

## Preface

This book, *Economic Democracy: Essays and Research on Workers' Empowerment*, draws on the work of various colleagues around the globe with whom I have worked, met at conferences, and in some cases collaborated with on research projects. I am grateful to each for permission to use their papers and to edit, change the format, or otherwise tweak the material so that this volume has a coherence to it beyond a random collection of country perspectives.

The thrust of *Economic Democracy* is to explicate the wide-ranging strategies, tools, and theories that have been advocated for changing the world. An underlying assumption of all chapters is that creating political freedom and democracy is not sufficient for national development and well-being. My premise is that the process of political change must go hand-in-hand with democratization of the economy. My argument is that dual development of both civil society and the workplace hold the promise of a better quality of life than either sector can produce alone.

Empowering workers so that when they enter the factory gates they do not have to leave their rights to safety, security, free speech and having a voice in decisions is the overarching objective of economic democratization. The roles of unions, management, and other parties are important in truly transforming the workplace from a system of oppression and exploitation to a community of equals who are engaged in achieving a better society. Finding meaning at work, feeling valued for one's productivity, building sustainable economic organizations become important objectives in the world of work.

This book is organized by drawing on the research and analysis of different experts from around the globe. Several authors speak from historical experience as their country has struggled to change over recent decades. Various writers draw upon such academic disciplines and paradigms as business, management, economics, sociology, and/or labor relations. Some build their chapters from Marxist socialism, while others take a more capitalistic stance. For the reader, the result becomes a rainbow of various colors and views.

In Chapter 1, Warner Woodworth introduces the notion of economic democracy and its various manifestations from the level of the individual to that of the whole system. He integrates both the U.S. approach which is still quite new, with the European model that has been developing for decades. Next, Milton Derber in Chapter 2 compares the similarities and differences that exist between two core approaches to economic democracy, one of which is adversarial of nature, and known as collective bargaining; the other which is based on mutual cooperation, examples of which may be producers cooperatives or autonomous work groups.

Chapter 3 focuses on self-managed socialism. Written by Hugo Pirela while at Cornell's Institute for Labor-Managed Economics, the author discusses the social asymmetry between the workplace and the larger community. Written in the 1980s, this analysis identifies core concepts of Karl Marx and applies them to the potential relevance of Yugoslavia as it sought a third way between Soviet communism and the capitalism of the West. Although Yugoslavia ultimately broke up into feuding smaller states, Pirela's perspective articulates the theoretical basis for building worker collectives.

Next are several sections on economic democracy experiments in Scandinavian countries as workers, managers and politicians have sought to build progressive, productive systems in recent decades. Chapter 4 describes the research of Max Eldon, a U.S. academic who has spent much of his career at the Work Research Institute in Norway. His paper traces the innovative research of Einar Thorsrud and others who pioneered the development of socio-technical systems in corporations that became linked with Norwegian national government applications in order to democratize working life through public policy creation. Eldon's argument is that this strategy is applicable in other countries and that it lends much promise for "democratization and national development."

Similarly, Albrecht and Deutsch report on Sweden's steps toward economic democracy in Chapter 5. They argue that the country's humanization of work and its sophisticated social and political structures laid the foundation for a national shift in favor of democratizing the entire economy, a decidedly different trend from the 1970s and 1980s, that has led to Sweden being the most admired nation in the world, with the greatest quality of life, and the least unequal society perhaps ever created.

The book then turns to two examples of growing economic democracy in the Third World. In Chapter 6, Martin Scurrah and Mario Padron focus on the establishment of workers' empowerment and economic democracy in Peru. They argue that some 7,000 worker-run enterprises in their country offer an alternative model for Third World development, in contrast to the contemporary globalization drive that favors gigantic multinational corporations seeking control of world markets.

Next, in Chapter 7 the rise of solidarity in Poland is analyzed by Roman Szul. He traces the oppressive control system imposed on the country by the USSR, and reports how the drive for workers' self-management and economic democracy led to the crisis at the Gdansk shipyards, the mobilization of Eastern Europe's first free and independent trade union, Solidarnosc, and how this movement began to pry Warsaw loose from Moscow.

Then in Chapter 8, Professor Chen Chang-Rong reports on the gradual shift within the Peoples Republic of China from a highly centralized and bureaucratic form of communism toward an economic democracy experiment in Sichuan, Southwestern China. In this case decisions are made at the enterprise level, not Beijing, including production plans and their implementation, sale of products, retention of some of its profits, all of which is carried out with extensive worker input. Sichuan offers a potentially useful validation of the idea that reform from within is both possible and desirable, but that democratizing China's economy must be done with Chinese characteristics.

Finally, this volume concludes with Chapter 9 by the scholar, Melford E. Spiro, who tracks the example of the *kibbutz* as a model for national development. This research centers on a decidedly socialistic method for creating new, democratic communities that value the group, not the individual. The kibbutz approach is to tap the human desire for equality, socio-economic justice, and higher productivity. Whether all the facets of kibbutz life co-exist as a coherent whole or not, factors such as economic success, profits, and social desirability have resulted in rather remarkable outcomes. Namely, that while only 3 percent of the Israeli population lives and works on Kibbutzim, they produce over 7 percent of the nation's gross domestic product.

The pioneers who launched collective communes as the path to development have certainly succeeded in building modern Israel from its impoverished peasant roots only a century ago.

Thus, the nine chapters in *Economic Democracy* suggest a rich, interwoven pattern of various hues and shading, but each with its own vibrant message. Together they make for a strong tapestry which gives ideas for further innovations to the contemporary observer. Written at different periods during the past several decades, they show the rich and varied values, assumptions and institutions that have attempted national movements toward genuine economic democracy.

Thanks is expressed to all who helped produce this volume, including the authors and my associates, students, staff at Brigham Young University. In particular I appreciate the heroic struggles of oppressed workers, visionary managers, and political leaders who have built the global movement toward economic democracy. This book is dedicated to them.

– Warner Woodworth