

Workers' Direct Participation in Decisions in Hungarian Factories^a

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Introduction

For the past few years workers' participation in decisions associated with the running of factories has become a much discussed question in Hungarian industrial relations. Shop-floor democracy, however, is much more than a fashionable topic for discussion in industry, science or politics. It is a real social problem waiting for a solution. Workers' participation has emerged as an outcome of a number of recent industrial and socio-economic advances which have had a major impact on our working class, and on industrial and social processes in our country. This progress has made us question many traditional approaches to the motivation of workers and encouraged us to look for new solutions.^b One of these is the promotion of the direct participation of workers in shopfloor decisions. Although *indirect* workers' participation, e.g. through trade union representatives, is of the utmost importance in Hungary and well deserves attention, it cannot be discussed within the compass of the present article, which will be strictly limited to the question of *direct* participation.

The background to shopfloor democracy in Hungary

The development of workers' participation is a result of changes which have taken place in the characteristics and position of the working class over the past few decades. In Hungary, the working class has undergone considerable change since the 1920s or even the 1950s: the structure of industrial jobs has been transformed, physical working conditions have much improved, the social context of industrial work has been reshaped, workers' education has increased, their knowledge has widened and job security and living standards have much improved. This transformation of industrial jobs, workshops and workers has happened in association with a general development of work organisation and technology in industry, being related, for example, to the extension of mechanisation, the introduction of automation, the use of flow and mass production. At the same time similar progress has taken place in sectors outside industry; the educational system, health, social security, etc. These positive changes have been supported by a considerable growth of national income and national product. The development of Hungary, its rapid industrialisation and the formation of its present working class have come about as

a result of political initiatives and the movement towards workers' participation is closely related to these political processes. In this respect a key factor has been the establishment of the rule of the working class and its party and of socialist ownership of the means of production.

Industrial and socio-economic progress have cast doubts on many traditional ideas of motivation and management. Educated and socially active workers, with secure jobs and steadily improving living standards, become more and more interested in the content of their work, and in the wider social context of their production activities. Unpleasant (boring, physically hard, dirty) jobs, bad working conditions, uncongenial supervisors and work-mates have less and less attraction for workers, even if accompanied by high wages – although the latter are still of primary importance to the majority. Among working people there is a need for shopfloor democracy, for having a say in things, and such workers are increasingly capable of making a valuable contribution to decisions that touch them directly. Also the present five-year plan in Hungary is impeded by a labour shortage and it is hoped that worker participation can increase efficiency and assist economic problems. It is therefore easy to understand why many companies – as the cases discussed in this paper will show – are interested in its development. But there is more to it than that. The decisive push towards workers' participation has come from the party. The party believes that factory democracy is not primarily a remedy for problems of efficiency (poor performances, loose discipline, etc.); it is a tool by which to strengthen the co-operation of people, to forge a unity of action within the factory and in society as a whole. Shop-floor democracy cannot therefore be considered solely as a means to promote certain economic or social aims: it is an integral part of Hungarian social and political democracy and of socialist industrial and social relations.^c

Workers' participation and industrial democracy today are still far from satisfactory in Hungary.^d A factor in this state

^a This paper is based on an article 'Workers' direct participation in decisions in Hungarian factories', originally published in *International Labour Review*, vol. 116, no. 1, July–August 1977 and is reproduced by permission of the ILO.

^b These changes, which will be summed up briefly in the following pages, have taken similar courses in most industrial countries and have contributed to the development of workers' direct participation.

^c The need to develop shopfloor democracy has been specified in several documents of the Hungarian Socialist Workers' Party. The decisions of the Eleventh (and most recent at the time of writing) Congress were as follows: 'Office and shopfloor democracy is an integral part of socialist democracy: it provides the opportunity for actual participation in the management of factories, in running local and public affairs, and in decisions related to them. It helps to develop the creative character of work, it is an important tool in the formation of socialist relations between managers and their subordinates, it increases the employees' sense of responsibility and activity.' [1]

^d 'The functioning of shopfloor democracy does not meet the desired requirements, thus it has to be developed both in its contents and methods.' [2]

of affairs is the insufficiency of our scientific knowledge about how to achieve it. It must be stressed that the interpretation of participation given in this paper comes mostly from the authors' own theoretical and empirical research as, at present, there is no generally accepted concept of shop-floor democracy in the Hungarian social sciences. But despite this theoretical uncertainty there cannot be much doubt about the essence of the concept. If participation is considered to be a tool for strengthening co-operation, for forging a unity of action and objectives in factories and in the society – and it is interpreted in this way in the Party's policy – then its primary function is to mediate between the differing, and often conflicting, needs and interests of workers and other social groups, including managers. This mediation has the objective of achieving a fit between ambitions and opportunities. The aim of such participation is the establishment of the kind of industrial and social relations which will encourage the development of co-operation among people under changing social and economic conditions.^e (This concept of participation does not contradict the notion that shopfloor democracy also satisfies certain employee needs.)

The scope of workers' participation in decision-making

One of the most crucial practical problems we face in developing shopfloor democracy is: for what kinds of decisions can it be utilised? In what areas can workers best make their influence felt? If the primary function of participation is to mediate different interests, then this would suggest that the focus should be on those decisions in which workers have a direct interest, which are close to their day-to-day activities, and which they can readily understand. Informal

worker participation in such decisions had existed long before the political programme for developing formal shop-floor democracy was declared.^f Data on this topic have been collected by the authors of the present paper in the Hungarian Railway Carriage and Machine Works and in some other organisations since 1968.

In 1974 we investigated how workers perceived the opportunities for direct or indirect participation in different kinds of decisions in three plants of Hungarian Railway Carriage and Machine Works, and the results are presented in Table 1 below.

As the data show, workers perceived opportunities for participation in

- workshop or plant level decisions which
- directly related to their jobs within the workshop and the plant and
- the formalisation of which made their involvement possible.

These were decisions on work organisation, working conditions, wages, etc. Less opportunity was perceived and considerable ignorance shown with regard to higher level (company) decisions, for example, about production, personnel planning, the introduction of new technology, etc. and decisions normally taken by company management, such as hiring workers.

In the Hungarian Railway Carriage and Machine Works we also had the opportunity of observing an experiment in which, in 1968–69, the company allowed workgroups and their leaders (the foreman, the section leader and the shop steward) to decide about the division of wages among group

Table 1
Workers' perceptions of scope for direct or indirect participation in decision-making

Types of Decisions	Opportunity for participation		
	There is %	There is not %	Don't know %
Work organisation and working conditions	72	24	4
Selection of workers for training courses	64	28	8
Allocation of overtime work	61	36	3
Determination of bonuses and other incentives	57	40	3
Workers' job classification and pay scale	49	48	3
Promotion of workers	48	45	7
Determination of basis and methods of wage payment	46	52	2
Lay-off and discharge of workers	45	45	10
Disciplinary measures	44	48	8
Transfer to other work places	42	51	7
Development of production plan	30	59	11
Introduction of new machinery and equipment	24	65	11
Personnel planning (planning of future work force requirements)	13	76	11
Hiring of workers	11	82	7
Cut-back of production and closing down of plant	6	53	41

Note:

The data presented above come from L. Héthy and Cs. Makó, *Az automatizáció és a munkástudat (Automation and what the workers think about it)*, Research Institute for Sociology and Scientific Research Institute for Labour Safety, Budapest, 1975, pp. 96–7. Our investigations in the steel industry and in hospitals (directed by T. Tahin) produced similar results. See T. Tahin and Cs. Makó, 'Intensive patient care, as nurses view it', paper presented at the International Conference on Medical Sociology, Paris, 6–9 July 1976.

^e The Tenth Congress of the HSWP stated that differences and conflicts of interest may exist in a socialist society and it underlined the necessity of mediating these conflicts and ensuring that the common social interests prevailed. [3]

^f As essential social processes in organisations far exceed the limits of formalisation and legalisation and the mediation of interests is one of these basic processes, informal participation probably goes back to the appearance of the first industrial organisations.

members. [4] This pioneer experiment in workers' direct participation was introduced in areas where new technology required collective and constantly changing efforts from employees. It helped to break down the rigid formal wage structure, contributed to the settlement of intra-group wage distribution conflicts and ensured better co-operation within the work groups. This experiment provided the basis for a practice which still continues and also suggested an important area for worker participation in decisions. Here was a workshop level decision which directly affected the workers and which they could readily understand.

From the point of view of the workers these kinds of decisions seem suitable for setting up participation programmes which are directly related to their own workshop interests – the organisation of their jobs, their wages, working conditions, etc. – the implications of which they can most readily grasp, given their level of competence, information and education. In Hungary, research and everyday experience show that workers' needs and motivation are still primarily related to material benefits and so decisions concerning wages must have an important part to play in any participation programme. We also believe that lower level (workshop, plant) and short range (operational) decisions come closer to and more directly concern the workers' interests than higher level (company) and long range (strategic) decisions. In addition the former type of decision can be monitored and controlled by the workers – as problems emerge from the everyday activities of the workshop – while the latter tend to reach beyond their level of information, competence, education and control. As the structure of workers' needs changes and the improvement of living standards results in a fuller satisfaction of basic needs, while at the same time the workers' knowledge and competence increases, they can extend their influence into higher decision areas.

In deciding what matters are suitable for participation the view of managers must also be taken into account; and as shopfloor democracy is primarily politically initiated, a positive attitude on the part of management cannot be taken for granted. To many managers (those of the companies discussed in the present paper are exceptions here) participation seems to be an additional burden or even an innovation that undermines discipline and reduces efficiency. It is certainly true that discussing matters with workers requires preparation and time. Managers have to explain and defend their standpoint and they can become the recipients of justified or unjustified criticism. These unpleasant concomitants of industrial democracy – which are present in any other negotiating process – can never be eliminated, but can be counterbalanced by the benefits of participation. Apart from the long term effects, of better co-operation and more efficiency, it can have other advantages for managers. They can share their work load, delegate some of their responsibilities and anticipate and avoid conflicts by discussing problems with their subordinates. The advantages and disadvantages for managers should be taken into account when selecting the type of decision for participation. A benefit of the experiment carried out in the Hungarian Railway Carriage and Machine Works was that it not only met the expectations by workers, but also eased the burdens of managers. The work groups took over the difficult task of evaluating the performance of their own members, together with all the tensions and conflicts involved in doing this. The result was that both workers – who got a say in a matter crucial to them – and managers were happy about participation.

In selecting decisions for participation we have to consider a further question: at what phase in the decision-making

process do we require participation by workers? Decision-making consists of several phases, including an identification of the problem, its analysis, formulating alternative strategies for its solution, choosing the alternative that seems to be the best, putting the decision into practice, etc. In theory, workers could take part in the whole of this process or in one or more of its phases. However, partial or full participation requires very different conditions and has very different consequences for workers, managers and the whole organisation. Today, in Hungary, workers' direct participation – except for a few types of decisions, for example intra-group decisions about the division of wages – is generally restricted to one or a few phases of the process, while other phases are reserved for indirect participation and for managerial action. A progressive approach to participation in decision-making involves the possibility of workers' eventual direct participation in matters that seem, at present, to be remote from their everyday interests and beyond their horizon, e.g. company level strategic decisions. It should be noted here that workers are likely to express their opinion on matters on the fringe of their interest and knowledge only if their participation is already guaranteed in decisions close to their interests and within their immediate perspective.

It must be recognised, however, that there is a limit now, and in the future, to direct participation by workers. It would be irresponsible and a contradiction of the basic realities of industrial organisation to push for workers' direct participation in all matters related to the functioning of industry. It is the logic of technology, organisation and efficient production that sets the barrier. But, when direct participation is not possible, indirect participation can fill the gap. Workers' control is then realised through worker representatives and through Party and trade union organisations. In Hungary the Party and trade union play an important role in both direct and indirect forms of participation.

Workers' readiness and ability to participate

In the present era of socialist development, participation is often looked upon as a gift that can be offered by the firm, the government, or the Party to the working class. This approach involves the tacit assumption that workers are ready, willing and able to take part in the decision-making process and are anxious to seize the opportunity offered to them. Our research in the Hungarian Railway Carriage and Machine Works has proved that the majority of workers are indeed ready to express an opinion in decisions directly related to their interests, though they are happy to leave matters remote from these interests exclusively in the hands of management. [5] But this theoretical readiness to participate is far from being unconditional and workers' real involvement in decisions requires the existence of a number of preconditions. Workers themselves do not and cannot look upon opportunities for participation in running their factory as a gift. Their attitudes are exemplified by a case study carried out, by A. Simonyi, in 1976, at the Budapest Chemical Works. [6]

Budapest Chemical Works took an initiative in 1976 to involve 50–60 per cent of its workers in decisions on wages. It was suggested that in workshops where the technology was appropriate, work groups of five to twenty people should decide by secret ballot on how the increases were to be distributed and on the majority of bonuses. Under the new system the supervisors (foremen and senior foremen) would have the task of evaluating the work of each worker, in the presence of the entire work group, and of making proposals for personal wage increases and bonuses. The

distribution of wages and bonuses was a matter on which group members had very definite ideas. This management initiative was rejected by the workers' representatives (i.e. by the conferences of section leaders and shop stewards). They postponed the introduction of the new procedures and decided to keep to the previous system, which gave much less opportunity for direct participation by workers and reserved the right of decision mostly to supervisors and shop stewards, except for one or two occasional decisions on bonuses of minor importance.

This reaction at the Budapest Chemical Works, which seems to be the opposite of the attitudes expressed at the Hungarian Railway Carriage and Machine Works, can be explained by the influence of several factors. These include the resistance of foremen, shop stewards and section leaders to giving up some of their rights (that is how the top management interpreted it), but also a lack of readiness and willingness on the part of workers to have a direct say in this matter. Participation has its advantages and disadvantages for managers, but how do its costs and benefits look to the workers?

Workers' interests and needs are more or less efficiently met in most factories through the channels for indirect participation, that is through the activities of the local trade union, party organisation and youth organisation. (In our research in the Hungarian Railway Carriage and Machine Works in 1974 we found that 46.6 per cent of the workers were fully, 34.6 per cent mostly and 12.9 per cent more or less satisfied with the activities of the party. The equivalent percentages for the trade union were 20.3 per cent, 34.9 per cent 33.1 per cent). [7] Because of the shortage of workers in the labour market, management also endeavours to satisfy their expectations. Thus direct participation in decisions is important mostly in those areas where workers' interests and needs are not properly catered for. The number of such cases varies from factory to factory and time to time, and is related to the efficiency of indirect participation. In the Budapest Chemical Works both the party and trade union seemed to function satisfactorily.

Participation in decisions, as we see it, requires a mental effort similar to taking decisions, even if the amount of effort required is less. This being so, the presence of workers in the forums of shopfloor democracy and their involvement in the decision-making process require time and work. Through participation in decisions workers get (and should get) a share not only of the managers' rights, but also of their tasks and responsibilities. While this work is routine for supervisors and managers, for workers it is, at present, a new and rather hazardous activity. The worker, because he has no previous experience of expressing his opinion in public, risks appearing ridiculous, or even risks provoking social conflicts that may be harmful to him and to his workgroup.

Stating one's views in public on any matter relating to the workshop or the factory always implies making intentional or unintentional judgement of others' work. This can lead to confrontations with other people and most workers do not consider it permissible to criticise supervisors and managers openly, especially those at the top of the firm. [8] Workers' indifference to an increase in participation in the Budapest Chemical Works can mostly be attributed to their reluctance to undertake additional work and to generate possible conflict.

Readiness and willingness to participate is also influenced by the ability to play a meaningful part in decisions. In

order for workers to become active partners of management in decision-making they must have an ability to control their own affairs, and to carry out the analytical work associated with taking decisions. For example, the collection, analysis and interpretation of information, the preparation and presentation of a case, etc., all require a certain level of general knowledge, the existence or lack of which is mostly determined by the workers' general level of education and culture. Workers should have at least some of the knowledge and qualifications which supervisors and managers need to acquire and retain their jobs. Of course, limited knowledge and education do not make participation in decisions impossible, for involvement in certain phases of the decision process requires little knowledge, but they do set a barrier to participation. For example, uneducated and ill-informed workers can be asked their opinion on how wages should be divided, but their actual participation in wage decisions requires a good knowledge of the wage system, the requirements of various jobs, the level of performance of other workers, the pattern of work organisation, the technological process, etc.

Participation in the running of the workshop or the factory is largely a group activity. So neither the readiness nor the ability of workers to take part in decisions can be investigated and considered exclusively at the level of the individual. The cohesiveness of a workgroup can reflect the sum of the abilities of individuals belonging to it and can reduce the individual risks involved in participation. While investigating social conflicts associated with performances and wages in 1968-69 in the Hungarian Railway Carriage and Machine Works, we found tightly knit work groups which were perfectly capable of grasping the whole managerial decision-making process, and even of working out a strategy and set of tactics to influence this process in a way which suited their interests. They also accepted the shopfloor and factory level confrontations which their activities caused. [9] It was probably the cohesiveness of these work groups, among other factors, that contributed to the success of the company's experiment in participation in 1968-69. In the development of industrial democracy, work groups (among them what in Hungary are called 'socialist brigades') are destined to play a key role.

In summary, readiness and ability to participate seem to be an attribute of individuals and groups, but one that is greatly influenced by the surrounding environment of the workshop, factory and society. Changes in this environment may increase or decrease readiness and ability to participate. The process of participation is closely connected with the progress of socio-economic development and of social relations within the workshop, the factory and industry.

Organisational requirements

Workers' participation in workshop and factory level decision-making is a social and organisational process. It cannot be realised unless suitable conditions are first established. [10] Realisation of this fact has strongly influenced the development programmes for shopfloor democracy in Hungary. One of the first steps was the formation of the necessary forums and institutions for direct participation by workers (production and brigade conferences, etc.) Since then these institutions have come in for a great deal of criticism because many of them have taken on merely the outward forms of shopfloor democracy, while lacking its spirit - real participation by workers in running their workshop and factory. [11]

One important conclusion to be drawn from these discussions is that forums, although necessary for participation, are not enough. A series of co-ordinated and complex changes needs to be made in the whole structure and functioning of the organisation and in the practice and thinking of management in such a way that they support the programme of participation. Failing this the forums and committees will be an empty formality.

Difficulties in the work of participation bodies emerge mostly if their functioning is not supported by complementary organisational changes and if they are misused. For example, a common problem is that workshop and factory production conferences, which are held quarterly, discuss matters in which the majority of the participants are not interested, while at the same time they ignore questions of vital importance to many people. Also, they are often hurriedly organised between two shifts under pressure of time while the large number of people present discourages people from speaking. Widespread experiments have taken place to find ways for improving the forums of shopfloor democracy, and all of them support the view that the present institutional framework is broadly satisfactory, but that it has to be used in such a way that participation is really achieved.⁹ There have also been experiments directed at promoting workers' participation in decision-making through complex, co-ordinated changes in the functioning and structure of an industrial organisation and in the attitudes and practice of its management. Such pioneer experiments were started at Taurus Rubber Works in the second half of the 1960s. [12]

A favourable precondition for the Taurus experiment was the fact that the company had a very decentralised decision-making system, and top management delegated many important decisions to the local plants. To create an institutional framework for participation, the company organised a core group of workers, which in 1973 represented almost 60 per cent of the labour force. It consisted of people who were highly qualified, had a good knowledge of their workshop and plant, had achieved good performances in production, had been loyal to the company and showed readiness to participate in running its affairs. To get into the core group, workers had to pass a kind of entry exam. Although there was no seniority requirement, the indirect effect of other requirements influenced the composition of the group, with the result that mostly people of long service belonged to it. Members of the core group regularly received information about the affairs of the company through various channels: supervisors and managers within the plant supplied them with verbal information, the company's newspaper set up a column dealing with problems of interest to them, the managing director prepared a quarterly report on the state of the company for them, etc. Major decisions were regularly discussed at workshop and factory conferences and an annual conference was also held at the company level. Taurus Works took an interest in the motivation of its employees too and members of the core group received higher cash incentives than other workers. Their share in company profits was double and these could amount to 15 per cent of their annual income. It should also be noted that this participation programme was not a substitute for, but complemented the work of the nationally instituted forums of factory democracy.

⁹ Both our party documents and those of the National Council of Trade Unions voice the opinion that the introduction of new forums of democracy is not desirable in our factories. As a result of a recent experiment (organised by the Ministry of Labour and the National Council of Trade Unions at fifty companies) the channels of indirect participation have been developed instead, by the strengthening of the rights of shop stewards.

Although the experiment of the Taurus Rubber Works had some shortcomings, it proved that the development of workshop democracy cannot, in the long term, be promoted by isolated modifications of the organisational structure; it needs a set of co-ordinated and complex changes. These will include the setting up participation bodies, the selection of decisions suitable for participation, a decentralised decision-making system, training programme for workers to develop their knowledge about their work environment, the establishment of channels of information and financial incentives that increase the workers' willingness and ability to participate. With such an approach it is clear that the widening of participation must be based on a demanding and continuing process of learning in which both workers' behaviour, attitudes and thinking and managers' approach, practice and methods are subjected to considerable change.

The development of workers' direct participation in decisions appears to be partly a process of organisational change and partly one of learning. In Hungary both are supported by the existing practice of indirect participation. The democratic manner in which the Party, trade unions and youth organisations function makes it possible and necessary for large numbers of workers, supervisors and managers to discuss day-to-day operating decisions, to reconcile different interests and needs with the opportunities offered by the firm and by society. In these organisations people become experienced in running their own affairs and become knowledgeable enough to move on to direct participation. The special structure of socialist industrial enterprises which involves the presence and co-operation of at least three organisations of major importance: management, Party and trade union, offers favourable opportunities for indirect participation by workers. The Party and the trade union have a considerable control of affairs at each decision level in the firm. Also many workers play an active role in both Party and trade union activities.^h This structure has great advantages but it can have some disadvantages. This is why direct participation by workers can, and should, serve as a useful and necessary agent for controlling indirect or representative participation.ⁱ

Research on participation in Hungary

Since the development of workers' participation was adopted as a social objective in Hungary, research in the social sciences has commenced and produced the first results on participation. Given the present stage of scientific knowledge, however, social science research has inevitably given insufficient results, somewhat contradictory and frequently burdened by antiquated political and ideological ideas. This situation is a consequence of the belated rebirth of sociology in the 1960s, which has meant that there have been few concrete investigations on important social issues in industry in Hungary. Gaps in sociological data and theory (e.g. organisational, motivational and decision-making theory) caused problems of interpretation even though there was considerable sociological knowledge about participation and democracy.

As shopfloor democracy is a process closely related to the overall progress of society and the economy, its analysis from an approach of general social theory seems to be justifi-

^h In the companies we investigated between 6 and 10 per cent of workers belong to the Party, but in other enterprises this proportion can be as high as 25 per cent. The proportion of trade union members in most places exceeds 90 per cent.

ⁱ This necessity was demonstrated, among other things by the high labour turnover in our industry in the years after 1968. [13]

fied and necessary. Workers' participation in decisions has been analysed within the framework of the general social theory of Marxism. Factory democracy has been discussed firstly, in terms of its relationship to the institutional framework of the socialist society, [14] secondly, in terms of its relationship to the nature of ownership under socialism [15] and, thirdly, its relationship to the harmonisation of divergent interests under socialism. [16] This type of analysis, derived from general social theory, is of essential importance for understanding the theoretical basis of both political action and practical social science research.

Empirical research, in the social sciences, although sporadic and uneven, has produced results which can be of use to both industry and society. [17] Most investigations have focused on the functioning of the institutions of shopfloor democracy and have analysed the attitudes of workers to these. Surveys based on more objective sources of information have been rare and few attempt to draw theoretical conclusions. This hinders the development of a sociological theory of participation and also hinders the progress of empirical research itself. Investigations are frequently restricted to the collection of empirical data, and this inhibits the researchers' ability to build valid theory. Even if — as in the present paper — researchers nevertheless attempt to reach some general conclusions, they necessarily contain a considerable amount of conjecture.

Conclusions

Widespread social, political and ideological illusions and misconceptions about participation in Hungary mostly have their roots in the inadequacy of its theoretical interpretation by social scientists. The basic idea behind workers' participation is often forgotten; either the burden and effort it inevitably involves are over-emphasised and it is considered as a handicap to industrial productivity and progress or, in contrast, its advantages are unduly stressed and it becomes a source of anxiety that industrial efficiency and discipline might undermine the democratic nature of socialist industrial relations. In our view, workers' participation, if interpreted as a means of mediating between different interests within an industrial organisation, tends to promote rather than hinder co-operation and unity of action in the workshop and factory. It then becomes a major contributor to organisational and industrial efficiency.

Much discussion is needed on how workers' participation will develop in the future. The problem is often formulated (influenced by the normative approach of administrative sciences) in terms of administrative measures necessary to develop the formal organisational framework of democracy; for example, the establishment of formally regulated rights, responsibilities and relations among people in workshops and factories. Although the importance of these administrative aspects cannot be denied, it is clear that more than this is required. Shopfloor democracy can not be viewed as a narrow administrative question; it must be seen as a wide organisational, social and political issue. Its development will make specific demands on individuals and groups, and on organisations — including firm, trade union and Party organisations — and on the whole of society. Today, in Hungary, our responsibility is to provide the necessary conditions for its success through influencing the attitudes of people and the structure and functioning of organisations. The establishment of these conditions is assisted to a great extent by the existence of socialist social relations in our society (the means of production are owned by the State and political power is in the hands of the

working class and its Party), but it is not brought about automatically by these. The development of shopfloor, factory and socialist democracy needs systematic and purposeful efforts both now and in the future, as it was stated by the Eleventh Congress of the Hungarian Socialist Workers Party.

The exchange of ideas between social scientists on this topic of general social interest can also contribute to the progress of shopfloor and factory democracy.

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- [12] L. Horváth, 'Vállalati demokrácia – decentralizálás, érdekelttség' ('Enterprise democracy – decentralisation, motivation'), in *Társadalmi Szemle*, no. 7, 1973. As regards other aspects of management's approach at the Taurus Works see also L. Horváth, 'Egyéni élet pályák vállalati tervezése' ('Planning of individual careers at the enterprise'), in *Társadalmi Szemle*, no. 1, 1976, pp. 64–71, L. Horváth, 'Career development system in a socialist country – a case study of Hungary', in *Career Planning and Development*, Management Development Series, No. 12, ILO, Geneva, 1976, pp. 49–76.
- [13] See L. Héthy and Cs. Makó, 'A munkaerővándorlás és a gazdasági szervezet' ('Labour turnover and the economic organisation'), in *Társadalmi Szemle*, no. 5, 1973, pp. 37–47; also in *Sociological Review*, vol. 23, no. 2, May 1975, pp. 267–85, and in *Sociologie du travail*, no. 1, 1975, pp. 41–56.
- [14] See M. Buza, *Az üzemi demokrácia fejlesztésének néhány kérdése* (Some questions concerning the development of shopfloor democracy), Kossuth, Budapest, 1976.
- [15] A good example of this approach is the research by K. Szabó. See, for example, K. Szabó, 'Az üzemi demokrácia és a politikai gazdaságtan' ('Shopfloor democracy and political economics'), in *Közgazdasági Szemle*, nos. 7–8, 1974, pp. 769–83. Also the roundtable conference at Karl Marx University of Economics on 'Shopfloor democracy' (with introductory lecture by K. Szabó), in *Gazdaság és Jogtudomány*, nos. 1–2, 1975, pp. 81–146.
- [16] Apart from the literature on interest relations (cited above), this approach has been consistently followed by I. Pozsgay, in the publications on socialist democracy.
- [17] As regards the empirical approach in the social sciences, see A. Mód, 'Közvetlen és képviselői demokrácia, érdekek' ('Direct and indirect democracy, interests'), in *Társadalmi Szemle*, no. 10, 1974; also A. Mód, 'Munkásismeretek, munkástörekvések, üzemi demokrácia' ('Workers' level of knowledge and aspirations and shopfloor democracy'), in *Társadalmi Szemle*, no. 11, 1974. The research by Mód was conducted in the Danube Iron Works in Hungary.