' to one of union and management cooption and management recognition of workers as intelligent and worthy people. Such changes, together with the emphasis on training under award restructuring and the potential for job loss under multi-skilling, resulted in some degree of insecurity; a situation not conducive to participation. Thus the model of consultative management at the Steelworks and at WGE was an imperfect form of employee participation, because it lacked parity in decision making, and the framework of its operationalisation was also far from ideal.

Despite such imperfections, in chapter six I examined the developmental consequences of workplace participation associated with the introduction of consultative management in WGE and six representative areas of the Steelworks' Ironmaking Department. My study had two main objectives. First, I sought to find out if the formal structures of consultative management outlined above actually created a participatory environment. This could be discovered best by a combination of surveying the attitudes of workers, non participant observation and semi-focused group interviews. Second, my objective was to study the socio-political consequences of workplace participation and the development of social interaction skills. For this objective the same methodology was used.

My study differed from Elden's because I did not seek to determine indices of democracy. In any event Pateman does not seek to develop indices of democratisation. She argues that what is crucial is the development of a democratic personality within a participatory environment. Even the smallest possible amounts of participation, she claims, will show that provided people believe they are participating, developmental benefits will accrue. Developing a participatory environment rather than a democratised workplace is therefore more important to a study of Pateman's thesis. Hence, the first objective of the study was to find indications of a participatory workplace environment. The critical factors required for participation were evident to a moderate degree. These included: education, teamwork, organisational commitment, job autonomy, job satisfaction, information sharing and structures for dissemination. Management support for shop-floor involvement in decision making was also a prerequisite because it established a degree of expectation of influence in the decision making process and it facilitated the desire to participate. Positive indications of a desire to participate were strong but not overwhelming. Very few, however, expressed apathy. The

combination of the latter two factors would foster a participatory culture. My results indicated the existence of participation, not only in formal structures of committees and meetings, but also in more informal, but recognised, structures such as team-work and problem-solving on the job. And there was evidence of changes in decision making procedures, including less supervision. Furthermore, I found that management supported participation by implementing employee suggestions at the level of the job and the department. The number of suggestions enacted upon was a recognition by management of workers as intelligent beings. Such recognition, while it represented a broader form of expropriation of workers' capacities by management, was nevertheless a process that signified and built up trust between management and waged employees which should facilitate a culture of participation.

The level of education at WGE was at trades level and above and in Ironmaking the majority were at school year twelve and above. The effects of macro political economic policy, described in chapter four, were demonstrated at the shop-floor level. My study of WGE indicated a reasonable level of multi-skilling, but career paths under award restructuring were limited by the few relevant courses available. This finding supported Boxhall's work cited in chapter four, concerning the problems faced by small businesses in complying with the 1 per cent training levy guarantee. Many Australian businesses are too small to harness the resources required to multi-skill their workforce. Standing in contrast to WGE in Ironmaking, the current emphasis on training and multi-skilling carried out under the auspices of award restructuring was evident. A small number were already multi-skilled and a number of programs for multi-skilling were either in the planning stages or were operational in Ironmaking workplaces during the period of my research. The plethora of courses available for workers and staff at BHP training and education centres

served to contrast the difference between the ability of large national industries and small businesses to gain access to training courses. Such highlights the need for state assistance in order that education under award restructuring does in fact empower all workers by widening their social horizons and providing them with portable skills.

Importantly, a majority of Consultative Committee participants had received effective committee procedure training. There was more information sharing and improved information dissemination at both Ironmaking and WGE, following the organisational changes. The quality of the information was not sought, as much of it was highly technical or job specific. But my observations of the methods of dissemination and quantity of information led me to believe, that given the limitations of consultative management, the extent of information was sufficient to support a participatory environment.

At WGE and Ironmaking workers enjoyed a measure of control over the job. Furthermore, in Ironmaking the organisational changes that increased job autonomy had occurred since the Steel Industry Development Agreement in 1989, substantiating management claims of devolving responsibility to the shop-floor. At WGE, however, job autonomy existed prior to the organisational changes. These results were significant in that they indicated Elden's condition of relative autonomy, as a requirement for 'personal growth and development', existed at WGE and Ironmaking. While there was considerable job autonomy at WGE, the changed nature of supervision at WGE to comply with Australian Quality Endorsement had elements of Foucauldian surveillance. So too did the change to job procedures mooted for the Steelworks. Because such job guidelines negate the need for decision making and make the job 'robotic' the changes might, in the long-term, have negative implications for workplace participation. In sum, there were indices of a participatory workplace environment for both

WGE and Ironmaking and an overview of my findings showed that participation was taking place.

When looking for indices of a participatory workplace environment, I also had to consider the working environment. The behavioural evidence discussed in chapter three demonstrated the existence of a link between apathy and stressful, monotonous and isolating work. In particular Gardell's study showed that workers with stressful and monotonous jobs had low self-esteem and displayed no interest in participating in workplace decision making. Gardell's study was supported by Rosenberg's findings linking low self-esteem with political apathy and Wilensky's findings of apathetic behaviour and withdrawal from social interaction in workers with monotonous jobs. Therefore I expected that the stressful noisy environment in Ironmaking and the isolating working conditions in some WGE workplaces would work against participation. The apparent physical limitations of the workplace environment were mitigated by factors such as the respite provided in control rooms, crib rooms, the ability to take breaks from intensive work and job rotation. The working conditions, nevertheless, remained imperfect for participation. Yet despite this, substantive developmental consequences of participation were evident.

I found significant evidence of factors that are demonstrated by the organisational and behavioural studies discussed in chapter three to be a consequence of participation and increased teamwork. It will be remembered Elden found an organisational change to autonomous work groups linked with enhanced teamwork, organisational commitment and more involvement in self-management. Despite difficulties with developing reliable indices to measure job satisfaction Gold, Jenkins, Wall et al. and Cordery et al. found links between more autonomous forms of workplace organisation, job satisfaction and organisational commitment. Moreover, both Williams and Ramsay found a positive relationship

between job autonomy and the desire to participate. These factors are a developmental consequence of participation. And they are also prerequisites for participation discussed above. Their presence indicated both a participatory environment and developmental consequences and gave support to Pateman's claims of the reinforcing nature of participation.

The strong presence of teamwork found in Ironmaking and WGE was an important element of the participatory environment, because the social and personality elements integral to teamwork are the basis of participation. It meant the social elements of participation such as communication, cooperation and mutual respect were present, together with openness and sharing. Personality prerequisites of self-esteem and inter-personal acceptance were also indicated. Furthermore, the highly developed sense of team efficacy, particularly found at WGE, together with the strong group commitment found, implied social skills which are also crucial in a participatory environment.

Such findings are significant because they point to a communicative environment of interaction, or to use Arendt's terminology, a space of action and speech. While there are still clashes of interests between managers and workers, because both participate in an environment of communicative interaction they have to take account of one another's interests. In so doing, each moves beyond their own immediate needs. Managers become more aware of workers' concerns and needs while workers take on a degree of understanding of management problems and requirements. It is important to note, however, that the sense of the other and the build up of trust between managers and workers does not mean the disappearance of class interests. The potential for workers to subjugate their own interests for those of management's and the enterprise's are still real indeed. This serves to underscore the need for strong, well resourced and legally sanctioned unions as an integral part of the participatory workplace.

Without this there is the potential for a creative consensus to revert to the coercion of old workplace culture days.

More specifically, in considering the development of interpersonal skills central to the formation of a democratic personality, Pateman argues that workplace participation results in learning skills and resources necessary for further participation. I considered these skills to be the social acquisitions of a sense of responsibility, self-confidence, understanding other's opinions, and communication and articulation skills. My study confirmed the existence of the learning experience predicted by Pateman and supported Taylor's concept of a 'sense of the other' which is developed through interactive discourse.

Given Pateman's claims, I expected that the developmental impact of participation would be stronger for waged employees than for staff, given the importance of decision making in staff jobs. Because staff were accustomed to decision making, the additional activity in workplace committees would be unlikely to have as great an impact on staff as with waged employees, who were hitherto unaccustomed to participating in decision making. These aspects of Pateman's argument were borne out by my study. Not only was the development of social acquisitions more pronounced in delegates but also the development of an enhanced self-worth and self-determination. In sum, there was a greater development of interpersonal skills and personality orientations commensurate with the development of a democratic personality in committee delegates than for staff representatives.

When I came to examine the development of a sense of political efficacy and competency in terms of observable behaviour I took political efficacy to mean involvement in the political life of the community and what Arendt saw as the social sphere, discussed in chapter two. Noting the influence of new social movements (such as ethnicity) in the Illawarra and

the numerous voluntary associations I set out to analyse political efficacy at the lower levels as well as indicators of public spiritedness in my study. As examples of a very general public spiritedness or 'sense of the other', in Taylor's terms, I particularly focused on membership of voluntary associations. A study of the social movements would require a separate focused study which took account of the different purposes, organisations and dynamics attached to each movement: clearly a study in itself beyond this work.

My study suggested a link between participation in workplace committees and involvement in voluntary associations. The direction of that link was not clearly established, but the suggestion was for a two way effect, with the emphasis on voluntary association membership influencing workplace participation. Workplace committee work had some influence on the extent of involvement in voluntary associations, in that a number increased their involvement following the organisational changes at the Steelworks and WGE. But membership of voluntary associations also facilitated participation in workplace committees, in that those already participating in voluntary associations outside the workplace were those most likely to participate inside the workplace. Furthermore, participation in voluntary associations appeared to have greater impact on staff than waged employees. Their involvement was more extensive and the link with personal efficacy and participation in voluntary associations was stronger. Of relevance here was that most staff were appointed to workplace committees by management on aptitude grounds, suggesting much of the learning experience for staff may be found in voluntary associations.

I found considerable evidence of multiple membership of voluntary associations. A very significant number of respondents belonged to two or more associations and were active in both workplace committees and voluntary associations. The extent of multiple voluntary association

membership, particularly for delegates, supported liberal pluralist theory described in chapter two. Furthermore, multiple membership suggested socially relevant consequences of participation in behavioural terms. While fewer staff than waged workers indicated multiple membership, more staff described themselves as very involved and more held executive positions. The latter was not unexpected, given that staff employees are more likely to hold executive positions at work. Such demonstrated support for the 'long arm of the job' thesis described in chapter three.

In keeping with Pateman's thesis, my study showed that the link between the sense of personal efficacy or self-worth of waged workers and their experience of participation was stronger when they participated in both the workplace and in voluntary associations. Such was repeated when I linked participation with self-determination. Only a weak positive correlation between participation in workplace committees and self-determination was demonstrated. But I found a significant positive correlation between participation and the self-determination of delegates involved in both workplace committees and voluntary associations. Hence, this confirmed Pateman's argument that the more people participate the greater will be their sense of personal efficacy and level of self-determination.

When I came to link participation with the sense of political efficacy, the findings for waged employees mimicked those for the link between personal efficacy and self-determination. That is, a link was suggested between workplace participation and the sense of political efficacy, but when delegates were involved in both the workplace and voluntary associations the link became more obvious. The suggestion of a negative relationship between staff's sense of political efficacy and participation suggested support for the steeper learning curve found for waged employees when linking

participation with the development of social skills, the sense of personal efficacy and self-determination.

In sum, my empirical study of the WGE and Ironmaking workplaces supported Pateman's thesis of the developmental consequences of workplace participation. The suggestion that community activity fostered participation inside the workplace reversed Elden's findings. My findings, however, were not at odds with the proposition that participation *per se* fosters the social learning for further participation. Measured in terms of observable behaviour and measured in terms of interactive skills and personality orientations commensurate with a democratic personality my findings supported Pateman's thesis. Such demonstrated the potential consultative management practice has for worker empowerment within and beyond the workplace.

But not only did I find potential for empowerment through the developmental consequences of participation in consultative management, I also found potentialities for empowerment at the shop-floor level in a combination of factors which resulted from opening the Australian economy to global influences. Consultative management was one of several aspects of the new workplace culture adopted as a part of industry restructuring and combined with union and award restructuring and education reforms. These reforms had contradictory but nevertheless potentially empowering effects both for workers and unions.

In chapter four I outlined changes to the political economic culture in Australia from defensive protectionism to a free-trade openness and the contradictory ramifications of such changes at the shop-floor level. It was inevitable that protectionism would be curtailed in Australia, given the poor results of long years of protection in the manufacturing sector and given the trend in economic rationalist policy in the OECD towards free-market trading. With protection from tariff barriers weakened, the

Australian manufacturing industry was opened to the forces of global competition. The out-dated production methods, technology and management attitudes harboured by the long years of protectionism were exposed. Sheer survival meant manufacturing industries were forced to restructure. Such restructuring was characterised by new concepts in technology, work organisation and management and was adopted to a varying extent by Australian manufacturing industries. A new workplace culture was adopted in some enterprises. This was characterised by continuous improvement and benchmarking, involving statistical philosophies such as total quality control and just-in-time, technology such as computer assisted manufacture and new management attitudes such as consultative management. Continuous improvement had contradictory implications for the shop-floor. It opened up the potential for empowerment through job autonomy, by devolving responsibility for quality and production through-put to the shop-floor. And by its requirement for continuous training, in keeping with human capital theory it enhanced the workers' value. But the pressure of meeting constantly moving targets and keeping abreast of new technology was found to be potentially stressful and I argued that the self-monitoring and set procedures associated with TQC and JIT reversed the potential of job autonomy by instilling a more invasive form of discipline. And although the position of the highly skilled tradesperson was enhanced by the introduction of complex technology and the operationalisation of continuous maintenance to ensure continuous production, multi-skilling (as part of continuous improvement and of award restructuring) potentially weakened labour solidarity as the position of skilled tradespersons was threatened by multi-skilled operators.

Through their partnership in the Accord, unions were instrumental in the political economic change. Influenced by a visit to Western Europe

in 1986, the ACTU leadership adopted strategic unionism largely informed by the Swedish corporatist model. I described strategic unionism as a developmental strategy characterised by union involvement with business and government in production issues. It expanded the union's role from a reactive negotiating one, based on conflict, to a proactive participatory one, based on a harmony of interest; that of seeing business flourish. Strategic unionism meant union participation in workplace change at the national level through its partnership in the Accord and at the enterprise level, in some enterprises, through its partnership in consultative management. But in participating in the workplace, unions accepted employee redundancies as unions took part in industry restructuring. Moreover, unions themselves were potentially faced with redundancy as workers and managers used Consultative Committees to reach agreement. And unions were faced with member estrangement when, in keeping with strategic unionism, unions began restructuring with the aim of reducing the large number of craft based unions to around twenty industry-based mega-unions.

The Accord and strategic unionism meant the ACTU was party to award restructuring aimed at enhancing worker productivity and the subsequent productivity of the manufacturing sector. Such had contradictory effects on the shop-floor. The Industrial Relations Commission agreed with the ACTU *Blueprint*, known as the Kelty Plan, which emphasised that the need for productivity meant, among other things, better trained workers. Thus, the restructuring and efficiency principle that underpinned the April 1991 wage decision, emphasised career paths linked to training and skills. And multi-skilling was part of the Accord mark IV agreement. This potentially empowered employees through access to more varied and fulfilling jobs and enhanced employee value to employers. Skill training was reinforced by reforms in education;

the Carmichael Accreditation Scheme being the most relevant. It, together with the restructuring and efficiency principle, potentially empowered employees through the acquisition of portable skills. This broke the nexus of enterprise specific production skills, which served to tie workers to one place of employment for life, enhance management prerogative and restrict employees' social development. But not all were potentially empowered. Those who were unable or unprepared for the push to multi-skill and to train for accreditation—those largely in the secondary labour market—were potentially marginalised. Their position was further eroded by the move towards enterprise bargaining. Paradoxically, the potential for some in the primary workforce for career paths was limited, in spite of training, due to changes in supervision philosophy.

The Keltly Plan explicitly advocated that employee participation, in the broader decision making of the enterprise, be built into work organisation. And the Commission ruled that employees be consulted in production issues during wage bargaining. Consultation of employees was also a feature of management philosophy in the new workplace culture. But employee participation within the framework of consultative management was found to be a two-edged sword for both individual workers and the unions. The cooperation in workplace committees improved workplace relations while at the same time negated the demarcation between trades and operators; a defence mechanism that protected the interests of both. It also blurred the distinction between management's interests and those of the employees, such that employees could submerge their own interests with those of the company's. In the subjugation of employee interests the position of the unions was threatened, as employees by-pass unions and dealt directly with management. The push towards enterprise bargaining without union involvement added to the threat of union irrelevance. I argued that a

strong union presence is required, however, to facilitate an efficacious consultative process and to ensure that employee's interests do not succumb to those of management.

In fact I argue that unions are required to foster the potential for empowerment that lies in all areas of the new workplace culture: namely the workers' enhanced value, increased job autonomy and acquisition of portable skills as a consequence of training; the workers' increased control over the job and working environment as a consequence of information sharing and devolution of responsibility; and the workers' development of participatory relevant skills as a consequence of participation in consultative management.

My study of the developmental consequences of employee participation revealed the significance of associational life in enhancing the sense of community and citizenship. Pluralist associationalism does not contradict Pateman's three theorists Mill, Cole and Rousseau. Mill's view of the conditions for developing political efficacy were based not only on participation in the formal structures of political life but also in civil society and the educative potential of voluntary associations. While Rousseau did not argue for workplace participation, he did point to the importance of associational life for learning republican virtues required for the maintenance of good government. And Cole held a view of society as a complex of associations. Furthermore, community is central to all the contemporary theorists of politics I discussed in chapter two. I argued that from Rawls' Kantian conception of the person to the various guises of communitarianism, English and socialist pluralism, the community is central to their basic ontological and moral claims. English pluralists, Walzer and socialist pluralists like Poulantzas regarded associational life as the means to combat totalitarianism and the key to developing an all-round

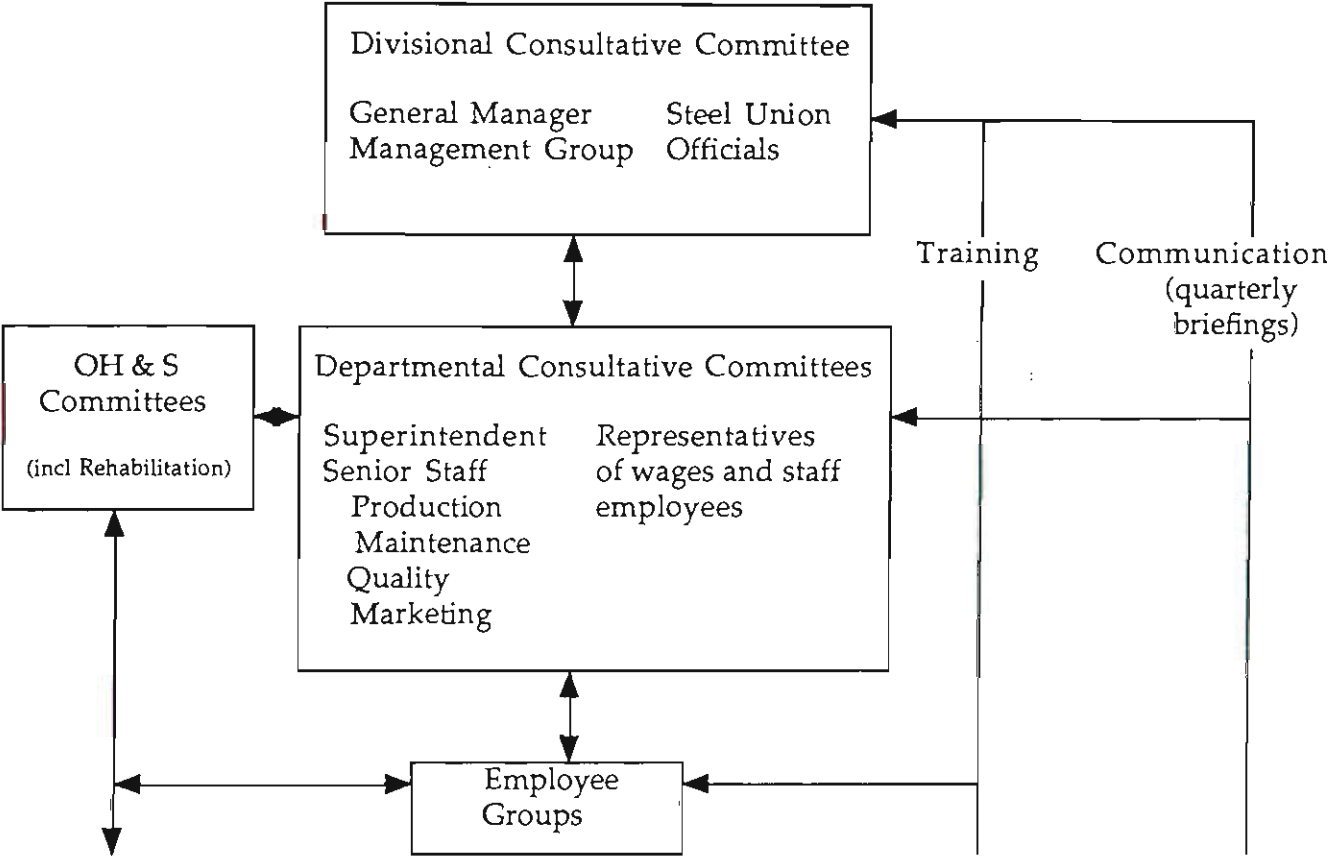
ability to change society. While republican theorists like Arendt viewed associational life as a way to combat totalitarianism and sectoral decline.

Pateman considerably underplays the associational elements of Mill, Rousseau and Cole's theories and the role associations play in articulating workplace participation with participation in politics at state level. Moreover, while Pateman argues and Elden shows that democratised structures are possible in capitalist relations of production, missing from their accounts is an explanation of why a democratic personality would ensue and carry over into the social and political space, given that the political economy is antithetical to participation. This is particularly relevant when the political economy is influenced by an ontology of *homo economicus*. For this reason I have proposed a number of modifications to her theory which take account of the articulating role of associations and the different tiers at which participation takes place. I argued that an explanation to link participation with a sense of an enhanced democratic character and political efficacy can be found in Arendt's, Taylor's and Walzer's concept of the self-understanding gained from the communication with others. Such is afforded by communication with others in workplace committees which is then carried over into other spheres of life. My study suggests the development of self-understanding in the learning of skills of social interaction and the possibility of a creative consensus developing out of the internal relations of the group and its communicative interaction. In this way workplace participation affords a measure of empowerment to counter the sectoral decline that concerns Arendt and the civic republicans.

Finally, the pluralist behaviour of workplace delegates and staff representatives throws doubt on Pateman's critique of the pluralist revisionists. I have argued that by failing to recognise the ontology of liberal pluralism as a weak concept of the good and different from the atomistic self-interested ontology they claimed; she fails to see the blurred line of

division between her own participatory democratic position and that of the liberal pluralists. And I showed how contemporary theorists Walzer, Taylor, Skinner, Mouffe and Gould reconcile a concept of the good with a liberal pluralist ontology. Such shows that the gulf between the two opposing traditions—the revisionists' narrow account of democracy and Pateman's developmental account of participatory democracy—is reconcilable and that empowerment can be found in modern liberal democratic society.

APPENDIX A: Consultative Committee Structure—BHP Port Kembla Steelworks



APPENDIX B

QUESTIONNAIRE

I am a post-graduate student in History and Politics at the University of Wollongong. I am examining the effects of recent changes to a more consultative approach in the management of Australian industry. I am particularly interested in what impact these organisational changes have on the lives of personnel both inside and outside the workplace.

I am currently surveying the personnel in several work-places in Wollongong.

... at Slab and Plate Products Division (WGE) is one of these work-places.

Your answers to the following questions will help me understand the effect of recent organisational changes at BHP Steel - Slab and Plate Products Division (Port Kembla) (WGE) on the lives of its employees.

The first part of the questionnaire is work related.

The second part of the questionnaire is related to your life outside the workplace.

The last section concerns facts about yourself.

The questionnaire is not a test. There are no right or wrong answers. It is simply to learn about the way you see things. Your thoughtful and frank responses to the questions will be most helpful and much appreciated.

While this survey has been allowed by BHP (WGE) management and the Steelwork's Unions, the survey is for my personal research and is quite independent of the Steelwork's management and Unions.

All individual responses to this questionnaire are **STRICTLY CONFIDENTIAL**. Please DO NOT put your name on the questionnaire.

Please complete the questionnaire and return it to ... (*in the enclosed envelope*).

Thankyou for your co-operation.

PART ONE

THESE QUESTIONS CONCERN WORK AND YOUR WORKING LIFE

1. When did you begin working at Port Kembla Steelworks (WGE)?
(Specify Year) -----

2. Do you have any formal qualifications?

YES ☐ NO ☐

If YES, what? (e.g. D.L.I.Ticket, Trade Certificate)-----

3. What is your current job classification? -----

4. How did you learn the skills for your job classification?

TICK ONE OR MORE

- | | |
|--------------------------------|--------------------------|
| (a) Workmates | <input type="checkbox"/> |
| (b) Supervisor/foreman | <input type="checkbox"/> |
| (c) Inhouse training programme | <input type="checkbox"/> |
| (d) Warrawong Training Centre | <input type="checkbox"/> |
| <i>(not included for WGE)</i> | |
| (e) Apprenticeship | <input type="checkbox"/> |
| (f) Formal outside training | <input type="checkbox"/> |
| (g) Other (specify) | <input type="checkbox"/> |
-

5. During your shift do you work

(a) alone?	<input type="checkbox"/>
(b) as part of a team?	<input type="checkbox"/>
(c) in the company of others from the same language group?	<input type="checkbox"/>
(d) in the company of others in a mixed language group?	<input type="checkbox"/>

6. How much supervision do you get on the job?

- | | |
|--------------------|--------------------------|
| (a) No supervision | <input type="checkbox"/> |
| (b) Some | <input type="checkbox"/> |
| (c) A lot | <input type="checkbox"/> |

7. Has the amount of supervision changed* since you began work at the Steelworks? (**for WGE read 'in the last few years'*)

YES ☐ NO ☐ DON'T KNOW ☐

If YES, how has it changed?

- (a) More supervision ☐
(b) Less ☐

How long ago did you notice a change in the amount of supervision?
Approximate time in years/months (*not included for WGE*)

8. Do you supervise the work of anyone?

YES ☐ NO ☐

If YES, whom? (i.e. which positions) -----

9. When decisions are being made in your department, to what extent are the persons affected asked for their ideas?

- (a) To no extent ☐
(b) To some extent ☐
(c) To a great extent ☐

10. To what extent do you like to be involved in making decisions that effect you and your department?

- (a) To no extent ☐
(b) To some extent ☐
(c) To a great extent ☐

11. When the persons affected by a decision in your department are asked for their ideas, to what extent are these ideas paid attention?

- (a) To no extent ☐
(b) To some extent ☐
(c) To a great extent ☐

12. Have you made any suggestions about how a job could be done?

YES ☐ NO ☐

If YES, to whom? (a) Union delegate []
(b) Supervisor/Foreman []
(c) Other (specify) []

If YES, what happened to your suggestion?

(a) It was acted upon []
 (b) It is being considered []
 (c) It was considered but not acted upon []
 (d) It was ignored []

13. Have you made any suggestions about an activity proposed for your department?

YES ☐ NO ☐

If YES, to whom? (a) Union delegate []
(b) Supervisor/Foreman []
(c) Other (specify) []

If YES, what happened to your suggestion?

(a) It was acted upon []
 (b) It is being considered []
 (c) It was considered but not acted on []
 (d) It was ignored []

14. *Have you noticed any changes in the way decisions are made in your department? (*for WGE read 'In the last few years')

YES ☐ NO ☐

If YES, specify what these changes are -----

If YES how long ago did you notice these changes? (Give approximate time in years/months) *(not included for WGE)*

15. To what extent is information shared with you, about important events and situations at the Steelworks (WGE)?

- (a) To no extent ☐
- (b) To some extent ☐
- (c) To a great extent ☐

16. By which method do you best receive information about events at the Steelworks (WGE)?

TICK ONE

- (a) Union delegate ☐
- (b) Supervisor ☐
- (c) Notice Board ☐
- (d) Kembla News (*Messenger*) ☐
- (e) Workmates ☐
- (f) Consultative Committee Minutes ☐
- (g) C C Report (General meeting) ☐
- (h) Quarterly Briefing (*not WGE*) ☐
- (i) Local media ☐
- (j) Other (specify) ☐

17. To what extent is information shared with you, about important events and situations in your department? (*not included for WGE*)

- (a) To no extent ☐
- (b) To some extent ☐
- (c) To a great extent ☐

18. *Has there been any change in the extent to which information is shared with you, about events in your department? (*for WGE 'In the last few years')

- (a) No change ☐
- (b) More information ☐
- (c) Less information ☐

If more or less information, how long ago did you notice a change?
(give approximate time in years/months) (*not included for WGE*)

19. Are you involved with your work team in solving job related problems?

YES ☐ NO ☐

If YES, to what extent does your team make good decisions and solve problems well?

- (a) To a very little extent ☐
 (b) To some extent ☐
 (c) To a great extent ☐

20. To what extent are people in your team willing to listen to what you have to say?

- (a) To a very little extent ☐
 (b) To some extent ☐
 (c) To a great extent ☐

21. Here is a list of things that people sometimes say about their job. Think about your present job and indicate your response to each statement. Please use the following key.

SD=Strongly Disagree, **D**=Disagree, **DK**=Don't Know, **A**=Agree, **SA**=Strongly Agree

	SD	D	DK	A	SA
Its interesting work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I've learnt nothing from doing this job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Its a job with high prestige	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
My skills are wasted in this job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The working conditions are good	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The work is enjoyable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The job has poor chances for promotion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The wages are good	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Its a secure job. I'm not likely to lose it	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

22. How do you rate your chances for getting ahead at the Steelworks?

- (a) Not good ☐
- (b) Good ☐
- (c) Very good ☐

23. By what method could you get ahead at the Steelworks (WGE)?

- (a) By working hard ☐
- (b) By training and learning new skills ☐
- (c) By knowing the right people ☐
- (d) Other (specify) ☐

24. To what extent do committees in your department pay attention to your suggestions?

- (a) To a very little extent ☐
- (b) To some extent ☐
- (c) To a great extent ☐
- (d) Don't know ☐

25. How effective are your committees in reporting information to you about events and situations in your department?

- (a) Not effective ☐
- (b) Some effect ☐
- (c) Very effective ☐
- (d) Don't know ☐

26. Have you been a representative on a committee or on a working group at the Steelworks (WGE)?

YES ☐ NO ☐

If your answer is NO, please go on to question 33

If your answer is YES, please continue with the questions

27. Which committees are/were you involved in?

TICK ONE OR MORE

- (a) Consultative Committee ☐
- (b) Consultative Sub-Committee ☐
- (c) Consultative Working Group ☐
- (d) Occupational Health and Safety ☐
- (e) Other (specify) ☐

28. When did you begin your involvement in committees? (approximate date will do)

29. What is/was your position on the committee/working group?
Please use the following key.

CC=consultative committee, SC=sub-committee, WG=working group,
JD=job design group, OHS=occ health and safety, O=other

	CC	SC	WG	JD	OHS	O
(a) Wages representative	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b) Staff representative	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(c) Union delegate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(d) Management representative	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(e) Minute secretary	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(f) Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(h) General participant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

30. Have you attended committee-procedure training sessions? (*not for WGE*)

YES ☐ NO ☐

If YES how effective was the training session in preparing you to cope with the responsibilities of being a committee member?

- (a) Not effective ☐
- (b) Some effect ☐
- (c) Very effective ☐
- (d) Don't know ☐

30. (For WGE: How effective do you think the general meeting is, in expressing your opinions to management?)

- (a) Not effective ☐
- (b) Some effect ☐
- (c) Very effective ☐
- (d) Don't know ☐

31. How effective do you think your committee or work group is, in expressing your opinions to management?

- (a) Not effective ☐
- (b) Some effect ☐
- (c) Very effective ☐
- (d) Don't know ☐

32. Here is a list of changes, that people who are involved with committees sometimes notice in themselves. Indicate to what extent you agree with these changes in yourself.
Please use the following key.

SD=Strongly Disagree, D=Disagree, NC=No Change, A=Agree, SA=Strongly Agree

	SD	D	NC	A	SA
(a) It is easier to express my opinions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b) I feel more responsible	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(c) People listen to what I have to say	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(d) I have less time to do other things	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(e) I understand others' opinions better	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

33. Are you a member of a professional organisation?

- YES ☐ NO ☐

If NO go to question 34
If YES continue with question 33

* Have you held any executive positions in your organisation?

YES ☐ NO ☐

* Which best describes your involvement in your organisation?

- (a) Never involved ☐
- (b) Occasionally involved ☐
- (c) Very involved ☐

34. Are you a member of a trade union?

YES ☐ NO ☐

If you have answered NO, go to **PART TWO** question 35
If YES, continue with question 34

* Are you a union delegate?

YES ☐ NO ☐

* Are you a union representative on any committee?

YES ☐ NO ☐

* What best describes your involvement in your union?

- (a) Never involved ☐
- (b) Occasionally involved ☐
- (c) Very involved ☐

If you would care to make any comments at this point,
please use the space provided below.

PART TWO

UP UNTIL NOW THE QUESTIONS HAVE BEEN WORK RELATED. THE FOLLOWING QUESTIONS ARE DESIGNED TO FIND OUT THE EFFECT YOUR WORKING LIFE HAS ON YOURSELF AND YOUR LIFE OUTSIDE YOUR WORK-PLACE.

35. Are you a member of any clubs or organisations outside the Steelworks (WGE)?

YES [] NO []

If your answer is NO please go on to question 41

If your answer is YES please continue with the questions

36. List the organisations to which you belong (for example, RSL, School Parents and Friends, Church Group, Community Group such as The Macedonian Welfare Association or Neighbourhood Watch, Sporting Club, Political Organisation such as Environmental Groups, Resident Action Groups and etc)

37. Have you joined any of these clubs or organisations in the last few years?

YES [] NO []

If YES, please specify which ones -----

38 Have you held any executive positions in your club or organisation?

YES [] NO []

If YES, did you hold any positions before, say 1989? YES [] NO []

39. What best describes your involvement in your club or organisation?

- (a) Never involved []
- (b) Occasionally involved []
- (c) Very involved []

40. Has your involvement in your club or organisation changed in the last few years?

YES ☐ NO ☐

If YES in what way? (specify) -----

-

41. Who makes the important decisions at home?

- | | |
|---|--------------------------|
| (a) You | <input type="checkbox"/> |
| (b) Your spouse/partner | <input type="checkbox"/> |
| (c) Your spouse/partner and yourself together | <input type="checkbox"/> |
| (d) Your parents | <input type="checkbox"/> |
| (e) Your whole family together | <input type="checkbox"/> |
| (f) Other (specify) | <input type="checkbox"/> |

42. Has the way you make decisions at home changed in the last few years?

YES ☐ NO ☐

If YES, in what way? (specify) -----

Indicate whether you agree or disagree with the following statements.

43. No matter how hard you try some people just don't like you.

TICK ONE

☐ Agree ☐ Disagree

44. Becoming a success is a matter of hard work. Luck has little or nothing to do with it.

☐ Agree ☐ Disagree

45. Without good fortune people cannot be effective leaders.

☐ Agree ☐ Disagree

46. It is impossible for me to believe that chance or luck plays an important role in my life. Everything I do depends on my own actions.

☐ Agree ☐ Disagree

47. I don't think politicians care much about what people like me think.

☐ A. Agree ☐ B. Disagree

48. The way people vote is the main thing that decides how things are run in this country.

☐ A. Agree ☐ B. Disagree

49. It is best to have a job as part of an organisation all working together, even if you don't get individual credit.

☐ A. Agree ☐ B. Disagree

**If you would care to make any comments at this point,
please use the space provided below**

PART THREE

THESE LAST QUESTIONS CONCERN FACTS ABOUT YOURSELF.

50. Age -----
51. Sex -----
52. Country of Birth -----
-
53. If not born in Australia, what year did you arrive in Australia? -----
54. What language is most often used at home? -----
55. What was your father's occupation when you were a teenager?

56. What was your mother's occupation when you were a teenager?

57. Number of years schooling that you completed after five years of age
- | | |
|-----------------------|-----|
| TICK HIGHEST ACHIEVED | |
| (a) 0 years | [] |
| (b) 1-5 years | [] |
| (c) 6-10 years | [] |
| (d) 11-12 years | [] |
| (e) Technical college | [] |
| (f) University | [] |
| (g) Post-graduate | [] |
| (h) Other (specify) | [] |
-
58. In five years time, what do you expect you will be doing? -----

THANKYOU FOR PARTICIPATING IN THIS STUDY

APPENDIX C Tabulated results

Table A.1: Level of education

	IRONMAKING		WGE	
	Wages %	Staff %	Wages %	Staff %
1-5 years	2	0		
6-10 years	36	4	9	
11-12 years	23	4	9	
Technical college	38	65	82	all
University		25		
Post-graduate		2		
No. respondents	95	51	16	4
Per cent	100	100	100	100

Table A.2: Do you have any formal qualifications? If yes, what?

	IRONMAKING		WGE	
	Wages %	Staff %	Wages %	Staff %
Work-cover	38	8	27	
Trades	56	43	83	all
Diploma/degree		45		
Extra-training	21	25	38	
% respondents with formal qualifications	52	92	91	all

Note: more than one response possible

Table A.3: By what method would you get ahead at ...?

By	IRONMAKING		WGE	
	Wages %	Staff %	Wages %	Staff %
Working hard	25	40	36	60
Training	47	40	64	60
Know right people	38	31	55	
No. respondents	95	49	16	5

Note: more than one choice was possible

Table A.4: How did you learn the skills for your job classification?

	IRONMAKING		WGE	
	Wages %	Staff %	Wages %	Staff %
Workmates	71	47	55	
Supervisor	57	65	9	
Inhouse program	59	51	18	
Warrawong	12	35	n/a	
Apprenticeship	32	18	73	
Formal outside	14	31	27	all
Experience	12	14	18	
No. respondents	95	51	16	5

Note: more than one response possible

Table A.5: Have you attended committee procedure training sessions?

If yes, how effective was the training?

	IRONMAKING	
	Wages %	Staff %
Not effective	8	5
Some effect	53	84
Very effective	37	11
Don't know	2	0
No. Yes respondents	38	19
Per cent	100	100

Table A.6: How much supervision do you get on the job?

<i>Amount</i>	IRONMAKING		WGE	
	Wages %	Staff %	Wages %	Staff %
None	30	67	55	all
Some	67	33	35	
A lot	2	0	9	
No. respondents	95	49	16	5
Per cent	100	100	100	100

Table A.7: Has the amount of supervision changed since you began work at the Steelworks/WGE?

	IRONMAKING		WGE	
	Wages %	Staff %	Wages %	Staff %
Yes changed	87	96	36	60
No change	9	4	55	20
Don't know	4	0	9	20
No. respondents	91	49	16	5
Per cent	100	100	100	100

Table A.8: Is there more or less supervision since you began work at the Steelworks?

	IRONMAKING	
	Wages %	Staff %
More supervision	6	11
Less supervision	94	89
No. respondents	79	49
Per cent	100	100

Table A.9: How long ago did you notice a change in the amount of supervision?

Amount	IRONMAKING	
	Wages %	Staff %
5+ years ago	16	0
4-5 years ago	31	23
2-3 years ago	28	77
0-1 years ago	25	0
No. respondents	93	49
Per cent	100	100

Table A.10: During your shift do you work...

	IRONMAKING		WGE	
	Wages %	Staff %	Wages %	Staff %
alone?	39	22	45	40
as part of a team?	73	80	36	20
in company?	22	34	36	60
No. respondents	95	51	16	5

Note: more than one response was permitted

Table A.11: It is best to have a job as part of an organisation all working together, even if you don't get individual credit

	IRONMAKING		WGE	
	Wages %	Staff %	Wages %	Staff %
Agree	83	78	73	80
Disagree	17	22	27	20
No. respondents	95	51	16	5
Per cent	100	100	100	100

Table A.12: [Showing the extent of personal esteem and interpersonal acceptance:] To what extent are people in your team willing to listen to what you have to say?

	IRONMAKING		WGE	
	Wages %	Staff %	Wages %	Staff %
A little extent	9	8	9	20
To some extent	64	41	55	60
To a great extent	27	51	36	20
No. respondents	90	51	14	5
Per cent	100	100	100	100

Table A.13: Job satisfaction—How do you rate your chances for getting ahead at...?

	IRONMAKING		WGE	
	Wages %	Staff %	Wages %	Staff %
Not good	65	47	45	60
Good	31	39	27	0
Very good	4	14	27	40
No. respondents	93	57	16	5
Per cent	100	100	100	100

Table A.14: To what extent is information shared with you about important events and situations at the Steelworks/WGE?

	IRONMAKING		WGE	
	Wages %	Staff %	Wages %	Staff %
No extent	12	12	27	40
Some extent	78	44	45	40
Great extent	10	44	27	20
No. respondents	94	50	16	5
Per cent	100	100	100	100

Table A.15: To what extent is information shared with you about important events and situations in your department?

	IRONMAKING		WGE	
	Wages%	Staff %	Wages %	Staff %
No extent	12	4	27	40
Some extent	81	61	45	40
Great extent	7	35	27	20
No. respondents	94	51	16	5
Per cent	100	100	100	100

Note: WGE respondents were not invited to answer this question, because at WGE the department equals the plant. For the purpose of comparison, WGE responses recorded in table A.14, appear again in table A.15.

Table A.16: *Has there been any change in the extent to which information is shared with you?*

	IRONMAKING		WGE	
	Wages %	Staff %	Wages %	Staff %
No change	43	26	18	20
More information	54	74	82	40
Less information	3	4	9	0
Don't know	0	0	9	40
No. respondents	94	46	16	5
Per cent	100	100	100	100

Table A.17: *Best method to receive information—comparison across all workplaces: wages employees only*

	A	B	C	D	E	F	G	H
Deleg	16	17	0	0	0	0	9	0
Sup.v	74	33	63	6	0	60	43	27
Board	39	25	63	22	29	0	33	45
Paper	29	8	13	6	50	60	24	18
Mates	55	42	25	17	0	0	33	27
C.C.	29	17	50	17	21	40	27	18
Report	16	25	13	61	0	60	23	45
1/4 B	3	8	50	0	n/a	0	6	n/a
Media	12	0	13	6	50	0	10	0
No. resp't	38	12	8	18	14	5	95	16

Note: more than one answer was possible

Legend: A—Energy Services
C—No. 2 Blast Furnace
E—Coal Preparation
G—All Ironmaking

B—No. 4 Blast Furnace
D—Rail Operations
F—Sinter Plant
H—WGE

Del = union delegate
Board = notice board
Mates = workmates
CC = consultative committee minutes
1/4 B = quarterly briefing
Media = local media

Sup.v = supervisor
Paper = in-house newspaper, *Kembla News* or *The Messenger*
Report = either report back meeting or CC rep. report/general meeting (WGE)

Table A.18: Best method to receive information—comparison across all workplaces: staff employees only

	A	B	C	D	E	F	G	H
Deleg	0	0	0	0		0	0	20
Sup.v	45	29	50	50		50	39	20
Board	23	23	17	50		25	24	0
Paper	89	12	50	0		25	47	0
Mates	89	23	17	50		75	53	40
C.C.	89	12	17	0		0	41	20
Report	14	47	17	0		0	24	n/a
1/4 B	14	47	50	n/a		n/a	25	n/a
Media	0	12	33	6		50	10	
No. resp't	22	17	6	2	0	4	51	5

Note: more than one answer was possible

Table A.19: Changes in information sharing—comparison across all workplaces: wages only

	A	B	C	D	E	F	G	H
No change	39	75	50	22	46	40	43	18
More inform'n	58	25	50	78	38	60	54	82
Less inform'n	3	0	0	0	15	0	3	9
Don't know	0	0	0	0	0	0	0	9
No. resp't	38	12	8	18	13	5	94	12
Per cent	100	100	100	100	100	100	100	100

Legend:

A—Energy Services
C—No. 2 Blast Furnace
E—Coal Preparation
G—All Ironmaking

B—No. 4 Blast Furnace
D—Rail Operations
F—Sinter Plant
H—WGE

Table A.20: How effective are your committees in reporting information to you about events and situations in your department?

	IRONMAKING	
	Wages %	Staff %
Not effective	22	16
Some effect	57	55
Very effective	19	23
Don't know	2	6
No. respondents	95	51
Per cent	100	100

Table A.21: Have you made any suggestions about how a job could be done/about an activity proposed for your department?

Job	IRONMAKING		WGE	
	Wages %	Staff %	Wages %	Staff %
Yes	85	98	86	all
No. respondents	81	50	14	5
Department				
Yes	48	75	50	60
No. respondents	46	38	8	3

Table A.22: Who dealt with your suggestion about how a job could be done?

	IRONMAKING		WGE	
	Wages %	Staff %	Wages %	Staff %
Union delegate	14	2	0	0
Supervisor	96	64	100	60
Mates	2	0	18	0
Management	10	40	9	40
CC	1	2	0	0
No. respondents	81	50	14	5

Note: some respondents made several suggestions

Table A.23: Who dealt with your suggestion about an activity proposed for your department?

	IRONMAKING		WGE	
	Wages %	Staff %	Wages %	Staff %
Union delegate	7	0	0	
Supervisor	83	55	all	
Mates	17	0	0	
Management		47	0	
CC	2		0	
No. respondents	46	38	10	3

Note: some respondents made several suggestions

Table A.24: Degree of involvement in professional organisations

	IRONMAKING		WGE	
	Wages %	Staff %	Wages	Staff
Never involved	0	0		
Occasional	33	56		
Very involved	67	44		
No. respondents	3	9	1	2
Percent	100	100		

Table A.25: Degree of involvement in Trade Unions

	IRONMAKING		WGE	
	Wages %	Staff %	Wages %	Staff
Never involved	35	all	73	
Occasional	55	0	27	
Very involved	9	0	0	
No. respondents	93	2	16	1
Per cent	100	100	100	

Table A.26: To what extent do committees in your department pay attention to your suggestions?

	IRONMAKING		WGE	
	Wages	Staff	Wages	Staff
Little extent	28	16	18	40
Some extent	47	43	9	40
Great extent	14	18	9	0
Don't know	11	23	64	20
No. respondents	93	51	14	5
Per cent	100	100	100	100

Table A.27: How effective do you think your committee or work group is in expressing your opinions to management?

	IRONMAKING	
	Wages %	Staff %
Not effective	18	0
Some effect	47	60
Very effective	31	31
Don't know	4	9
No. respondents	51	35
Per cent	100	100

Table A.28: How effective do you think the general meeting is in expressing your opinions to management?

	WGE	
	Wages %	Staff %
Not effective	36	0
Some effect	45	80
Very effective	9	0
Don't know	9	20
No. respondents	16	4
Per cent	100	100

Table A.29: Showing personal efficacy scores, rated from 1 to 3, derived from responses to questionnaire item 20

	IRONMAKING		WGE	
	Wages %	Staff %	Wages %	Staff %
1	9	8	9	20
2	64	41	55	60
3	27	51	36	20
No. respondents	90	51	16	5
Per cent	100	100	100	100

Table A.30: Showing political efficacy scores, rated from 0 to 2, derived from responses to questionnaire items 47 and 48

	IRONMAKING		WGE	
	Wages %	Staff %	Wages %	Staff %
0	41	60	36	40
1	56	36	36	40
2	3	4	27	20
No. respondents	88	50	16	5
Per cent	100	100	100	100

Table A.31: Showing self-determination scores derived from responses to questionnaire items 32 and 43 to 46. Those scoring 4 or more suggests self-determination, while those with less than 4 suggests rule by fate

Score	IRONMAKING		WGE	
	Wages %	Staff %	Wages %	Staff %
0	3	6	0	0
1	8	8	0	0
2	2	0	0	0
3	5	4	0	0
4	10	6	18	0
5	10	23	18	0
6	20	6	9	0
7	16	24	36	60
8	8	6	9	0
9	16	24	9	40
No. respondents	93	51	16	5
Per cent	100	100	100	100

Table 32: Who makes the important decision at home?

	IRONMAKING		WGE	
	Wages %	Staff %	Wages %	Staff %
You	26	22	18	20
Spouse/partner	2	0	0	0
You and partner	67	72	45	80
Parents	1	4	9	0
Whole family	3	2	27	0
No. respondents	93	51	16	5
Per cent	100	100	100	100

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