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The very idea of democracy at work

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Summary

The employer-employee relationship involves the right to command on the one hand, the duty to obey on the other. Is democracy at work possible? This article explores some of the contrasting understandings of industrial democracy over time and across countries, discusses how the historical advance of rights and citizenship at work has been reversed under neoliberalism, and ends by considering how labour movements might fight to regain the achievements of previous decades.

Keywords

Citizenship, democracy, neoliberalism, solidarity, struggle

Introduction

In theory, the employment relationship is an exchange between equals: the employee performs work, the employer pays a wage or salary. The labour market, wrote Marx (1867/1976: 280), is 'a very Eden of the innate rights of man. It is the exclusive realm of Freedom, Equality, Property and Bentham. Freedom, because both buyer and seller of a commodity, let us say of labour-power, are determined only by their own free will. They contract as free persons, who are equal before the law.... Equality, because each enters into relation with the other, as with a simple owner of commodities, and they exchange equivalent for equivalent. Property, because each disposes only of what is his own. And Bentham, because each looks only to his own advantage.'

Of course his meaning was deeply ironical, as he went on to demonstrate. The property of a typical worker and that of a large (and today, perhaps multinational) company are incommensurable. Accordingly, the freedom of the one inhabits a totally different universe from the freedom of the other. More fundamentally, the dynamic of capitalism requires the employer to extract a surplus from the worker's labour; and this entails a whole apparatus of coercion and control which transforms work itself into a sphere of inequality and unfreedom. In some countries, indeed, the law explicitly prescribes the right of the employer to dictate and the obligation of the employee to obey.

The authoritarian foundations of capitalist wage-labour have long been challenged on the left, but have also been regarded sceptically by progressive liberals. For example, in his *Principles of Political Economy*, John Stuart Mill (1848/1909) commented that 'all privileged and powerful classes, as such, have used their power in the interest of their own selfishness' and anticipated a reaction by workers who were benefitting from education and gaining rights in the political sphere. 'I cannot think that they will be permanently contented with the condition of labouring for wages as their ultimate state.'

But is democracy at work possible, and how should it be understood? Not all on the left have accepted the very idea. Notoriously Engels, in an effusion of technological determinism, wrote in 1872 that 'the automatic machinery of the big factory is much more despotic than the small capitalists who employ workers ever have been'. The price of the material benefits of advanced technology was the

acceptance of quasi-military discipline. The socialist objective was to capture the ownership of the means of production, not to democratize their application.

In the 20th century, emerging labour movements embraced very different views of the possibility of democracy at work, both within and – even more – between countries. Even more diverse have been the understandings of what democratization might mean, how democracy at work might relate to other dimensions of the struggle for democracy and how it might be achieved. This is not the place to review the multiplicity of ideas of democracy within the left, but it is fascinating how these diverse understandings have their echoes in the other contributions to this collection. Is the idea of industrial democracy framed in terms of rights or of status? Is the central focus the workplace, or the broader economic and social context in which it is embedded? Is the goal to achieve employee participation in management decisions, to impose controls over management policies, or to create systems of self-management? And if the aim, as industrial democracy is often presented, is to achieve citizenship at work, how is citizenship itself understood? Below I turn briefly to this complex issue.

The ambiguities of citizenship

When Sidney and Beatrice Webb wrote their classic analysis of the structure and functions of trade unionism, they chose the title *Industrial Democracy* to emphasize their view that unions were ‘a necessary element in the democratic state’ (Webb and Webb, 1897: 825). Echoing Mill half a century earlier, they insisted that political democracy was incompatible with ‘unrestrained capitalist enterprise’: indeed for the worker, the autocratic dominance of the employer ‘meant a far more genuine loss of liberty, and a far keener sense of personal subjection, than the official jurisdiction of the magistrate, or the far-off, impalpable rule of the king’. Hence they drew ‘the imperative lesson that political democracy will inevitably result in industrial democracy’ (1897: 841–842).

Half a century later, in his lectures on *Citizenship and Social Class*, Marshall (1950) explored the evolution of institutions linking rights, status and responsibilities in modern (and more specifically, British) society. He saw the key achievement of the previous two centuries as the rise, at national level, of universal citizenship. This process, he argued, occurred in three stages. The first, largely accomplished in the 18th and early 19th centuries, involved the institutionalization of the civil basis of citizenship: ‘the rights necessary for individual freedom – liberty of the person, freedom of speech, thought and faith, the right to own property and to conclude valid contracts, and the right to justice’. The second, roughly a hundred years later, saw the extension of political citizenship through electoral reform: the struggle for the franchise resulted in ‘the right to participate in the exercise of political power’. The third, a project of the 20th century, was the creation of ‘social citizenship’: the right to at least minimum standards of ‘economic welfare and security’ and hence to enjoy ‘the life of a civilised being’ (1950: 10–11). Although (unlike the Webbs) he was not primarily concerned with trade unions, he did note that their success in establishing their right to exist, to bargain, and if necessary to take industrial action, transformed the geography of social relations, creating ‘a secondary system of industrial citizenship, parallel with and supplementary to the system of political citizenship’ (1950: 42–44).

Following Marshall, the concept of citizenship (as other contributions to this issue indicate) is commonly interlinked with that of democracy at work, not least in Germany. Kotthoff (1994) gave his study of works councils the title ‘Works Councils and Citizenship: Change and Continuity in Workplace Codetermination’. Similarly, Müller-Jentsch (2008) collected a series of essays under the title ‘Work and Citizenship: Studies of Social and Industrial Democracy’. As he argued (2008: 13), there was a dynamic interaction between the separate spheres of ‘the system of production on the one hand and civil society on the other’.

His own analysis – referring directly to the passage from Marx’s *Capital* with which I began – suggested that this dialectic was as much contradictory as complementary. Even though the modern workplace might require workers willing and able to use their independent judgment and initiative, ‘this does not mean that the factory gates will be opened wide to new industrial citizenship rights’ (2008: 35). Such rights, one might infer, would not be voluntarily conceded by employers but rather necessitated a struggle *against* them. Yet the discourse of citizenship is often used to imply a more consensual evolution of progress and enlightenment. Particularly noteworthy in this context is the ambiguity of the German language (the etymology of which requires more analysis than space permits): the term *bürgerliche Gesellschaft* means both civil society and bourgeois society. Where other languages embody a clear conceptual distinction (*bourgeois/citoyen, borghese/cittadino ...*), German conflates the two. Hence the tension between concepts denoting class division under capitalism on the one hand, and shared rights within the broader society on the other, is suppressed by the German language itself.

Yet this tension is inherent in the historical evolution of citizenship rights, and in particular in efforts to win democracy at work, as I discuss below.

The long struggle for democratization

How did we arrive here? Following (and amplifying) Marshall, we may view democratization as a four-stage process. The *first* involved the conquest of political (liberal) democracy: the universal right to vote, and the freedom to organize electorally and to oppose the incumbent government. In western Europe at least, the battle for political democracy has been largely won, often at great cost. Though many on the left have at times been sceptical of this achievement – ‘if voting changed anything, they would make it illegal’ – the experience of fascism and military dictatorship has taught even critics that liberal democracy is necessary, even if insufficient.

The second stage stemmed from the demand that citizenship should not be confined to the right to vote every four or five years, but should have a broader social dimension. Social democracy emphasized the collective character of social and political life, and the mutual responsibility of individual and collective. The pursuit of rights to collective representation through trade unions and collective bargaining, and for the construction of a ‘welfare capitalism’ (Esping-Andersen, 1990) providing education, health care, pensions and income support in time of need, was the outcome of a vision of social justice but also reflected awareness that starvation was not a reliable foundation for intelligent democratic participation. ‘Erst kommt das fressen, dann kommt die Moral,’ wrote Brecht: a full belly comes before moralizing.

Third came the insistence that it was impossible to be a free citizen in the public sphere but a slave in the workplace. Democracy could not end outside the factory gates: workers were stakeholders in the firm that employed them and must have industrial citizenship rights. Hence the third stage was the demand for industrial democracy: employees should possess an effective voice within enterprise decision-making in order to shape the organization of their own work and, not least, to control the ability of the employer to hire and fire.

The fourth stage addressed the broader theme of economic democracy. Workers’ representation within workplace decision-making was a necessary element in democratization; but decisions affecting day-to-day work arrangements were largely conditioned by prior policies regarding investment, product strategy and marketing. They were also shaped by the broader macroeconomic context within which the individual enterprise was located; democracy within one factory was impossible. The most developed analysis of the case for economic democracy, and of a strategy to achieve this goal, can be found in the ideas developed by Fritz Naphtali (1928) for the German trade unions almost a century ago. His analysis later

proved very influential in the German and Austrian trade union movements in the early post-war years.

The 'post-war compromise' between labour and capital, which assumed different forms across western Europe after 1945, involved uneven advances in all four aspects of democratization. Political democracy was restored in nations that had been subject to fascist dictatorship, even though in some this was not achieved until the 1970s, and the countries of Central and Eastern Europe remained one-party states until after 1989. In some cases, women gained equal electoral rights only after 1945.

Post-war settlements brought considerable advances in the democratization of the social sphere. Keynesian demand management resulted in near-full employment in many – though certainly not all – west European countries. Welfare states were universally expanded, or newly created, though their character differed markedly across countries: some were genuinely egalitarian, others represented a form of 'socialism within one class' in which those in employment in effect used their own collective income to insure against the risks of unemployment, ill health and old age, receiving benefits which matched the original inequality of their incomes. New industrial relations institutions, sometimes graced with the label 'social partnership', were widely established; trade union membership expanded, and in many countries collective agreements covered the majority of the workforce for the first time.

Progress in the third area, democratization of the workplace, was far more uneven. Systems of collective representation through works councils were institutionalized in much of Europe, but in many countries their rights did not extend beyond information and consultation rather than enabling real joint decision-making (*Mitbestimmung* or co-determination). In others, as in France, their main functions covered the organization of social facilities rather than the regulation of production. Even the strongest systems – with Germany the exemplary case – had primary jurisdiction over employment issues arising only after key decisions on investment and product strategy had already been taken. As Briefs (a key trade union figure in works council research) noted in 1989, the more strategic the issue for management, the weaker the powers of the councils. Sceptics in some countries – Britain is an obvious example – argued that there was a major risk that employee representatives would share the blame for management decisions that they could not fundamentally influence. Or as the slogan of May 1968 put it, *je participe, tu participes ..., ils profitent*.

Developments in the broader sphere of economic democracy were particularly uneven and ambiguous. In France, Italy and Britain, extensive programmes of public ownership were implemented; but though nationalization provided a favourable environment for trade union activity, its bureaucratic character did little to enhance democratic control. Most social democrats soon abandoned, explicitly or implicitly, the idea of comprehensive public ownership – most notably in the Godesberger Programm of the German SPD in 1959. In Germany, another key issue was of course the demand for parity representation on supervisory boards. The terms of the 1952 legislation which established board-level employee representation were a clear defeat for the trade unions – even if later claimed as a victory (Müller-Jentsch 2008) – and even the stronger 1976 law did not bring genuine parity; though certainly even a minority presence can help strengthen workers' voice in corporate decision-making. In most other countries where board-level representation was enacted, only a symbolic presence was provided.

For Naphtali, socialization of the economy was an essential goal, but it should be achieved, not necessarily and not exclusively through state ownership but through more diverse forms of popular control. In the main, his wide-ranging ideas for measures of democratization between state and company levels were forgotten. One interesting by-product was the strategy developed in the 1970s by Rudolf Meidner (who was born in Germany but took Swedish nationality after fleeing the Nazis) for

the Swedish LO, involving payment of a share of company profits to wage-earner funds (*Löntagarfonder*) (Meidner, 1978; Olsen, 1992). The essence of the policy was to establish *collective* employee ownership of part of the profits of corporate success, in the form of shares held in a fund under trade union control. This, it was envisaged, could provide increasing control over strategic decisions in the dominant private companies. Strenuous opposition from employers, lack of support from other unions and the ambivalence of the governing social democrats meant that the initiative was defeated and disappeared from the political agenda.

The juggernaut of capital

Writing in the depths of war, Karl Polanyi (1944) interpreted the development of capitalist economies as the outcome of a 'double movement'. The first, in the 19th century, involved the imposition of 'free' markets (though the whole idea of free markets is an oxymoron, since all markets are social and political constructs). The damaging social effects of this process, in particular those transforming labour into a 'fictitious commodity' to be hired and fired at will, provoked a counter-movement. Hence the struggles in the 20th century for social, industrial and economic democracy, summarized above, represented a countervailing process to impose some constraint on the disruptive social consequences of market liberalism. Markets became 'embedded' in a systematic regulatory web.

Polanyi anticipated a parallel reaction to the excesses of market-making at the international level: renewed state regulation of the domestic economy linked to a retreat from 'capitalist internationalism'. What however emerged, wrote Ruggie four decades later, was a new form of international regime, involving a bounded liberalization of external trade, but linked to Keynesian economic management and a partial decommodification of labour at national level. 'The principles of multilateralism and tariff reductions were affirmed, but so were safeguards, exemptions, exceptions, and restrictions – all designed to protect the balance of payments and a variety of domestic social policies' (1982: 381). As Ruggie later summarized it (2003: 93–94), 'embedded liberalism' involved a social compromise, 'a grand social bargain', which combined 'the efficiency of markets with the values of social community'.

We can now see that this post-war social compromise was inherently ambiguous and unstable. In the German context, this ambiguity underlay the very idea of a social market economy (*soziale Marktwirtschaft*). As propagated by the ruling post-war christian democrats, the emphasis was on the market, not on the social: the underlying ordo-liberal economic model involved a rejection not only of social democracy but also of the social wing of christian democracy. Only very belatedly has this model been embraced across the political spectrum as inherently progressive, as Müller-Jentsch (2011) shows in the case of the trade unions.

The compromise was unstable for three main reasons. First, it reflected a specific, historically contingent balance of class forces. Second, it assumed different forms cross-nationally, but in all cases involved an accommodation between national labour movements, employers who were primarily national in terms of corporate ownership and production strategies, and governments which were to a large degree autonomous in social and economic policy: an outcome of the bounded character of economic internationalization which Ruggie described. Third, the existence of an alternative socio-economic model to the east – however deformed and repressive – imposed a degree of self-restraint on capitalist aggression.

These three preconditions no longer apply. What has developed in recent decades has been analysed by McMurtry (1998) as the 'cancer stage of capitalism'. Polanyi (1944: 73) described labour, land and money as 'fictitious commodities' because while they were all subject to market forces, unlike real commodities they were not produced for sale on the market. 'To allow the market mechanism to be the sole director of the fate of human beings and their natural environment, indeed, even of the amount and use of their purchasing power, would result in the demolition of

society.’ And indeed, the post-war compromises imposed firm limits on the commodification of labour, land and money; but Polanyi’s analysis was remarkably prescient. The process which McMurtry describes is the systematic weakening and removal of the social constraints on the destructive dynamic of commodification: a ‘carcinogenic mutation’ which has released the pathological potential which capitalist economies always contained.

The cancer stage of capitalism is linked as both cause and effect to the erosion of the three preconditions of post-war social compromises. Globalization – of which European economic integration is one important element – has removed the dominant capitalist agglomerations from national control, and has provided an alibi for anti-social policies by governments that insist that there is no alternative to submission to global markets (Weiss, 1998). Liberalization of financial markets has spawned an array of exotic fictitious commodities which Polanyi could never have imagined: derivatives, secondary markets, hedge funds, private equity, leveraged buy-outs ... National economies and national labour markets are increasingly *disembedded* from effective social regulation; and the beneficiaries of financialized ‘shareholder value’ capitalism have little interest in maintaining historic compromises. The balance of class forces has shifted radically.

These trends can be understood, within Polanyi’s framework, as a *counter-counter-movement*, a *third* phase involving the deliberate unravelling of the regulatory web constructed in previous decades. The cancer stage of capitalism is objectively, and for many of its drivers deliberately, reactionary. In particular, it rolls back all four dimensions of democratization.

Formally, the institutions of political democracy are intact; indeed their geographical scope has significantly extended with the collapse of the Soviet Union. But form and substance do not always coincide, as Putin’s Russia clearly demonstrates. The cancer stage of capitalism mutates the inner workings of the polity. As Crouch has argued, electoral politics has been drained of the capacity to provide popular influence over the most significant dimensions of social life and has become in large measure a stage-managed ritual. ‘Behind this spectacle of the electoral game, politics is really shaped in private by interaction between elected governments and elites that overwhelmingly represent business interests’ (2004: 4).

It is also evident that globalized financial capitalism is one of the principal grave-diggers of social democracy. Keynesian macroeconomic management, one of the key foundations of the post-war settlement, presupposed the economic governance capacity of the nation state; macroeconomic demand management has now been subordinated to the assumed inevitability of national ‘competitiveness’. Where significant productive and infrastructural assets were in public hands, in most countries these have now been largely privatized. Trade union membership, as a proportion of the labour force, is almost universally in decline: a trend which Peters (2011) shows can be attributed to the impact of the global financialization of capitalism.

In much of western Europe, collective bargaining coverage remains stable – though this is not true of Germany, and even less so of Britain and most of eastern Europe – but its content has been hollowed out through diverse forms of concession bargaining. For two or three decades, the wage share in national income has declined and inequality has increased. Even before the current crisis, government budgets had been squeezed, to an important extent through a competitive reduction in corporation tax in an attempt to avoid capital flight: in consequence, the welfare state has been cut back, transformed increasingly into a minimal safety net. Even this diminished level of social protection is under threat as part of the current austerity drive, given an explicitly coercive character by the neoliberal rulers of the European Union and codified through such measures as the Euro Plus Pact, the Fiscal Compact and the ‘Six-Pack’. Indeed in the current conjuncture the Troika, totally unelected and unaccountable, is able to push through labour market deregulation,

bargaining decentralization and cuts in public sector pay regardless of the democratic will in the countries affected (Meardi, 2014). Greece represents the extreme case (Demertzis and Faniel, 2015; Varoufakis, 2015).

The cancer stage of capitalism likewise undermines the elements of industrial and economic democracy achieved in earlier decades. Co-determination in one company was always precarious; now, the toxic combination of financialization, globalization and neoliberalism means that primarily enterprise- or establishment-based mechanisms of co-determination are forced to accommodate to the externally imposed requirements of intensified global competition. 'The institutions [of employee representation] have not only lost their decommodifying impact on labour, they themselves are gradually commodified' (Holst, 2014: 5) as the threat of capital exit can make it imperative to underwrite managerial priorities. Moreover, strategic decision-making is increasingly removed from the sphere of co-determination; more seriously still, the very identity of the employer more and more becomes shifting and obscure as companies themselves become treated primarily as commodities to be bought and sold in the interests of share-price maximization. Accordingly, 'employers can't keep their side of the bargain' (Thompson, 2003). Here too, the EU governing institutions are helping drive this process – as, for example, in the effort to overturn the 'Volkswagen law' that provided some protection against predatory capital (Speidel, 2012).

Several writers have concluded that although formally intact, the machinery of co-determination no longer provides an effective mechanism for asserting and defending workers' interests. We seem to have entered a phase of post-industrial democracy (Streeck, 2009; Urban, 2011). 'Today, *Mitbestimmung* has become a governing principle for enterprise modernization, using limited employee participation, information and cooperation to win competitive advantage' (Schumann and Detje, 2011: 79).

Can democracy at work be reinvented?

Since the impact of the crisis in 2008, there has been widespread discussion of the deficiencies in existing systems of corporate governance, particularly as the liberalization of global financial transactions has made 'shareholder value' the overriding corporate goal even in 'coordinated' market economies. With the shock of crisis, some union policy-makers have come to recognize that the overriding challenge is to build a movement for greater democratization of the economy and to create new links between different levels of regulation and different issues on the regulatory agenda. But what centre-left trade unionists have often condemned is – in the words of the former ETUC general secretary (Monks, 2006) – the 'new, overmighty capitalism' of hedge funds, asset-stripping, financial speculation and astronomical bonuses. The solution, from this perspective, is to fight to restore the old capitalism: the trade union movement should 'become a champion of good business practices, of decent relations with decent employers while ruthlessly fighting the speculators'. In short, the task is to campaign for a return to 'good capitalism' (Dullien et al., 2009).

Can the genie be forced back into the bottle? Can democracy at work and financialized monopoly capitalism coexist? If the central dynamic of 21st century capitalism involves vast concentrations of unaccountable private economic power, the answer is surely no. I agree with Schumann and Detje (2011: 73): 'at a time when systemic responses to existential systemic challenges are called for, the social market economy is a reactionary answer'. The solution cannot simply be a technocratic regulatory fix, for the cancer stage of capitalism is linked to a fundamental shift in the relative capacities of capital and labour. Under post-democracy, immense economic resources are easily translated into corresponding political resources, providing a virtual veto on effective regulation; and where new

regulations *are* imposed, the rich and powerful possess a battery of weapons to escape their effect (Streeck, 2011).

The challenge facing those favouring democracy at work, and in particular trade unions, is immense. Unions are essentially national organizations, which now have to confront the might of multinational capital. Despite the formal existence of international trade union structures, unions apply their own principle of ‘subsidiarity’ and are reluctant to delegate authority and resources to their supranational representatives. The EU, once regarded by most trade union movements as a force for social progress, is now dominated by neoliberal fanatics and is driving the demolition of democratic social institutions at national level. Finance capital operates in a time-space continuum that is totally divorced from the terrain on which trade unions engage. How can a *fourth* Polanyian movement be created? As RH Tawney (1932: 336), a perceptive English socialist, said almost a century ago, ‘onions can be eaten leaf by leaf, but you cannot skin a live tiger paw by paw’. Of course a simple anti-capitalist response is not on the current political agenda. Yet to capture hearts and minds, the labour movement has to commence a campaign against global casino capitalism that is linked to a credible set of alternatives for socially accountable economic life. For the present, what is needed, in Gramsci’s terms, is a ‘war of position’, in order to re-shape the terrain of debate and understanding.

While the material forces ranged against a re-democratization of economy and society are immense, the ideological obstacles are no less significant. Neoliberalism has emerged from the crisis – which surely demonstrated the practical bankruptcy of its recipes – stronger than ever (Crouch, 2011), partly because it serves powerful vested interests, but also because of the lack of widespread conviction, even among its opponents, that there is an alternative which is both practical and inspirational. There is a wall in our heads: neoliberalism has become the ‘common sense’ of our times, positing the inevitability of commodification, competitiveness, private affluence (for some) and public squalor (Galbraith, 1952).

A radically different logic is required, of sustainability, solidarity, equity and dignity. Yet too often, we argue on the enemy’s ground. For example, trade unionists often defend mechanisms of employee ‘voice’ as a source of comparative institutional advantage that contributes to competitiveness – rather than insisting that democratic self-determination at work is in itself a requirement of human dignity. Likewise, a developed welfare state is often defended primarily as a ‘productive factor’ rather than as an essential component of a solidaristic society. More fundamentally still, commodity fetishism corrupts all of us. To live better, the default option is to consume more: we are all programmed to be consumers. The free movement of commodities (rendered as ‘goods’ in the English version of the Treaties, but *Waren* in German and *marchandises* in French) is the foundation of European integration. From Marx and Keynes alike we draw the lesson that underconsumption is the source of capitalist crisis: to combat unemployment, we must stimulate demand. Thus is sustainability compatible with capitalism?

In any struggle for renewed democratization of work and of the economy, we have to start from where we are and not from where we would like to be. The ideas of ‘free’ markets and a consumer society are unquestioned by all but a small minority. But beliefs and understandings are always complex and contradictory. In concrete terms, most people *do* question the current economic system. They are perplexed by a financial system which seems out of control. They are angry that failed bankers can still pay themselves obscene bonuses, that the rich still get richer while the rest of us suffer from the cuts, that extremely profitable corporations can exploit tax loopholes and tax havens to avoid paying their share. They are bewildered that hostile takeovers that destroy jobs are not only permitted but are actually encouraged by the European authorities. There is an upswell of popular anger and despair with which trade unions have scarcely begun to connect, though other actors – ATTAC, Occupy or the Uncut movement – have managed to engage effectively.

Those of us who seek a renewed movement for democratization must start from this substratum of incomprehension and disconnect. Of course re-reading Naphtali is not enough: we must develop demands for the 21st century that are both understandable and credible. The issue is one of 'framing' the current situation and possible alternatives: showing how immediate experiences fit within the broader picture (Kelly, 1998). In communication, the key issue is often less what is *said* than what is *heard*. Everyone possesses a world-view, however inchoate, a set of beliefs and assumptions which make sense of a complex social environment and act as selective filters for what is communicated. So, at a time when the banking sector has been rescued by a vast transfer of public funds, democratization of ownership should be a logical corollary; let us make the argument! Pension funds are, in effect, workers' deferred wages; but they have been key actors in the speculative spiral that produced the crisis. Bring them under democratic control! The trade union movement has embraced the demand for a financial transactions tax, but has barely discussed the question of its implementation. Why not use the revenue, not simply to plug the hole in national budgets, but to create investment funds under popular control? The neoliberals preach the need for brutal austerity measures to bring down public debt; let us demand citizens' debt audits to establish which debts are genuine, who is responsible, and thus who should pay the costs!

Much more generally, the economic elites prosper through constructing a web of secrecy to cloak their activities. Knowledge is power, but concealment may mean even greater power. Let us demand democratic transparency so as to subject financialized capitalism to public scrutiny! As Block (2014) insists, we need 'real utopias' directed at the democratization of finance. The task is to develop demands which expose the rottenness at the heart of the cancer stage of capitalism, and at the same time suggest the possibility of an alternative. Whether or not we call this economic democracy, this is the underlying implication.

But democracy at work and in the economy must be a multi-level process and so must also be built from below. What are the possibilities for democratization in the space between state and market? The labour movement has a long tradition of cooperative production and distribution, though in many countries such cooperatives mutated long ago into simple commercial ventures. But smaller-scale, cooperative economic activity has often been able to provide some counter-power to the commodification of social life, particularly in the global South. Do such movements offer lessons for trade unions in the developed economies? While the idea of a 'social and solidarity economy' is sometimes used primarily to encompass producer and consumer cooperatives (ILO, 2010), the newer understanding of *économie solidaire* or *economia solidária* points to a more specifically political strategy to resist neoliberal globalization (Draperi, 2007; Laville, 2007). Neamtan (2002: 7) defines such initiatives as 'an integral part of the movement for an alternative globalization', with production for use rather than profit under democratic, participative control. As an example, Buglione and Schlüter (2010: 25–27) describe the *Libera Terra* movement in Sicily, through which land confiscated from the Mafia is used collectively to create employment, build community cohesion and develop organic products. More generally, this can be seen as an example of a process where those who have lost their jobs seek to reclaim an identity as workers rather than as welfare recipients, as Boffo et al. (2014) describe in the case of Naples. An imaginative response to the cancer stage of capitalism and its crisis ought to draw on such ideas.

What about the unions?

To defend employees at workplace level and no less within the national (and international) political economy requires a confrontation with the dominant policy logic of our age. This implies that unions must turn (or return) to a self-conception as organizations campaigning for rights and engaging in 'contentious politics' (Tarrow, 1998): contesting oppression, inequality and discrimination. It also implies

cooperation, often uneasy, with other social movements that in most countries have never acquired the respectability gained by trade unions. Potentially it redefines unions as outsiders in a terrain where until recently the role of insiders was comforting and rewarding.

The key issues here involve ideas, language and mobilization. The decline of union organization across Europe in recent years is in part ideological in causation: European unions were able to thrive when the prevailing policy discourse made collective regulation, employment protection and state welfare provision the commonsense of the times. The ideological counter-revolution of the past three decades – which has proceeded further and faster in some countries than in others – has placed trade unions very much on the defensive. They are often seen as representing a vested interest: those who are already relatively secure in the labour market, and have relatively good wages and working conditions; those who are in most cases winners or at least not major losers in the process of economic restructuring. But unions have to convince themselves and others that they are a 'sword of justice' (Flanders 1970), representing the losers as well as the winners and seeking to convert the losers *into* winners. This requires a battle of ideas.

The battle of ideas is also a battle of words. Human actors 'discern situations with particular vocabularies, and it is in terms of the same delimited vocabulary that they anticipate consequences of conduct. Stable vocabularies of motive link anticipated consequences and specific actions' (Mills, 1940: 906). Yet the vocabularies of motive that legitimated traditional trade union action have an archaic ring today. Trade unions require effective linguistic means of 'framing' workers' perceptions of the circumstances that afflict them, of attributing blame for their problems and of proposing credible remedies. If for example workers accept that deteriorating conditions of work, or threats of workplace closure, are the inevitable outcome of uncontrollable economic forces, collective resistance is futile. If they blame employers or governments for their predicament but have no conception of alternative policies, they may protest but are unlikely to prevail. If they conceive an alternative that they cannot *communicate*, it will be ineffectual.

Tilly (2006) has made an analogous point, that socio-political movements draw on 'repertoires of contention': forms of action that have been developed in the past and provide 'scripts' for the future, but which nevertheless are subject to constant innovation. Such repertoires, he suggests, contain three key elements: 'identity', the assertion that those involved are a group with distinctive interests and the capacity to pursue these vigorously; 'standing', the insistence that their claims and interests deserve to be taken as seriously as those of other more powerful socio-economic groups; and 'programme', an integrated set of demands. All three in his view are mutually supporting. Indeed this is a useful prism through which to regard European trade unions: in their period of greatest strength they could credibly claim to represent a constituency with a strong collective identity, to possess the standing of a recognized actor in societal policy-making, and to articulate a programme which reflected the general interest. In more recent times, in most countries, all three claims have been weakened, and the elements in this weakening have been mutually reinforcing. New vocabularies which give meaning to the identity, standing and programme of trade unionism are part of the key to union survival and renewal and the fight for democracy at work.

The idea of economic democratization offers a vision of popular empowerment which could reinvigorate trade unionism as a social movement and help launch a struggle for a genuinely alternative economy. One in which, at the same time, unions themselves would be more likely to thrive. Indeed the new general secretary of the TUC, Frances O'Grady, called (2013a) for 'new models of corporate governance that empower all stakeholders, not just shareholders', and pointed (2013b: 87–88) to large popular support for worker representation on company

boards and to the mobilizing potential of demands for employee voice on company remuneration committees.

However, there should be no illusions that this will be an easy task. Those who wield economic (and thus also political) power will fight tooth and nail to defend their privileges. Unions cannot win such a struggle on their own: as suggested above, it requires participation in alliances with other progressive movements with different beliefs, objectives and modes of action. Inevitably, this will often prove difficult. In referring to the possible integration of a diversity of progressive movements, Urban (2009) has written of 'the mosaic left'; I might use the term 'kaleidoscope left', since the necessary alliances will be shifting and the underlying patterns will contrast.

To change the world, unions must change themselves. Unions cannot credibly campaign for the democratization of the economy unless they themselves are patently democratic. Indeed all unions have their time-honoured procedures of election and decision-making; but rarely do these engage more than a tiny minority of enthusiasts. Yet as one writer has insisted, 'the power to fight stems from communication, or withers away' (Arlt, 1994). There is no Michelsian 'iron law of oligarchy'; but if union democracy is to be a reality, not mere formality, it is essential to foster the widest possible internal dialogue and debate. By struggling to strengthen and renew their own democratic processes and culture, unions can provide a model and win a legitimacy for a wider campaign for social and economic democracy.

In conclusion: the struggle for the democratization of work and of the economy requires a new, imaginative – indeed utopian – counter-offensive: a persuasive vision of a different and better society and economy, a convincing alternative to the mantra of greed, commodification, competitiveness and austerity, a set of values which connects with everyday experience at the workplace. Whether this is described as 'good capitalism', post-capitalism or socialism is of secondary importance. The urgent need is to regain an inspiring vision of unions as a 'sword of justice', which many trade union movements seem to have lost. In other words, unions have to articulate a more humane, more solidaristic and more plausible alternative if they are to vanquish neoliberalism, finding new ways to express their traditional core principles and values and to appeal to a modern generation for whom old slogans have little meaning. And since defending the weak is inescapably a question of power, unions have to help construct a new type of *politics* – in particular, by engaging with campaigning and protest movements that attract the Facebook and Twitter generation in ways which most trade unions have failed to do (even if many have recently begun to make serious efforts in this direction). Do unions dare to abandon old rules and routines in order to create new strategies? What is required is nothing less than a multinational liberation struggle!

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