

Workers' direct participation in decisions in Hungarian factories

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During the past few years workers' participation in decision-making in factories has been widely debated in Hungary. Much more than a fashionable topic of discussion in industry, science and politics, however, shopfloor democracy is a real social problem awaiting a solution.

Workers' participation in all its forms has emerged in response to changes in our working class and in industrial and social phenomena and processes brought about by technological and socio-economic progress. But this same progress has called in question many of the theoretical and practical bases of our approach to workers' motivation and management and has spurred us to look for new solutions.² One of these is the promotion of participation by workers in shopfloor decisions in the factory. 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 of shopfloor democracy in Hungary

In Hungary workers' participation has resulted first and foremost from changes that have taken place in the characteristics of the working class itself and in its social and economic situation. These positive changes have been made possible by a considerable growth of national income and by rapid industrialisation, both of them having their roots in the political system of the country, which is characterised by the rule of the working class and its party, the Hungarian Socialist Workers' Party, and by socialist ownership of the

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² These developments, which will be briefly outlined in the following pages, have taken a similar course (although with notable differences of detail) in most industrialised countries.

means of production. The Party has also been the moving force in the development of workers' participation.

It needs no mass of statistical evidence to prove that in the past half-century general advances in the organisation of work and in technology (the spread of mechanisation, the advent of automation, flow processes and mass production) have transformed the structure of industrial jobs, greatly improved physical working conditions and reshaped the social context of industrial work. At the same time, progress outside the sphere of industry (in education, health, social security, etc.) has raised the workers' level of education and general knowledge, enhanced their security and greatly improved their living standards.

Educated and socially conscious workers, secure in their employment and enjoying steadily improving living standards, can afford to take an interest in the content of their work and in the wider social context of their activities in the factory. Unpleasant, monotonous, physically strenuous or dirty jobs, bad working conditions and strained relations with supervisors and workmates are nowadays less readily tolerated by workers even if they are offered high wages (although wages are still of prime importance to the majority of workers). More and more workers feel the need for shopfloor democracy, want to have a say in matters that affect them and are capable of making a reasonable contribution to decisions that touch them directly. As the cases discussed in the present article will show, many companies in Hungary are keenly interested in the contribution that workers' participation can make to solving such economic problems of efficiency as the labour shortage prevailing under the present five-year plan.

But factory democracy is more than a mere device to increase efficiency by improving work performance, tightening loose discipline, etc. In the Party's policy it is a means of strengthening the co-operation of the people, forging unity of action in industry and in the national society at large. In this view, shopfloor democracy cannot be seen only as a means of promoting certain economic or social aims; it is an integral part of the Hungarian social and political system and of our socialist industrial and social relations as well.¹

Nevertheless, workers' participation and factory democracy are far from satisfactory in our country.² One of the reasons for this is the inadequacy of our scientific understanding of it. The interpretation of participation used in the present paper, it should be stated, is based mainly on the authors' own

¹ As the decisions of the Eleventh (and most recent) Congress of the Hungarian Socialist Workers' Party put it: "Office and shopfloor democracy is an integral part of socialist democracy: it gives workers an opportunity for active 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; and it increases the employee's sense of responsibility and activity." *Az MSZMP XI. Kongresszusának jegyzőkönyve* [Minutes of the XIth Congress of the HSWP] (Budapest, Kossuth, 1975), p. 467.

² "The functioning of shopfloor democracy does not come up to expectations and needs to be improved in both content and methods", *ibid.*, p. 467.

theoretical and empirical research and for the moment there is no generally accepted definition of shopfloor democracy in the Hungarian social sciences. Despite this uncertainty surrounding its theoretical interpretation, however, there cannot be much doubt about the essence of the concept. If participation is considered to be a tool for strengthening co-operation, forging unity of action among people in the factory and in society (and it is in this sense that it is understood 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), and to reconcile their respective aspirations and possibilities. Its aim is to establish industrial and social relations that will best promote co-operation among people under the changing conditions of our working class, society and economy.¹

The scope of workers' participation in decision-making

One of the most crucial problems we face in developing shopfloor democracy is: what kinds of decision should it embrace and in what matters can workers make their influence felt? Data on this topic have been collected by the authors of the present paper in the Hungarian Railway Carriage and Machine Works and other organisations since 1968.

In 1974 we made a survey of how workers perceived their possibilities of direct or indirect participation in decisions of different types in three plants of the Hungarian Railway Carriage and Machine Works. The results are presented in the table.

As the data in the table show, the matters offering most scope for participation in the workers' view were those involving decisions (1) concerning the workshop or plant, (2) directly related to their positions within the workshop or plant, and (3) the formalisation of which made their involvement possible, i.e. decisions on work organisation, conditions of work, wages and so forth. On the other hand they saw less possibility for participation in (and displayed considerable ignorance about) higher (company-level) decisions—concerning production, personnel planning and the introduction of new technology for example—and decisions obviously attaching to management (hiring workers).

In 1968-71 we investigated an experiment introduced in the same works in 1968-69 in which work groups and their leaders were allowed to decide on the division of wages among their members.² This pioneering experiment, which

¹ The Tenth Congress of the HSWP recognised that differences and conflicts of interests may exist in our socialist society and underlined the necessity of mediating them and of ensuring that common social interests prevailed. See "Társadalmunk érdekviszonyai és a tudományos kutatás" [Interest relations in our society and scientific research], in *Társadalmi Szemle* (Budapest), Nos. 8-9, 1976; and I. Pozsgay: "A párt és az állami társadalmi érdek" [The Party and common social interests], *ibid.*, No. 1, 1972.

² The most complete report of our investigations is L. Héthy and Cs. Makó: *Munkásmagatartások és a gazdasági szervezet* [Workers' behaviour and the economic

Workers' perception of scope for direct or indirect participation in decision-making

Subject of decisions	Participation possible %	Participation not possible %	Don't know %
Organisation and conditions of work	72	24	4
Selection of workers for training	64	28	8
Allocation of overtime	61	36	3
Determination of bonuses and other incentives	57	40	3
Job classification and pay scales	49	48	3
Promotion	48	45	7
Determination of basis and methods of wage payment	46	52	2
Lay-off and dismissal	45	45	10
Disciplinary measures	44	48	8
Transfer to other workplaces	42	51	7
Development of production plans	30	59	11
Introduction of new machinery and equipment	24	65	11
Personnel policy, manpower planning	13	76	11
Hiring of workers	11	82	7
Cut-back of production and closing down of plant	6	53	41

Source: L. Héthy and Cs. Makó: *Az automatizáció és a munkástudat* [Automation and what the workers think about it] (Budapest, Research Institute for Sociology and Scientific Research Institute for Labour Safety, 1975), pp. 96-97. Investigations in the steel industry and in hospitals produced similar results; T. Tahin and Cs. Makó: "Intensive patient care, as nurses view it", paper presented to the International Conference on Medical Sociology, Paris, 6-9 July 1976.

was introduced in fields where technology demanded collective and constantly changing efforts from the labour force, helped to break down the rigid, formal wage structure, contributed to resolving intra-group conflicts about wages and ensured better co-operation within work groups. The experiment, which paved the way for a practice that is still flourishing, points to the same conclusion regarding the choice of matters suitable for participation.

From the viewpoint of the workers, then, it appears that the types of decision that best lend themselves to participation programmes are those that are directly related to their position within the workshop—the organisation of their jobs, their wages, working conditions and so forth—and the implications of which they can most readily grasp, given their level of information, competence and education. As regards the interests of workers, both real and perceived, the structure of their needs serves as a good pointer: research and

organisation] (Budapest, Akadémiai Kiadó, 1972). Brief accounts of this research have been published abroad in *Industrial and Labor Relations Review* (New York), No. 4, 1971, pp. 541-553; *European Economic Review* (Amsterdam), No. 3, 1972, pp. 181-189; *Sociologie du travail* (Paris), No. 1, 1971, pp. 25-34; and B. Balla (ed.): *Soziologie und Gesellschaft in Ungarn*, Band IV (Stuttgart, Enke Verlag, 1974), pp. 24-55.

everyday experience show that workers in Hungary still have predominantly material needs and motivation, from which it follows that decisions concerning wages must have an important part in any participation programme. There is also reason to think that lower-level decisions (in the workshop or plant) and ones with immediate (operative) effect more closely concern the workers than those taken at higher levels (the company or establishment) and having long-term (strategic) effects. The former types of decision can actually be followed, grasped and even controlled by them, since they arise out of the everyday activities of the workshop, while the latter are mostly beyond their level of information, competence, education and control. When the structure of the workers' needs changes, as improved living standards lead to fuller satisfaction of basic needs, and the level of their education, information and competence increases, they will make their direct influence felt in an even wider range of decisions.

In deciding what matters are suitable for participation the management side has also to be taken into account. Since the initiative in introducing shopfloor democracy in Hungary is taken primarily at the political level, we cannot take it for granted that management will react positively. To many managers (those of the companies discussed in the present paper are exceptions) participation seems to be an additional burden or even a factor that will undermine discipline and reduce efficiency; and it is quite true that discussing matters with workers requires preparation and is time-consuming, and that managers have to explain and defend their standpoint and often become the target of criticism, justified or unjustified. These unpleasant concomitants of factory democracy (which are also features of any other process of negotiating interests) can never be eliminated, but they can be outweighed by the advantages of joint discussion, by the benefits of participation. Apart from the long-term positive effects (better co-operation, enhanced efficiency) managers can derive many other advantages from shopfloor democracy: they can share their workload, delegate part of their responsibilities, foresee and avoid conflict by discussing decisions with their subordinates. The advantages and disadvantages of participation to managers should also be weighed in selecting the type of decision subject to participation. An obvious advantage of the experiment carried out in the Hungarian Railway Carriage and Machine Works was that it met not only the expectations of the workers—since they won the right to a say in a matter crucial to them—but also eased the burden on managers, in that the work groups took on the difficult task of evaluating the performance of their own members and the tensions and conflicts that task entailed.

In selecting decisions for participation a further question arises: At what phase of the decision-making process should workers' participation be operative? Decision-making consists of several phases: identifying the problem, analysing it, working out alternative solutions, choosing the best one, putting it into practice, etc. In theory workers could take part in the whole of this process or in one or more of its phases; but partial and full participation require very different conditions and have very different consequences for workers, man-

agers and the whole organisation. In Hungary today workers' direct participation—except for a few types of decisions, for example intra-group decisions concerning the division of wages—is generally restricted to one or a few phases of the process (analysing the problem, working out and discussing alternative solutions, etc.), while other phases are reserved for indirect participation and managerial action. This differentiation in decision-making does not exclude the possibility of direct participation in matters that for the moment seem to be remote from the workers' everyday interests and beyond their horizon (e.g. company-level strategic decisions). Nevertheless, workers cannot be expected to express their opinions on matters on the fringe of their interests and experience before their participation in decisions closely affecting their interests and within their grasp has been assured.

Even though considerable scope exists, there is and always will be a limit to the choice of matters suitable for direct participation by workers. It would be demagogic irresponsibility, contradicting the basic realities of any industrial organisation, to extend workers' *direct* participation to all aspects of the operation of a factory. The limits are set by the logic of technology, organisation and efficient production. Nevertheless, it is when the possibilities for direct participation have been exhausted that the scope begins for *indirect* participation, the realisation of workers' control through their representatives, their Party and their trade unions.

Workers' readiness and ability to participate

People in Hungary often look on participation as a gift that can be offered to the working class by enterprises, the Government or the Party at the present stage of socialist development. This view involves the tacit assumption that workers are willing and—naturally—able to take part in the decision-making process and are only too ready to seize the opportunity offered them.

Now our research in the Hungarian Railway Carriage and Machine Works showed that the majority of workers are indeed ready to express their opinion on matters of direct concern to them, at least in theory, though they feel that matters remote from their interests should be left exclusively to management.¹ But this theoretical readiness of the workers to participate is far from being unconditional. Workers do not and cannot look upon participation as a gift.

This attitude is exemplified by a case study carried out by A. Simonyi in 1976.² In that year the Budapest Chemical Works mooted a scheme under

¹ Héthy and Makó: *Az automatizáció és a munkástudat*, op. cit., pp. 94-95.

² See A. Simonyi: "Az üzemi demokrácia a munkások oldaláról nézve" [Shopfloor democracy seen from the workers' side], in *Társadalmi Szemle*, No. 7, 1976. Other papers give an idea about the management approach at the Budapest Chemical Works. See K. Kékesi: "Vezetni vagy vezetgetni?" [To manage or to dabble in management?], *ibid.*, Nos. 8-9, 1974; and T. Poros: "A vállalati érdekeltségi rendszer és az üzemi demokrácia" [The incentive system and shopfloor democracy at the enterprise], in *Ipargazdaság* (Budapest), No. 5, 1976.

which 50 to 60 per cent of its workers would have been involved in decisions on wages. It was proposed that in workshops where the technology used made it feasible decisions on how annual wage increases were to be distributed, as well as on the majority of bonuses, should be taken by work groups of 5 to 20 people. Under the new system supervisors (foremen and senior foremen) were to be required to evaluate the work of each worker in the presence of the whole group and to make proposals for personal wage increases and bonuses.

The distribution of wage increases and premiums was obviously a question of the most immediate interest to the workers and one on which members of working groups had very definite ideas. Yet the proposal was turned down by the workers' representatives (the conferences of group leaders and shop stewards), who decided to stick to the old scheme, under which there was much less opportunity for direct participation by workers and all decisions (except for a few concerning bonuses of minor importance) were taken by the supervisors and shop stewards.

The turn of events at the Budapest Chemical Works, which seems to be exactly the opposite of what happened in the Hungarian Railway Carriage and Machine Works, was the result of several factors. These probably included the reluctance of foremen, shop stewards and group leaders to give up some of their rights; that, at least, is how top management explained it. But they also included the fact that the workers were not prepared to assume direct responsibility for the matters at issue. As we have seen, participation has its advantages and disadvantages to management; but how does it look to the workers?

In the first place, in most factories indirect participation, i.e. through the local trade union, Party organisation and youth organisation, provides a more or less adequate guarantee that the workers' interests will be taken into consideration. (In our research in the Hungarian Railway Carriage and Machine Works in 1974 we found that 46.6 per cent of the workers were "entirely satisfied", 34.6 "largely satisfied" and 12.9 "more or less satisfied" with the functioning of the Party. The equivalent percentages for the trade union were 20.3, 34.9, 33.1.¹) With the prevailing manpower shortage management, too, tries to satisfy their expectations. Thus direct participation in decisions is of importance mainly in matters where the workers' interests and needs risk not getting proper consideration. The number of such cases varies from factory to factory and from time to time, incidentally providing a measure of the efficiency of indirect participation. In the Budapest Chemical Works it appears that both the Party and the trade union were functioning satisfactorily.

Secondly, participation in decisions involves mental effort just as decision making does, even if the level of effort is different in the two cases. When the workers have their say in decisions, they not only get a share in the rights of managers but also take on some of their responsibilities, as is only right

¹ Héthy and Makó: *Az automatizáció és a munkástudat*, op. cit., tables 252 and 146.

and proper. While this sort of activity is a matter of routine to supervisors and managers, for workers, at least for the moment, it is a new and rather hazardous affair; a worker with no past experience of expressing his opinion in public risks making himself ridiculous, or even provoking social conflicts harmful to him and his work group.

In addition, expressing one's views publicly on matters concerning the workshop or factory inevitably entails passing judgement, intentional or unintentional, on the work of others. It can therefore be a source of confrontation with other people, and most workers feel uncomfortable about openly criticising supervisors and managers, especially those at the top.¹ The indifference of the workers in the Budapest Chemical Works to increased participation can largely be attributed to their reluctance to take on additional work and face the risk of possible conflicts.

How ready workers are to participate with management in decision-making also depends on whether they feel capable of taking on at least some of the duties involved. Collecting, analysing and interpreting information, deciding what attitude to adopt and then defending it, require a certain level of general education and culture. Workers should have at least some of the knowledge and skills that are essential for supervisors and managers. To be sure, a limited education does not make participation impossible; involvement in certain phases of the process needs very little knowledge; but it does restrict it. Uneducated and uninformed workers can be consulted about the distribution of wages, but actually to participate in decisions they need to have a good grasp of the wage system, the requirements of various jobs, the performance of other workers, the organisation of work, the technological process involved and many other matters.

Participation in running 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 work group can increase the sum of the abilities of its individual members, and can reduce the individual risks of participation as well. When we were investigating social conflicts over performance and wages in 1968-69 in the Hungarian Railway Carriage and Machine Works we found and described tightly knit groups that were perfectly capable of grasping the whole decision-making process, and even of working out a strategy, tactics and forms of behaviour to influence it in their interest, as well as of handling the shopfloor and factory disputes their activities gave rise to.² Indeed, it was probably the cohesiveness of these work groups, among other

¹ Héthy and Makó: *Az automatizáció és a munkástudat*; op. cit., pp. 105-106.

² L. Héthy and Cs. Makó: "Munkateljesítmény, érdek, hatalom, környezet. Az egyengetőlakatosok esete" [Work performance, interests, powers, environment. The case of sheet-metal workers], in *Új Írás* (Budapest), No. 2, 1971, pp. 90-103. This has also appeared in English in P. Halmos (ed.): *Hungarian Sociological Studies*, Sociological Review Monographs No. 17 (Keele, 1972), pp. 123-150; and, in an abridged form, in *European Economic Review*, No. 5, 1974, pp. 141-157.

factors, that made the company's experiment in participation successful in 1968-69. In the development of shopfloor democracy in Hungary, work groups (among them what are called "socialist brigades") are destined to play a key role.

Readiness and ability to participate, on the part of both individuals and groups, appears to depend to a great extent on the environment in which participation is implanted. This, in turn, is closely related to the essential features of social and economic development and the state of social relations in the workshop, the factory, industry and society at large.

Organisational requirements

Workers' participation in factory-level decision-making is a social, organisational process: it cannot be brought into existence unless suitable conditions are established.¹ Realisation of this fact has strongly influenced the development of shopfloor democracy in Hungary from the outset.

One of the very first steps was that industrial enterprises established the forums and organs of direct participation by workers (production and brigade conferences etc.) and set them to work. Since then these institutions have come in for a good deal of criticism because many of them have taken on merely the outward forms of shopfloor democracy while lacking its spirit—the practice of real participation of workers in running their workshop and factory.²

One noteworthy conclusion of the discussions this has provoked is that the introduction of these organs into the organisational structure of enterprises may be a necessary but is not a sufficient condition for the establishment of shopfloor democracy. 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 activities of the organs of participation will be an empty formality.

Difficulties will also inevitably arise if workers' participation bodies are misused. For example, workshop and factory production conferences, which are held quarterly, frequently discuss matters that the majority of the participants are not interested in and neglect questions of vital importance to many workers; they are often hurriedly organised between two shifts, under pressure of time; and the great numbers attending them discourage people from speaking up. Widespread experiments have been made to find ways of improving the organs of shopfloor democracy, and all of them have pointed to the same conclusion, namely that the present institutional framework itself is

¹ Some empirical data on participation and organisational structure have been collected by A. Gyenes and T. Rozgonyi: *Hierarchia a gazdasági szervezetekben* [Hierarchy in economic organisations] (Budapest, MTA Szociológiai Kutató Intézet, 1974).

² L. Héthy and Cs. Makó: "Proizvodstvennaya demokratia na sotsialisticheskom predpriyatii Vengrii" [Production democracy in socialist enterprise in Hungary], in *Rabochy Klass i Sovremennyy Mir* (Moscow), No. 4, 1976, pp. 44-52.

generally satisfactory provided that it is used for the intended purposes.¹ Other experiments have aimed at promoting workers' participation by means of needed changes in the functioning and structure of the industrial organisation and in the attitudes and practice of management. Such pioneer experiments were launched in the Taurus Rubber Works in the second half of the 1960s.²

The company offered a favourable environment for the experiment in that it had a fairly decentralised decision-making system: top management delegated many decisions of importance to the different plants. To create an institutional framework for participation the company organised a core group of workers which by 1973 included almost 60 per cent of employees. The group consisted of people that were highly qualified, had a good knowledge of their workshop and plant, had achieved high output, had been loyal to the company and showed readiness to participate in running its affairs. To get into the core group workers also had to pass a kind of examination. Although no condition of seniority was laid down, the indirect effect of other requirements was that it was composed mostly of long-service employees. The members of the core group regularly received information about the affairs of the company through various channels: plant supervisors and managers supplied them with oral information, the company newspaper started 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 plant-level conferences, and an annual conference was also held at the level of the company. The Taurus Works took an interest in the motivation of its employees too: members of the core group received higher cash incentives than others (for example, their share in company profits was double) and these amounted sometimes to as much as 15 per cent of their annual income.

The experiment in the Taurus Rubber Works may have its shortcomings; but it has proved that the development of workshop and factory democracy cannot be promoted in the long run by isolated changes in the organisational structure but needs a whole series of changes (not all of which it has been possible to discuss here), including the introduction of participation bodies, the selection of decisions suitable for participation, a decentralised decision-making system, training to develop the workers' knowledge of their environ-

¹ Both Party documents and those of the Central Council of Trade Unions voice the opinion that it would not be desirable to set up new forums of shopfloor democracy in factories. As a result of a recent experiment organised by the Ministry of Labour and the Central Council of Trade Unions at 50 companies, the traditional channels of indirect participation have been developed instead, by strengthening the rights of shop stewards.

² 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 idem: "Egyéni életpályák vállalati tervezése" [Planning of individual careers at the enterprise], *ibid.*, No. 1, 1976, pp. 64-71; and idem: "Career development system in a socialist country—a case study of Hungary", in *Career planning and development*, Management Development Series, No. 12 (Geneva, ILO, 1976), pp. 49-76.

ment, the establishment of channels of information and a system of motivation supporting the whole programme by increasing the workers' willingness and ability to participate.¹ With such an approach the widening of participation quite evidently entails an arduous and lengthy process of learning, in which both the workers' behaviour, attitudes and thinking on the one hand and management's approach, practice and methods on the other must undergo considerable transformation.

When all is said and done, 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 functioning of Party, trade union and youth organisations (and their internal democracy) makes it possible and necessary for a large number of workers, supervisors and managers to discuss decisions from day to day, and to reconcile their interests and needs and the opportunities offered by the enterprise and by society. In these organisations people acquire experience in running affairs and indirect participation thus becomes the engine of direct participation as well. The special structure of socialist industrial enterprises (involving the presence and co-operation of at least three organisations of major importance: management, Party and trade union) offers very favourable possibilities for indirect influence by the workers, for the Party and the trade union have considerable control of affairs at all levels, and many workers play an active role in both Party and trade union activities.² But in spite of its great advantages such a structure may have shortcomings too. That is why direct participation by workers can and should serve as a useful and necessary agent of control and correction of indirect participation.³

The important part that these specifically socialist features of the structure of industrial enterprises have played in the development of participation in Hungary underlines once again the decisive influence of the whole socio-economic and political environment of enterprises on the state and progress of shopfloor and factory democracy.

Research on participation in Hungary

Since the development of workers' participation was adopted as a social objective in Hungary, research in the social sciences in our country has started

¹ It should also be noted that this participation programme did not replace but complemented the nationally accepted system of factory democracy.

² In the companies we investigated about 6 to 10 per cent of workers belong to the Party, but in others the proportion is sometimes as high as 25 per cent. The proportion of trade union members in most enterprises exceeds 90 per cent.

³ This was demonstrated among other things by the sudden surge of labour turnover in Hungarian industry in the years after 1968. 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 *Sociological Review* (Keele), May 1975, pp. 267-285, and *Sociologie du travail*, No. 1, 1975, pp. 41-56.

and produced its first results. At the present, initial stage of scientific knowledge, however, the interpretation given to participation by the social sciences has been insufficient, contradictory in many respects and too often burdened by antiquated political and ideological ideas as well. The state of scientific research in turn results largely from the belatedness of the rebirth of sociology in the 1960s and from the consequent backwardness of practical surveys of important social issues in industry. Gaps in sociological data and theory (e.g. organisational, motivational and decision-making theory) cannot be compensated even by the considerable knowledge of other social sciences about participation and democracy.

As shopfloor democracy is a process closely connected with the over-all progress of society and the economy, its analysis from the standpoint of general social theory seems to be justified and necessary. Various basic aspects of workers' participation have been analysed within the framework of the general social theory of Marxism. Factory democracy has been discussed firstly in relation to the functioning of the institutions of socialist society,¹ secondly in relation to its essential link with the nature of socialist ownership² and thirdly in connection with the harmonisation of divergent interests under socialism.³ Such analysis within the framework of general social theory is essential in order to guide and lay the theoretical foundations for political action and for practical research in the social sciences, sociology among them.

Empirical research in the social sciences (although sporadic and uneven) has produced some results that can be applied in industry and society.⁴ Most investigations have been focused on the functioning of the organs of shopfloor democracy and based on analysis of workers' opinions; deeper surveys based on more objective sources of information are scarce and even those that have been carried out rarely make any attempt to draw theoretical conclusions. This constitutes a serious obstacle to the theoretical interpretation of the concept of participation in the social sciences and also to the progress of empirical research itself; investigations are often restricted to the compilation of empirical data and are limited in their theoretical generalisations; and even if—like

¹ See M. Buza: *Az üzemi demokrácia fejlesztésének néhány kérdése* [Some questions concerning the development of shopfloor democracy] (Budapest, Kossuth, 1976).

² A good example of this approach is the research by K. Szabó; see for example his "Az üzemi demokrácia és a politikai gazdaságtan" [Shopfloor democracy and political economics], in *Közgazdasági Szemle* (Budapest), Nos. 7-8, 1974, pp. 769-783. Also the roundtable conference at the Karl Marx University of Economics on "shopfloor democracy" (with an introductory lecture by K. Szabó), in *Gazdaság és Jogtudomány* (Budapest), Nos. 1-2, 1975, pp. 81-146.

³ Apart from the literature on interests already cited, this approach is consistently followed by I. Pozsgay in his publications on socialist democracy.

⁴ 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; and idem: "Munkásismeretek, munkástörekvések, üzemi demokrácia" [Workers' level of knowledge and aspirations and shopfloor democracy], *ibid.*, No. 11, 1974. The research by Mrs. Mód was conducted in the Danube Iron Works in Hungary.

the present paper—they nevertheless attempt to reach some general conclusions they necessarily contain a considerable amount of conjecture.

Conclusion

Widespread social, political and ideological illusions and misconceptions about participation in Hungary have their roots for the most part in the inadequacies of its theoretical interpretation in the social sciences. The basic idea of workers' participation is often forgotten; either the burdens and effort it inevitably involves are overemphasised and it is regarded as a curb on industrial productivity and progress or, on the contrary, its advantages are exaggerated and concern is expressed lest industrial efficiency and discipline should undermine the democracy of socialist industrial relations. In our view workers' participation, if interpreted as a means of mediating interests within the industrial organisation, tends to promote rather than hinder co-operation and unity of action of people in workshops and factories and offers a major contribution to organisational and industrial efficiency as well.

There has been much discussion in Hungary about the further development of workers' participation. Under the influence of the normative approach of the administrative sciences the task is often seen as one of adopting measures designed to develop the formal organisational framework of shop-floor democracy, to establish formal rights, responsibilities and relations in the workshop and the factory. Although the importance of administrative aspects cannot be denied, it is becoming increasingly evident that we are faced with much more than that. Shopfloor democracy can hardly be considered a narrow administrative question: it must be seen as a wider organisational, social and political issue. Its development makes definite demands on individuals and their groups, on organisations—including enterprise, trade union and Party organisations—and, in fact, on the whole of society and its direction.

In Hungary today our most urgent task is to create a favourable climate among individuals and their groups, and to adapt the structure and functioning of organisations in a manner favourable to participation. The fact that the means of production are owned by the State and that political power is in the hands of the working class and its party certainly makes it easier to adopt the necessary measures but it does not bring them about automatically. As the Eleventh Congress of the Hungarian Socialist Workers' Party pointed out, the development of shopfloor and factory democracy and that of socialist democracy need systematic and purposeful efforts now and in the future.

The exchange of ideas among social scientists interested in this topic of general social concern can also be a factor contributing to progress. ■