University of Groningen

Preface to the Special Issue on Workplace Democracy

Frega, Roberto; Herzog, Lisa

Published in:
Review of Social Economy

DOI:
[10.1080/00346764.2020.1778776](https://doi.org/10.1080/00346764.2020.1778776)

IMPORTANT NOTE: You are advised to consult the publisher's version (publisher's PDF) if you wish to cite from it. Please check the document version below.

Document Version
Publisher's PDF, also known as Version of record

Publication date:
2020

[Link to publication in University of Groningen/UMCG research database](#)

Citation for published version (APA):

Frega, R., & Herzog, L. (2020). Preface to the Special Issue on Workplace Democracy. *Review of Social Economy*, 78(3), 281-285. <https://doi.org/10.1080/00346764.2020.1778776>

Copyright

Other than for strictly personal use, it is not permitted to download or to forward/distribute the text or part of it without the consent of the author(s) and/or copyright holder(s), unless the work is under an open content license (like Creative Commons).

The publication may also be distributed here under the terms of Article 25fa of the Dutch Copyright Act, indicated by the "Taverne" license. More information can be found on the University of Groningen website: <https://www.rug.nl/library/open-access/self-archiving-pure/taverne-amendment>.

Take-down policy

If you believe that this document breaches copyright please contact us providing details, and we will remove access to the work immediately and investigate your claim.

Downloaded from the University of Groningen/UMCG research database (Pure): <http://www.rug.nl/research/portal>. For technical reasons the number of authors shown on this cover page is limited to 10 maximum.

Review of Social Economy

ISSN: (Print) (Online) Journal homepage: <https://www.tandfonline.com/loi/rrse20>

Preface to the Special Issue on Workplace Democracy

Roberto Frega & Lisa Herzog

To cite this article: Roberto Frega & Lisa Herzog (2020) Preface to the Special Issue on Workplace Democracy, Review of Social Economy, 78:3, 281-285, DOI: [10.1080/00346764.2020.1778776](https://doi.org/10.1080/00346764.2020.1778776)

To link to this article: <https://doi.org/10.1080/00346764.2020.1778776>

Published online: 02 Aug 2020.

Submit your article to this journal [↗](#)

Article views: 52

View related articles [↗](#)

View Crossmark data [↗](#)

Preface to the Special Issue on Workplace Democracy

Roberto Frega ^a and Lisa Herzog ^b

^aCentre national de la recherche scientifique, Paris, France; ^bUniversity of Groningen, Groningen, The Netherlands

In recent years, there has been a revival of discussions about democracy in the enterprise, not only out of a frustration about the powerlessness of the external political control of firms, but also based on hopes connected to new technologies, for example instant messaging systems, that could lower the costs of participatory decision making.

That is how we started the description of a workshop held at the Wissenschaftskolleg zu Berlin in February 2018, in cooperation with the Centre Marc Bloch.¹ For two days, legal scholars, sociologists, economists and philosophers discussed the past, present and future of democratic firms, or of institutional devices such as co-determination that make firms at least partly democratic. Now, two years later, we are very happy to present this special issue, which gathers seven papers, some of which are the outcome of the workshop, and some of which have been added through a call for papers.

While questions about the governance of work have been raised at least since the beginnings of the Industrial Revolution and its new organizational structures, and have been going on throughout the twentieth century, it is certainly no accident that the interest in them has risen so much in recent years.² After the fall of the Communist Block, capitalism seemed to have triumphed, with Francis Fukuyama famously declaring that the combination of democracy and capitalism should be considered the ‘end of history’. But the Financial Crisis of 2008 made it very clear that unregulated capitalism can create huge risks of booms and busts, and the rising inequality in many countries has led to growing doubts about the ability of the current economic systems to serve the interests of all members of society. At the same time, democratic systems

CONTACT Lisa Herzog l.m.herzog@rug.nl University of Groningen, Oude Boteringestraat 52, 9712 GL Groningen, The Netherlands

¹ <https://www.wiko-berlin.de/veranstaltungen/workshop/2017/democracy-in-the-enterprise/home/>;
<https://cmb.hu-berlin.de/>

We take the opportunity to thank all these institutions, and especially Corina Pertschi for her excellent logistical support, for having made this workshop possible.

² For an overview of the current debate in philosophy, see Neuhäuser et al. (2019).

have lost public support, trust in politicians and political institutions has plummeted, and new populist trends have been rising in an increasing number of countries across the world. That capitalism and democracy seem to be on the verge of a combined crisis of legitimacy asks for a search for alternatives in both dimensions: for economic institutions that would allow for more justice without completely sacrificing efficiency, for more humanity without a massive loss of innovativeness, for higher consideration of human autonomy and self-determination.

Democratizing the workplace provides such an opportunity, since it tackles both challenges in one strike. Workplace democracy can also help us deal with another, perhaps the most urgent problem of our time. The ecological crisis, and particular the imperative to reduce CO₂ emissions, have made changes to our economic system all the more urgent. Democratic firms are a promising candidate for such alternative institutions (even though one should resist the temptation, here as elsewhere, to think that *one* type of institutional change could solve *all* problems we are currently facing). The papers in this special issue provide normative arguments and empirical investigations that help us see why they might do so in better ways than conventional capitalist firms, taking into consideration various normative concerns, but also questions of efficiency and institutional design.

Anti-power and (epistemic) efficiency

In 'Democratic equilibria: Albert Hirschman and workplace democracy', Stanislas Richard draws on Albert Hirschman's famous distinction between 'exit' and 'voice'. Richard argues that views that consider market competition (based on 'exit') as beneficial are inconsistent when they at the same time reject workplace democracy (based on 'voice'). Competition allows for efficiency and the mitigation of power. As Richard shows, however, similar motives as those that lead many thinkers to endorse markets should also lead them to endorse democratic work. He follows Hirschman in holding that 'exit' is only one 'mechanism of lapse recovery' in organizations that fail to fulfill the expectations of their stakeholders, with 'voice' as the second one. The same arguments that can lead to an endorsement of competition – efficiency and power mitigation – can also lead to an endorsement of 'voice'. The *combination* of 'exit' and 'voice' might in fact be best able to achieve efficiency and power mitigation. Richard thus meets liberal and libertarian thinkers on their own ground, arguing that they should endorse workplace democracy together with market competition.

In 'The epistemic potentials of workplace democracy', Felix Gerlsbeck and Lisa Herzog connect to topics that have hitherto been unconnected: the epistemic defense of democracy and the democratization of work. Epistemic democrats argue that democratic structures can tap the 'knowledge of the many', and bring together various perspectives through deliberation and

voting mechanisms. The paper discusses whether these beneficial effects of democratic governance could also be tapped in companies, coming to a cautiously optimistic conclusion. Companies receive feedback from markets, but democratic participation might provide richer, more multidimensional forms of feedback on various aspects of business activities. It is in particular the inherent reflexivity and adaptability of democratic governance that makes it useful for companies that have to choose their strategies in fast-changing circumstances.

Human rights, work autonomy, and pro-social motivations

In 'Workplace democracy and corporate human rights responsibilities', Christian Neuhäuser and Andreas Oldenbourg connect the debate about workplace democracy to another recent debate about the roles and responsibilities of corporations, namely that about their human rights responsibilities. They argue that not only are there reasons to think that democratic firms would be more likely to fulfill these responsibilities, democratizing firms also provides an answer to a key question of the latter debate, namely that about the legitimacy of firms. Democratic firms have greater abilities to take on board a plurality of perspectives, guided by an ideal of democratic equality, which makes them more suitable as bearers of human rights responsibilities than non-democratic firms. Thus, in contexts in which state institutions fail to secure human rights, democratic firms can play an important role. This is a *pro tanto* argument for workplace democracy that is highly relevant for our globalized economy with its many transnational firms that are active in weak or failed states.

In 'Work autonomy and workplace democracy: the polarization of the goods of work autonomy in the two worlds of work', Chi Kwok uses the lens of distributive justice to develop an argument for workplace democracy. He looks at the distribution of the goods of work autonomy, which are essential personal (skill development, job satisfaction, psychological well-being) and social (civic skills, democratic desire, extended basis of bridging social capital) goods of work. Kwok argues that they are often distributed unequally. Empirically, there is a bifurcation of the labor market into high-skilled and low-skilled labor, leading to unjust distributions of work autonomy. Workplace democracy could be an instrument for remedying this injustice, he argues, benefitting especially the least advantaged workers. As the paper shows, not only theories of non-domination, but also theories of distributive justice can make a meaningful contribution to the question of workplace democracy.

In 'The "protective function" of social enterprises: understanding the renewal of multiple sets of motivations', Ermanno C. Tortia, Silvia Sacchetti and Vladislav Valentinov argue that workers' intrinsic and pro-social motivations are better protected and supported in democratic enterprises. Drawing on a quantitative study of over 4000 employees in 320 social cooperatives in

Italy (based on the Survey of Italian Social Cooperatives), the authors hypothesize that these socially oriented, democratic businesses, in which efficiency is a means to an end and not an end itself, have a different impact on workers' pro-social and intrinsic motivations than profit-oriented, capitalist businesses. Tortia, Sacchetti and Valentinov show that worker wellbeing mediates the relation between contextual factors and workers' self-esteem and pro-social motives. Although the operationalizations are somewhat different, these results provide empirical support to Kwok's arguments about the positive effects of workplace democracy for workers.

The cooperative as a form of democratic work

In 'Ownership and control rights in democratic firms – a republican approach', Inigo Gonzalez-Ricoy asks whether it is enough to give workers *control* rights in companies without giving them *ownership* rights, as is the case in various proposals for workplace democracy other than cooperatives (where workers are also owners). Arguing from a republican perspective, which focuses in particular on the risk of one-sided domination, Gonzalez-Ricoy questions whether this is sufficient, given problems such as unequal bargaining power and moral hazard problems. As he rightly notes, these can raise problems that thinkers from other theoretical perspectives should also take seriously. Gonzalez-Ricoy defends the claim that, because of these challenges, cooperativism, in which ownership and control are *both* in the hands of workers, is the preferable form workplace democracy should take. He discusses various qualifications of the arguments, however, which have to do with various contextual factors.

In 'The power of (the) union. Trade-unionism and workplace democracy in a French recovered factory', Maxime Quijoux explores opportunities and constraints of democratization through the case study of a recovered French factory in which trade-unions took a leading role in the process of democratization. The paper explores the democratizing potential of trade unionism in a context characterized by the strong bureaucratization of the trade union field. The case of a cooperative takeover of a French company by the CGT union in the early 2010s provides an opportunity to explore the ambivalent role of trade-unions in processes of workplace democratization. Indeed, the case study leads to two apparently opposed results. In a first phase, trade unions' internal bureaucratization allowed the takeover of the company – thanks to trained and professionalized organizers – while at the same time it worked as an obstacle to the setup of the main cooperative schemes. In a second phase, however, trade unionism produced its own participatory mechanisms: by placing members from each sector on the board of directors – from the reception to the printing presses and the sales department – the union sets up a 'sociological democratization' which has important effects on the functioning of the enterprise: the cooperative thus creates a continuum of interactions

and the possibility to contest which constitute ‘worker control’ over the new management.

Disclosure statement

No potential conflict of interest was reported by the author(s).

Funding

This work was supported by the Centre National de la Recherche Scientifique; Wissenschaftskolleg zu Berlin.

ORCID

Roberto Frega <http://orcid.org/0000-0002-6556-4275>

Lisa Herzog <http://orcid.org/0000-0001-9348-1154>

Reference

Neuhäuser, C., Frega, R., & Herzog, L. (2019, April 3). Workplace democracy – the recent debate. *Philosophy Compass* (online only). <https://doi.org/10.1111/phc3.12574>.