

# WORKERS' CONTROL IN LATIN AMERICA

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*PEASANT COOPERATIVES AND POLITICAL CHANGE IN PERU.* By CYNTHIA MCCLINTOCK. (Princeton, N.J.: Princeton University Press, 1981. Pp. 418. \$6.95.)

*THE POLITICS OF WORKERS' PARTICIPATION: THE PERUVIAN APPROACH IN COMPARATIVE PERSPECTIVE.* By EVELYNE HUBER STEPHENS (New York, N.Y.: Academic Press, 1980. Pp. 290. \$28.50.)

*ECONOMIC DEMOCRACY: WORKERS' PARTICIPATION IN CHILEAN INDUSTRY, 1970–1973.* By JUAN G. ESPINOSA AND ANDREW S. ZIMBALIST. (New York, N.Y.: Academic Press, 1978. Pp. 211. \$14.00.)

Popular participation is commonly viewed as a key aspect of political development. But participation in what? Through what channels? With what assurance that the newly integrated “participants” will be conversant in the issues that they are supposed to start deciding?

Almost as common as the emphasis on participation is the tendency of social scientists to define it in largely formal terms. The frame of reference is the political system; the subjects are the adult population as a whole; and the key mode of expression is the vote—specifically, the vote between rival national organizations dealing with an all-encompassing range of national issues.

The idea of workers' self-management—workers governing their own workplaces—suggests a form of participation that is both more accessible and more challenging; more accessible because the issues are familiar to everyone who must deal with them; more challenging because the response must be active. Self-managed workers do not just ratify the actions of others; they are the executors of their own decisions. They thus develop habits of initiative and questioning that extend well beyond work-related issues. Such habits form “participant citizens” as surely as the entire culture surrounding autocratic management forms a society of helpless spectators.

Until recently, a number of factors combined to keep this approach far removed from the main focus of attention of social science literature. One factor was the already-mentioned formalism, with its tendency to separate the economic sphere (production relations) from the sphere of power relations. Closely associated with this separation was the tendency to define development in terms of already-existing

models provided by the major industrialized powers, none of which (regardless of ideology) had rejected the authoritarian organization of production. Finally, one of the most widely diffused versions of the self-management approach was the Christian Democratic idea of communitarianism, which, with its specific emphasis on preserving market competition and its failure otherwise to clarify its relationship to capitalism and socialism (both of which it condemned), had more the character of a disposable political slogan than of a seriously considered theory.

Since the mid-1960s, however, several developments have converged to stimulate wider interest in self-management than ever existed before. The most important single factor has probably been the energy crisis. Insofar as this crisis has affected the industrialized countries, it has decisively undercut their role as economic models for the rest of the world. More specifically, the capital-intensive (and therefore energy-intensive) approach to economic development—always problematic in Third World countries—has been sufficiently discredited to call into question some of the basic assumptions about economic authority under which this approach had gained acceptance.<sup>1</sup>

At the same time, several national experiences have given a sharper outline to the possible responses to this situation. On the one hand, the Christian Democratic approach to self-management, which was never seriously considered by the governing CD parties in Western Europe, was put to a final test during and after the Frei administration in Chile. While the majority of Chile's Partido Demócrata Cristiano simply forgot about workers' control, those few Christian Democrats who took it seriously left the party in two waves in 1969 and 1971 to become a part of Allende's Popular Unity coalition, thereby indicating clearly that self-management would advance either as part of a movement toward socialism or not at all.

Complementing this turn, on the other hand, were a number of positive experiences of workers' control, of which perhaps the most influential—despite certain limitations that were not fully appreciated at the time—was that associated with the Chinese Cultural Revolution. Whatever its manipulative components (and its consequent brevity), the Cultural Revolution was of worldwide significance in terms of: (1) its setting in a poor, largely nonindustrialized country; (2) its emphasis on seeing workers' consciousness not only as an input into the work process but also as one of its outputs (that is, its idea of judging an enterprise's performance partly by the human experience of those involved in it); (3) the radical egalitarianism of its approach to social interaction and division of functions among members of the enterprise; and (4) its nationwide scope, as manifested especially in acts of material cooperation among different enterprises.<sup>2</sup>

Increasingly throughout the 1970s, the criterion of a movement's revolutionary character—whatever its developmental setting—became the degree to which it awakened a conscious impulse toward self-management on the part of its popular constituencies. Portugal and Mozambique, although linked in their histories, are far enough apart in their social traditions to suggest the full range of situations in which this tendency could be seen.<sup>3</sup>

Recent Latin American history encompasses three cases in which the issue of self-management, in some form, has come to the center of the political stage. They are: Chile during the period of the Popular Unity government (1970–73), Peru during the presidency of General Juan Velasco Alvarado (1968–75), and Cuba during the period of “institutionalization” of the Revolution (since 1970). The first two of these cases can now be discussed with the aid of the studies cited at the beginning of this article; the third embodies a still-unfolding process that has not yet received systematic book-length treatment.

Each of the three cases involves a distinct approach to the establishment of a worker-controlled economy. Taken together, they provide alternative sets of responses to two of the key questions raised by such a project. One of these is whether self-management is to be initiated primarily from above, by the government (Peru, Cuba), or primarily from below, by the workers themselves (Chile). The other question has to do with how the introduction of workers' self-management relates sequentially to the conquest of political and economic power by revolutionary socialist forces. In Peru it was attempted prior, and even in opposition, to any such step; in Chile it was closer to being in conjunction with this step; in Cuba it was not initiated until after the revolutionary government was firmly in power and all large-scale production had been brought into the public sector.

The setting for Peru's experience with a “preemptive” approach to self-management was the country's economic backwardness. Despite a period of rural guerrilla movements in the 1960s, autonomous organization of the peasantry remained severely limited. The Peruvian bourgeoisie had received a warning, but it still had time to act. The peasantry was the most logical target-population not only because of the recent insurgency, but for two additional reasons as well. First, any redistributive measures that might be taken on its behalf would not cut into profits in the more dynamic sectors of the economy. Second, even in 1969 (the base-year for McClintock's study), the peasantry remained so tradition-bound in its actual expectations that one could well envisage any steps that it might take toward work-related activism as being an alternative, rather than a catalyst, to class struggle.

Within this framework, the Velasco reform program appears (regardless of the divergent goals of its advocates) as a unique experiment in using self-management as a form of social engineering.<sup>4</sup> The program was quite broad in scope, affecting some 10–15 percent of the nation's peasantry and also extending, although in a far more restricted form, to the industrial sector. In its objectives, however, the program remained ambiguous. It was indeed put forward as a "strategy for change," but the desired outcome at the national level was never defined authoritatively, least of all by those who would be most directly involved in it. In some ways, however, this situation makes the question of what the program did accomplish more, rather than less, interesting because it means that the self-management measures were offered to their constituency in as pure a form as one could hope to find—unassisted and unhindered by any already-organized mass movement for change.

Cynthia McClintock has provided us with an exceptionally fine treatment of the program's impact on the agricultural sector. Her book is based on close observation of three cooperatives enjoying full decision-making authority over work-related issues. She applies the methods of both anthropology and survey research, using two "unreformed" communities as controls for the latter. The study focuses on the full scope of changes in social interaction that occurred between 1969 and 1974. Wherever possible, McClintock compares the impact of the Velasco "revolution" with that of rural revolutions elsewhere.

The resulting picture of Peru's changes is a mixed one. In terms of interaction among workers and participation in community affairs, the before-after contrast is striking and the effect of self-management "powerful" (p. 319). Attitudes, however, changed more easily than behavior; consequently, "although peasants preferred, in the ideal, participatory and collaborative orientations, they did not forswear clientelistic practices if appropriate occasions arose" (p. 111). In general, work still tended to be conceived in terms of individual rewards; at best, loyalty would extend to the enterprise, but not to the larger society. Related to this outcome (and in further contrast to the situation in more revolutionary settings) was the lack of change in the position of women, who consequently remained individualistic even in those spheres where cooperation was otherwise increasing (p. 217).

Throughout her study, McClintock views the peasantry as responding rationally to changed circumstances. She rightly attributes the limits of cooperation to the persistence of the market economy (p. 321), and she recognizes a consequent tension between peasant power and state power. She sees the overcoming of this tension, however, not as requiring any change in the interests represented by the state, but rather as coming through a simple increase in the state's strength (pp. 324, 344ff). The implicit assumption here is that the state necessarily repre-

sents the peasants simply because it promotes their interests at the local level. This assumption seems to me to mystify the issues. I found it the only unsatisfying note in an otherwise illuminating discussion.

In terms of our present focus, the study by Evelyne H. Stephens prompts an inverse set of comments. Here there is no suggestion that the government might have been on the workers' side; on the contrary, its reform plans emerge as being oriented overwhelmingly toward the "integration" of the workers rather than toward their "mobilization" (chap. 3). Moreover, the narrative brings out clearly that the integration attempt failed, leaving the power of capital "largely unimpaired" (pp. 142, 168). Although the book is clear on this basic point and assembles and tabulates a mass of information on labor relations under the Velasco regime, it does not add much to what can be drawn specifically from the Peruvian case regarding the actual practice of workers' control. First of all, the participatory organs that Stephens focuses on (*Comunidades Industriales* or CIs) did not emerge from any redistribution of ownership, and therefore, they at most could serve as channels of contention rather than of control. Secondly, the core of the author's research material was five years' files of complaints by the CIs to the government; no attention is given to the interaction of workers in their organizations. Consequently, in the third place, the actual descriptive passages about Peru simply do not deal with workers' self-management. As Stephens once says in passing, "there was little opportunity for active participation in Peru other than complaining to the OCLA [Office of Labor Communities] about violations of the law" (p. 123).

In effect, the industrial conflicts of the Velasco period are interesting more for their role in the general polarization of Peruvian politics than they are for any particular insights they might offer about self-management. The excessively ponderous theoretical discussion that frames Stephens's work cannot overcome this limitation. Her research would have been more meaningful if it had been recast as a contribution to the history of the period.

In any case, the balance of Peru's self-management venture is clear. Despite its preemptive character, it introduced at least a partial change in rural social relations. In industry, its effect was not so much any new level of cooperation as it was the direct quickening of class struggle, opening the way to possibly greater gains for self-management in the future. Peru's brief taste of officially promoted *autogestión* must be seen in the context of the social movements to which it was designed to respond. Just as we noted the guerrilla movements that preceded it, so should we note the unprecedented left-wing vote that followed it, in the elections of 1978 (Stephens, p. 238).

The relationship between state power and power in the enterprise took a different form in Chile. In Peru, a government not of the workers legislated self-management; in Chile during 1970–73, a government identified with the workers occasioned by its very existence (and by the reactionary challenges it had to face) a thrust toward self-management that came largely from below. Although the government used a variety of legal devices to extend the public sector, the actual self-management guidelines were reached through negotiation between government and the unions. Moreover, the major advances in implementing the guidelines came typically on the initiative of the workers, under pressure of crisis, whether at the level of the single enterprise or of the entire economy.<sup>5</sup>

The blood purge unleashed by the 1973 military coup brought a tragic end to these steps, as the pacified enterprises were turned back to their former private owners. Although workers' control therefore did not outlive the crisis conditions under which it arose, it lasted long enough, extended widely enough, and found enough qualified interpreters to leave an enduring legacy in Chile and beyond. One vehicle for this legacy is Patricio Guzmán's film *The Battle of Chile*, which in its three parts covers the last full year of the Allende government and allows its viewers to see and hear directly the most active workers in their factories. The legacy finds equally fitting expression at a different level in the study by Juan Espinosa and Andrew Zimbalist, a work that is made all the more eloquent by its scientific rigor.

The objective of the Espinosa-Zimbalist study is to understand both the causes and the effects of various levels of worker participation in management. The authors focus on a nationally representative sample of thirty-five manufacturing enterprises that had been in the public sector for at least eight months as of mid-1973. Their information about the self-management process is based primarily on a series of questionnaires administered to individuals holding various functional positions in each enterprise. This information was supplemented by attendance at factory committee meetings and examination of the minutes of such meetings (which the authors characterize as "comprehensive" in 50 percent of the cases). A full summary of the authors' methodology is not possible here; suffice it to say that they are acutely attentive to the safeguards that are needed in weighing the relative influence of technicians and workers, and also in determining any given individual's ideological predisposition.

One important insight in terms of substance as well as method is that one cannot always make a clear-cut separation between what makes worker participation possible and what are its effects. Mutual reinforcement comes into play, as a certain degree of workers' control leads naturally to the adoption of practices that make further advances in the

same direction more likely. For example, the possibility of making meaningful production decisions encourages the workers to take special training courses, which in turn cancels out the negative effect on participation levels that would otherwise result from advanced technology. Similarly, worker self-management increases the level of job security and thereby eliminates at one stroke the biggest disincentive to labor-saving innovations by the workers.

Allowing for this process of participation incentives building upon themselves, what remain as the "overriding" variables are those associated with political consciousness (p. 183). At the level of specific loyalties, Espinosa and Zimbalist observe that "the Communist and Christian Democratic parties both have a significant and strong negative impact on the level of participation," whereas "the Socialist party, Movimiento de Acción Popular Unitaria, and other progressive parties on the left had a positive impact . . ." (p. 106). Although this result will not surprise anyone familiar with the actual roles played by the respective parties, it is nonetheless noteworthy that there should be no apparent break between their leaderships and their bases. If nothing else, the cases of "negative impact" demonstrate how controversial self-management becomes when it is seriously put into practice.

Despite internal as well as external obstruction, however, the worker-controlled factories still managed to show important advances in terms of all the usual criteria of enterprise performance. Although the success pattern was obviously not uniform, the study reveals (chap. 7) that along with a higher participation level generally went better discipline, lower absenteeism, fewer strikes, fewer thefts and defective products, more innovations, higher investment, and (finally) higher productivity. Perhaps even more important were worker-initiated coordination beyond the level of the immediate enterprise (including voluntary transfers of surplus) and instances in which, by establishing previously non-existent contacts with consumers, the workers were able to adapt their product lines to needs that had not found expression through the market.

Perhaps the most important question raised by these findings is how far the achievements were made possible precisely because of Chile's crisis conditions.<sup>6</sup> Certainly the awareness of crisis entered into the crucial "consciousness" variables. Could the same level of loyalty and solidarity have been maintained if the more urgent threats to the workers' well-being had been overcome? The authors are aware of this problem in general terms (p. 178), although their specific treatment of time-impact refers only to the positive effect of novelty and not to the possible positive effects of crisis (p. 168f). A possibly more encouraging consideration is their finding that "participation at the top level tends to establish itself more quickly but grows less over time than participation

at the lower level" (p. 68). In conjunction with the authors' discussions of innovation, education, and collective incentives, this observation reminds us that there is an element of fulfillment in participation, in and of itself.

The practical importance of such an element becomes readily apparent when we shift our attention to Cuba. Here, although threats from outside the firm were by no means absent, they at least did not carry with them the danger of a direct recapture of economic power by the former owners. Industrial workers in Cuba thus did not have the kind of immediate strategic role that was thrust on their Chilean counterparts. Beyond lacking this particular spur to solidarity, Cuban workers experienced both the relief and the void that came from being free of the routine personal insecurity that they had faced under capitalism.

The resulting problems of absenteeism and low productivity gave rise to a long-running debate about material versus moral incentives. Since 1970, however, the tendency to visualize these alternatives in an either/or fashion has given way to a greater emphasis on taking both kinds of motivation into account through the medium of increased worker participation in decision-making.

So far, there exists no adequate account of how this approach has been put into practice. Apart from some useful background articles published in 1975,<sup>7</sup> the only readily available source in the United States is the chapter-length series of recorded conversations in Marta Harnecker's *Cuba: Dictatorship or Democracy?*<sup>8</sup> These sources are useful in providing some basic information on such matters as the incentive system and the role of the party, and they also convey something of the easy interaction among people exercising different levels of responsibility. One wants to know more, however, about the actual evolution of the processes mentioned. Have the previously recognized problems been reduced in their scope by these practices? What problems remain, and how does their severity differ from one place to another?

It may seem sufficient to those who have responsibility in such matters if the answers are known to themselves. On the other hand, they cannot fail to be aware of the significance that everything they do continues to have beyond their own shores. For those who are concerned with democracy in every sphere of life, Cuba remains a vital testing ground for hopes that elsewhere—particularly in Third World countries—have been realized only under fleeting and exceptional conditions.<sup>9</sup>



## NOTES

1. On the interrelationship of these issues, see Barry Commoner, *The Poverty of Power* (New York: Knopf, 1976).
2. See John W. Gurley, "Maoist Economic Development: The New Man in the New China," in Charles K. Wilber, ed., *The Political Economy of Development and Underdevelopment*, second ed. (New York: Random House, 1979), pp. 334–46.
3. See Phil Mailer, *Portugal: The Impossible Revolution* (Montreal: Black Rose Books, 1977); and Basil Davidson, "The Revolution of People's Power: Notes on Mozambique, 1979," *Monthly Review* 32, 3 (July–Aug. 1980):75–87.
4. In addition to the works under review, two articles are of interest for their overviews of the Velasco program: Peter T. Knight, "New Forms of Economic Organization in Peru: Toward Workers' Self-Management," in Abraham F. Lowenthal, ed., *The Peruvian Experiment: Continuity and Change under Military Rule* (Princeton, N.J.: Princeton University Press, 1975), pp. 350–401; and Anibal Quijano, "La 'Segunda Fase de la Revolución Peruana' y la lucha de clases," *Sociedad y Política* 5 (Nov. 1975):4–19.
5. Pertinent works in addition to the Espinosa-Zimbalist study and the literature cited therein include: Michel Raptis, *Revolution and Counter-Revolution in Chile: A Dossier on Workers' Participation in the Revolutionary Process* (London: Allison & Busby, 1974), which includes the text of the "Basic Norms of Participation"; Peter Winn, "Loosing the Chains: Labor and the Chilean Revolutionary Process, 1970–1973," *Latin American Perspectives* 3, 1 (Winter 1976):70–84; and Gabriel Smirnow, *The Revolution Disarmed: Chile, 1970–1973* (New York: Monthly Review Press, 1979), especially chap. 6.
6. For a more general discussion of this issue, see Victor Wallis, "Workers' Control and Revolution," *Self-Management* 6, 1 (Fall, 1978):15–28.
7. Terry Karl, "Work Incentives in Cuba," *Latin American Perspectives* 2, 4 (1975):21–41; Andrew Zimbalist, "Worker Participation in Cuba," *Challenge* (Nov. –Dec. 1975):45–54.
8. Marta Harnecker, ed., *Cuba: Dictatorship or Democracy?* (Westport, Conn.: Lawrence Hill, 1979), pp. 1–27.
9. An important source that appeared since the completion of this article is *La autogestión en América Latina y el Caribe*, ed. Santiago Roca T. (Lima: Consejo Latinoamericano y del Caribe para la Autogestión, 1981), 632 pp. This volume contains the papers presented at the second international conference on *autogestión* in Latin America and the Caribbean. It may be ordered from the publisher for US \$15 (Latin America) or US \$20 (elsewhere) at the following address: Casilla 4822, Lima 18, Peru. (The price includes airmail postage.) The same organization also publishes a newsletter entitled *Autogestión y Participación*.