PRVI POKUŠAJ UVOĐENJA ŠAMOUPRAVLJANJA U ČEHOSLOVAČKOJ

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Rezime

Autor smatra da su u Čehoslovačkoj u periodu između 1945. i 1948. godine prvi put u Istočnoj Evropi učinjeni pokušaji uvođenja samoupravljanja. Čehoslovačka je u poređenju sa ostalim istočnoevropskim zemljama imala najpovoljnije preduslove: ona je još pre rata bila industrijski razvijena zemlja, a njena privredna osnova u toku rata bila je relativno malo razorena; osim toga u Čehoslovačkoj je postojala demokratska tradicija, tako da se uvođenje određenih elemenata samoupravljanja (u stvari tu se radilo više o samoodlučivanju nego o samoupravljanju) može interpretirati kao proširenje demokratije i na privrednu oblast.

Ostvarivanje participacije stanovništva u upravljanju privredom zamišljeno: je 1) kao učešće u upravljanju na nivou preduzeća, i 2) kao učešće u upravljanju na višim nivoima. Ovo drugo trebalo je da se realizuje u okviru vertikalno povezanih granskih organa kao i horizontalno organizovanih regionalnih jedinica. Pri tome bilo je predviđeno međusobno povezivanje oba ova sistema, na taj način što bi niže jedinice vertikalnih organa saradivale sa stručnim organima horizontalnih organizacija.

Organi samoupravljanja na svim nivoima trebalo je da budu birani (ne imenovani), pri čemu samoupravljanje van (iznad) preduzeća nije shvaćeno kao čisto radničko samoupravljanje, s obzirom da je dozvoljena mogućnost da i preduzetnici budu pozvani da učestvuju u radu ovih organa.

Principi samoupravljanja na nivou preduzeća zakonski su regulisani istovremeno sa nacionalizacijom industrijskih preduzeća (1945. i 1946. godine). Najviši organ rukovođenja u preduzeću bio je Odbor, čiji predsednik je bio direktor. Njega je, uz saglasnost sindikalne organizacije, imenovala generalna direkcija. Slične odredbe važile su i za njegove zamenike od kojih je jedan morao da potiče iz redova zaposlenih u preduzeću.

Dve trećine članova odbora su, uz saglasnost stalnog organa sindikata, imenovani, dok je jednu trećinu članova birao kolektiv neposredno i to za mandatni period od tri godine.

Sledeći samoupravni organ bio je Savet preduzeća, odnosno pogonski savet, koji je bio biran u celini od radnog kolektiva i koji je imao pravo iznošenja mišljenja o svim pitanjima koja se tiču zaposlenih radnika. Osim toga, on je raspolagao sa 10% dobiti, odnosno 30% ekstra dobiti koja se koristila za potrebe zajedničke potrošnje radnog kolektiva.

Sumarno posmatrano može se (što se ponekad u stručnoj literatori i čini) period između 1945. i 1948. označiti terminom »industrijska demokratija« i oceniti kao, u Istočnoj Evropi prvi, iako nezavisan, pokušaj uvođenja principa samoupravljanja, i to istovremeno na više nivoa. Pri tome, treba istaći da je ovaj koncept počivao na pragmatističkom rezonovanju i da nije imao nikakvu teorijsku osnovu, s obzirom da neposredno po završetku rata nije postojala niti razvijena teorija samoupravljanja niti neka teorijski fundirana alternativa sovjetskom modelu socijalizma. Takođe ovde se ni u kom slučaju ne može govoriti ni o jednom, konsekventno sprovedenom, radničkom samoupravljanju, kakvo je tek kasnije ostvareno u Jugoslaviji.

THE ECONOMICS AND INDUSTRIAL RELATIONS OF PRODUCER COOPERATIVES IN THE UNITED STATES, 1791—1939

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I. Introduction

Relatively little attention has been paid to the broad historical experience of American producer cooperatives (PCs).[1]) The principal exception to this neglect is a pioneering article by Shirom (1972)[2]) which examines diverse issues relating to that experience and is mainly concerned with the period 1880—1935. The present paper is also general in scope and shares the conviction of Derber (1973: 598) that, so far as industrial democracy is concerned »... a careful assessment of the past can can provide a valuable guide to the future.« The essay falls into four parts. First, by building upon Shirom's statistical work, a statistical overview of the importance of PCs in the U.S. during 1791—1939 is given and the thesis that the American experience has comprised five waves is challenged. Separate summary data on important PC experiments such as the Minneapolis Cooperages and PCs in Massachusetts are given. The implications of this statistical overview for an understanding of the scope and limits of the producer cooperative (PC) sector and for the variation in the birth rate of American PCs are briefly examined. In a following section on doctrine, the main aim is to establish a relevant doctrine against which to evaluate the actual American experience. It will be argued that Shirom misleadingly represents and oversimplifies the true nature and origin of American doctrine on PCs. An alternative classification of American doctrine on PCs is developed which recognizes both home-grown and non-American influences ignored by Shirom. It

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[1]) The term is used in the sense employed by Shirom. A PC is an autonomous industrial enterprise where, because of worker ownership of equity, there is believed to be substantial provision for employee participation in decision-making at all levels in the enterprise. Shirom (1972 : 534) regards PCs as examples of »total participation.«

[2]) There have been several good studies of specific experiments, such as Virtue (1905, 1932, Mineapolis cooperages) and Janes (1924, shingle weaving). But Shirom's study is the first comprehensive overview.

is argued that it is more fruitful to view the American experience against a broader doctrinal background, one that considers issues of economics as well as industrial relations. The third section has three main divisions, each corresponding to differing views on American PCs. First, by employing Shirom's account of the dotcrine of producer's supremacy, his assessment of the practice of industrial relations in American PCs is re-examined. Empirical support for some of his views will be shown to be either suspect or consistent with other and more reasonable interpretations of the doctrine of producer's supremacy. Using the threefold classification of American doctrine on PCs developed previously, the American experience is briefly evaluated. Particular attention is paid to alternative view on reasons for failure. The same experience is briefly evaluated from the standpoint of formal economic theory on labour management. In a final section, the thesis that American PCs constitute a »genuinely American social phenomenon« (Shirom, 1972: 551) is critically examined. Whether or not such a survey of »... industrial cooperatives... could provide insights regarding the conditions under which democratization of management in industry would be effective and feasible« (Shirom, 1972: 534) is evaluated. Other aspects of the value of studying the American experience of PCs, and the possibility of transferring features of old PCs to other contemporary work organizations, are presented. Last of all, some implications for further research are briely discussed.

II. Statistical Overview

In Tables 1 through 5, selected characteristics of American PCs during the period 1791—1939 are shown.[3]) Before commenting on these data, some of the enormous problems involved in compiling such tables must be stressed. Fundamentally, there are two aspects to this measurement problem. There has never been any systematic attempt to collect consistent data on American PCs over an extended time period by any individual or institution. Second, there is the definitional problem of what constitutes a PC. In the absence of standardized terminology, different authors inevitably employ dissimilar criteria in making this judgement.[4]) In the absence of a federation of PCs and without legal requirements for PCs to be incorporated differently than capitalist enterprises, there was no automatic way that reliable data might be gathered. Neither state nor federal governments chose to try to systematically fill this statistical void. Consequently, these raw

[3]) The period 1791—1939 is chosen in part because it broadly corresponds with that studied by Shirom. More importantly, very few of the enterprises in existence during that period survive in 1977. The principal exceptions are two plywood PCs.

[4]) Both problems are of importance. Differences in definition as well as unavailability of information that would help to determine whether or not all PCs were authentic (and not joint-stock companies), probably help to account for the widely-differing estimates of the number of PCs in existence during the 1880's which various authorities have made. Also the *ad hoc* and uncoordinated nature of most surveys of PCs lead to glaring discrepancies between different sources. For official failings on this count, see Shirom footnote 24 and for differing official estimates of the number of PCs in shingle weaving compare BLS Bulletins 437 : 31 and 531 : 79. Note also that whereas Perky (1917: appendix) believed only one PC to exist in shingle weaving, Lunn (Co-operative League, 1919 : 110) estimated that 31 PCs existed in that industry. Accordingly the definition of 'PC' used in this study is deliberately loose and not as tight as might be employed in future studies which would hopefully build on a more detailed data base.

Table 1: Selected Characteristics of Producer Cooperatives, 1791—1939

Characteristics	(1) 1791	(2) 1806	(3) 1830-35	(4) 1847-50	(5) 1850s	(6) 1860s	(7) 1870s	(8) 1880s	(9) 1890s	(10) 1900s	(11) 1910s	(12) 1920s	(13) 1930s	Total
Number of PCs Estimated Established	1	1	3	6	12	40	40	200	17	2	38	45	16	421
Estimated Existing	1	1	3	6	12	42	50	215	20	5	86	76	56	573
Scope-Number of Trades	1	1	2	3	3	21	14	35	5	3	4	10	17	

Sources: Columns (1) — (3) Commons; (4) Commons (vol. 1), Ford; (5) Commons (vol. 1), Massachusetts Labor Inspectors *(Report* for 1872), Perlman; (6) Adams, Newton, Virtue (1905), Wilson; (7) Adams, Ely (1886), (8) Adams, Berman, Grob, Massachusetts Labor Inspectors (*Report* for 1886), Newton, Perlman, Virtue (1905); (9) Bureau of Labour Statistics (BLS) Bulletin 437, Dubois, Virtue (1905); (10) BLS Bulletin 437, Virtue (1905); (11) BLS Bulletin 437, Co-operative League of America, Janes, Perky, Virtue (1932); (12) Bellas, BLS Bulletins 437 and 531, *Monthly Labour Review (MLR)* vol. 18 (1924), Virtue (1932); (13) Bellas, Kerr, *MLR* 40 (Feb. 1935), *MLR* 47 (Nov. 1938), Virtue (1932).

Table 2 Selected Characteristics of Cooperative Foundries, 1847—1906

	1847—9	1866—7	1869—77	1881—1906	Total
Number of PCs Estimated Established	4	14	11	18	47
Number surviving for more than 50 (20) years and established during indicated interval	0(0)	0(2)	0(0)	0(0)	0(4)

Sources: Ely (1886), Ford, Grossman, Newton, Stockton

Table 3 Selected Characteristics of the Minneapolis Cooperative Cooperages

	1868—74	1877—86	1895—97	1901	Total
Number of PCs Estimated Established	3	7	2	1	13
Average Life Years	20	17	4	1	15
Number surviving for more than 50 (20) years & established during indicated interval					
	1(1)	1(3)	0(0)	0(0)	2(4)

Source: Virtue (1905, 1932)

data, particularly those in Table 1, insofar as they are based on fragmentary and non-uniform data, must be used with great caution.

From Table 1 it appears that from 1791—1939, 421 PCs were established in the U.S. This statistic is important since it indicates that producer cooperation has been a more-frequently occuring phenomenon in the U.S. than might be inferred from various studies. Further, the period involved since the establishment of the first PC in the U.S. (since 1791) is much longer than many authors (Adams and Sumner, 1911:414 and Ely, 1886: 182) believe.[5]) The table also shows that for any decade during the period 1860—1939, except for the 1890's and the 1900's, at least 40 PCs were believed to exist. This helps to place in better historical perspective the contemporary American experience with PCs. In 1970, thirty PCs were estimated to exist, mainly in the plywood industry in the Pacific Northwest. The current frequency of occurrence of the PC form in America is no greater (and is probably lower) than similar rates during the previous century.[6]) The table also suggests that Shirom's description of the American experience as having encompassed five waves — 1837—44, 1867—68, 1883—86, 1890—99 and, considered together, 1921—23 and the Great Depression — is mistaken. His dating of the first wave, for example, is open to critism on various counts. In claiming that ... »Stockton lists forty-nine shops started in the direct aftermath of an unsuccessful strike,« Shirom (1972—536) is misrepresenting Stockton's account. In fact, only the Cincinnati shop was established as a result of the strike by Cincinnati iron molders and that not until 1847.[7]) Second, tailors, the other group of skilled workers Shirom claims pioneered in establishing PCs during the long depression of 1837—44, had in fact mostly opened shops before 1837. Moreover, even if some PCs were established during 1837—44 — in fact it appears that none were — it is difficult to understand why the 1850's (a period during which twelve PCs were apparently established) does not also constitute a »wave.« The idea that there was a discernible and distinctive second wave from 1867—68 is hard to accept since many other PCs were formed during the early 1860's. Similarly, during the 1870's (a period which does not figure in any of Shirom's waves) as many PCs were formed as during the 1860's, that is during a period including his second wave. Or if the 1890's are viewed as a separate wave it is puzzling why the 1910's, when more PCs were formed, are not. Finally, it is not clear from the data for the 1920's that most PCs were formed between 1921 and 1923, that is the first division of Shirom's fifth wave. Thus, it appears that the data assembled in Table 1 convincingly undermine the thesis that American PCs were established in the five stipulated waves.

[5]) Looking behind the data in Table 1, it is also probably fair to characterize the American experience as a national one. Though many PCs have tended to be concentrated in certain areas — Minneapolis (cooperage), New York (foundry), Massachusetts (boot and shoe), and Washington (shingle-weaving) — PCs appear to have existed in many states in the U.S.

[6]) As for the past and for Similar reasons, no reliable information exists on the overall contemporary experience of American PCs. Good studies exist, however, of American PCs in the plywood industry (Bellas, 1972 and Berman, 1967). These show that during the 1950's some 28 (and during the 1960's some 24) PCs were known to exist in that industry. The total estimate of thirty was arrived at by adding to the more recent figure for the plywood industry other known instances of producer cooperaion in the U.S. (Note that Shirom, 1972: 533 cites Ewell in estimating the total number of American PCs in the early 1960's to be »about a dozen.«)

[7]) From 1847—50, four PCs were formed by iron molders. The remainder were established after 1866.

Table 4: Selected Characteristics of Massachusetts Producer Cooperatives 1860—1884

	1860's	1870	1870's	1875	1880's	1880	1884
A. Number of PCs estimated established	11		33		4		
Average age of PCs (years)		8		9		9	10

B. Industrial Distribution

Boot & Shoe	14	Cigar	6	Building	4
Foundries	3	Furniture	3	Other	18

Sources: Massachusetts Labor Inspectors, *Reports* for 1872, 1877 & 1886; Newton.

Table 5

Selected Characteristics of American Producer Cooperatives, 1925—1936

	1925	1929	1933	1936
Estimated to exist	39	20	18	27
Estimated sales	9.3			
Estimated no. members	4500			
Responding to B.L.S. surveys (known PCs)	21	11	8	22
Known Labour Force	1300	657	1097	2449
Average size labour force for known PCs	61	60	137	111
Known Sales	4.5	3.8	3.6	3.0
Known no. members	2438	1405	1181	3333
Known no. employee-members	404	421	447	2167
Known no. PCs with only employee members	5	3	2	17
Known no. PCs where all employees were members	5	3	2	11
Known no. PCs where only employees were members and all employees were members	3	0	0	8
Known reserves	.65	.8	.5	
Known average age (years)	10	13	19	8
No. of PCs known to have lived more than 50 (20) years	0(2)	0(1)	0(2)	0(4)

Notes: 1. All values are in $ millions. 2. A blank element means no data are available.

Sources: B.L.S. Bulletins 437 and 531; *M.L.R.* 40 (Feb. 1935) and 47 (Nov. 1938).

Furthermore, it is not at all apparent from the available evidence that the most important factor in explaining the formation of PCs is, as is suggested by Shirom and others, the general business cycle. While the desire to provide for self-employment may have been a particularly important motive for formation of PCs during recessions, some PCs were also established during »good times.«[8]) Clearly, other and more important factors play a part in explaining the variation in the birth rate of PCs.[9])

Tables 2—5 serve various purposes. They provide information on PCs either omitted from or downplayed in importance by Shirom's waves classification. These include the Minneapolis cooperages and PCs in Massachusetts. Comparison of these tables illustrate the problem posed by using fragmentary data sources. For example, one wonders to what extent the apparent strength of the PC movement in Massachusetts between 1860—90 — relative to other areas of the U.S. — reflects the interest of Massachusetts Labour Inspectors in the question of producer cooperation compared with the lack of official interest in other regions. If other states had attempted to collect systematic data on PCs, one wonders how many PCs would have been »discovered.« Also, a comparison of B.L.S. surveys (reported in Table 5) with other studies indicates glaring discrepancies. For example, neither the beginning of PCs in the plywood industry during the 1920's and 1930's are mentioned in B.L.S. Bulletins or *M.L.R.* Reports.[10]) If some of these higher estimates of the number of PCs in existence at various times and in various places are accepted and a judgement on the extent of underreporting because of the absence of a central repository for such information is made, it is quite probable that the number of PCs established in the U.S. between 1791 and 1939 would greatly exceed 500 enterprises.[11]) These tables are useful in showing that PCs could survive for substantial periods of time. For example, four foundries existed for at least 20 years, two cooperages survived for more than 50 years and some shingle weaving factories operated for more than 20 years. On the assumption that the rule 'one-member-one-vote' applied, the entries in the row in Table 5 labelled »known number of PCs where only employees were members and all employees were members« mean that PCs have existed in the U.S. which approached a 'completely participatory' form — the potential existed for control and management solely by all employees.[12]) Some of these data help to point out errors made by others in the study of producer cooperation in specific industries or areas. Bemis (in Adam, 1888: 156), for example, mistakenly

[8]) In particular, note the growth of PCs among the Minneapolis coopers which was prompted by the increase in the demand for barrels and the establishment of a boot and shoe PC in Maryland in 1871 which Shinn (in Adams, 1888 : 493) documents as having been inspired by the Paris Commune.

[9]) Digby's explanation of the reasons for the formation of British PCs (referenced by Shirom, 1972: footnote 33) can be similarly criticized.

[10]) Other examples were mentioned in footnote 4. Note also the differing estimates of the number of PCs in shingle weaving in Janes, 1924 and the B.L.R. Bulletins and *M.L.R.* reports listed in Table 5.

[11]) Time and resource constraints prevented the author from doings as thorough a job as he had originally wished. For example, studies such as that by Kerr, which in part deals with industrial PCs, suggest that the data in Tables 1 and 5 may grossly underestimate the number of PCs formed during the 1930's. Furthermore, the literature surveyed did not encompass the journals of the historical associations of all states nor begin the task of serious archival research.

[12]) It will be noted, however, that of the three such societies in 1925, by 1929 all were either less than completely participatory or had disappeared.

reports that the first cooperative foundry was formed in Troy in 1866 whereas the first was established in Cincinnati in 1847. Chamberlain and Cullen (1971: 107) claim that only seven PCs were established by the Minneapolis coopers whereas thirteen PCs were in fact founded, and the claim by Bellas (1967: 14—15) that no government study of PCs has been made since 1933 ignores those reported in the Monthly Labour Reviews for 1935 and 1938. Finally, it is apparent that a distinctive feature of American PCs is the tendency for most PCs in existence at any time to be concentrated in one area and/or in one industry. This would suggest that a »critical-mass« factor is prominent among reasons accounting for the differential survival rate of PCs in the U.S. Hence the current experience — concentration in the plywood industry in the Pacific Northwest — is not very different from the historical experience. Yet PCs have existed in divers trades and activities. The »trades« referred to in the third row of Table 1 range from shipyards to cigar factories and from machine shops to glass factories. This suggests that the potential scope and limits of the PC sector is much wider than might be casually inferred from a single snapshot inspection of the American experience of PCs.

III. DOCTRINES OF INDUSTRIAL RELATIONS IN AND THE ECONOMICS OF AMERICAN PRODUCER COOPERATIVES

Two doctrines of industrial relations in American PCs are distinguished by Shirom. One is the doctrine of consumer's supremacy and allegedly »... This school has been overwhelmingly dominant on the American cooperative scene ...« (Shirom, 1972: 564). One tenet of this doctrine — a favourable view of the main features of employment in *consumer* cooperatives — is admittedly originally attributed to the Webbs. The inability of PCs to survive — or if they did, the inexorable tendency for them to evolve into non-cooperative institutions — constitutes the other main feature of the American doctrine of consumer's supremacy. Warbasse is cited as a powerful influence in the propagation of this second proposition. Moreover, Warbasse's position is allegedly based on »... practical rather than ideological grounds« (Shirom, 1972: 544). But the Webbs (Potter, 1890: 156; Webbs 1921: 29) also espoused the »inability of PCs to survive« proposition and in view of their acknowledged influence on the development of the first tenet of consumer's supremacy, it is probable that their views influenced Warbasse in the refinement of this second belief. This is important because there is good reason to believe (Jones, 1975: 42—43) that the pesisimism of the Webbs is based on an ideological hostility towards the notion of PCs that was buttressed by early investigation of British PCs which employed misleading data. Furthermore, the preliminary evidence presented in Tables 2—5 shows that American PCs do not necessarily perish quickly and that their ability to survive as thoroughly cooperative organizations, though doubtful, remains an unresolved question.[13]) Recognition that the

[13]) The ability of PCs to survive has also been demonstrated for various other experiments including American plywood firms (Berman, 1967 and Bellas, 1972); British PCs (Jones,

doctrine of consumer's supremacy is almost completely an imported doctrine and that essential aspects are either unproven or very suspect is important since these views are generally regarded as received doctrine by most American authorities. For example, in the opening sentence of his paper, Shirom claim »Industrial cooperatives ... have not shown any ability to endure in the United States or in Western Europe ...«, (Shirom, 1972: 533).[14])

The other doctrine of industrial relations in American PCs discussed by Shirom is that of producer's supremacy. While nowhere in his doctrinal section does Shirom give a concise account of what he perceives to be the essential features of producer's supremacy, the structure of his section on »The Practices of Industrial Relations (beginning p. 545) ... »implies that the following are believed to be two main components of that doctrine. First, producer's supremacists allegedly believe in the norm of »democratized management.« Second, »... democratic management would effectively eliminate labour-management conflicts which characterized the capitalist system: (Shirom, 1972: 543). Furthermore, citing Casselman, Shirom (1972: 543) claims »Those governing the operation of the industrial relations systems of industrial cooperatives in England and France were significantly influenced by doctrines of industrial cooperation.« He also contends »... the experience of American industrial cooperatives are analogous« (Shirom, 1972: 543).

But no evidence is produced in support of this belief that American producer's supremacists influenced the industrial relations systems of American PCs. Even if it is accepted that Shirom distinguished representative American producer's supremacists and that their views constitute a school of thought, it has not been established that this doctrine did exercise a significant influence on industrial relations systems of American PCs. More importantly, it is not evident from Shirom's account that a set of beliefs fairly representative of his five producer's supremacists has been distinguished. For example, it is not shown that all believed that periodic rotation of management was the apropriate interpretation of the norm of democratized management or that all believed that a democratic style of leadership was pertinent for management concerning decision-making on all issues. Furthermore, it is not clear that his list of producer's supremacits — two Utopian Socialists, Owen and Fourier, plus Huber, Walras and Faquet — is the most relevant for the American scene. In particular, the influence of American authors (in particular Ely) and other writers on producer cooperation (such as Fawcett, Greening, Holyoake, Marshall, Mill and Neale) is either neglected or underplayed. The possible consequence of this oversimplification of the nature of the doctrine on industrial relations in American PCs, is that, to some extent at least, a straw-man may be created which may be unsound as a basis for evaluating actual practices in American PCs.

1975: Section 2) and French PCs (Hudley, 1973: 7—8). British PCs can also formally survive as participatory organizations — in some cases the management board has completely consisted of employees for more than fifty years, (Jones, 1975: Section 3). The question of the ability of American PCs to remain participatory is complicated both by the problem of how exactly to measure participation and the limited availability of data. Both Ford and Grossman, however, are pessimistic on this point, with Grossman (1943: 211) going so far as to say that »As true tests of the validity of productive co-operation they [Co-operative Foundries] are without meaning.«

[14]) Also, see Chamberlain and Cullen (1971: 103), Sturmthal (1970: 150 and 185) and Ware (1929: 321). Further Berman (1967: 2—3) seems to view the American plywood PCs as an isolated example of the possible resilience of the PC form.

In the remainder of this section an alternative survey of American doctrine on PCs is begun.[15]) Three features differentiate this survey from that by Shirom. First, a survey of the literature reveals the existence of an additional American doctrine on PCs. A preliminary attempt is made to distill the essential feaures of his doctrine and those previously recognized. In so doing, in order to prepare a more relevant background against which to evaluate empirically the American experience with PCs, a broader doctrinal survey is attempted which encompasses both economic and industrial relations aspects of American PCs. Third, in distinguishing these more broadly-based differing positions, the influence of works and authors other than those discussed by Shirom is brought to bear.

The first position recognized is that of the consumer's supremacists.[16]) This was briefly discussed before and found to be bitterly opposed to the notion of producer cooperation. For various reasons, it was thought that PCs would be intrinsically inefficient and, consequently, likely to fail or degenerate into joint-stock companies. Those who explained the demise of PCs using »conspiracy theories« were given short shrift by consumer's supremacists. Since the influence of the Webbs on the formation of the doctrine of consumer's supremacy is very apparent it is also possible that American consumer's supremacists believed, like the Webbs (1914: 20), that success will be inversely related to degree of participation. Employment conditions for employees in PCs are expected to be no better than (and perhaps inferior to) employment conditions for employees in consumer cooperatives.[17])

Next, there is the position of orthodox American economists.[18]) Recognizing diverse favourable implications of the PC form for allocative efficiency, most orthodox American economists were not overwhelmingly hostile towards PCs. It was believed that the efficiency of labour would be improved by the elimination of strikes and the amelioration of class warfare (Walker, 1968: 261, Waterhouse in Barns, 1886: 57). John Bates Clark thought

[15]) The focus is on American attitudes and beliefs concerning actual instances of industrial PCs (or expectations should such organizations be established), rather than a broad overview of beliefs and opinions on diverse meanings of »industrial democracy« as attempted by Derber (1970). This is not intended to be an exhaustive survey and the positions of the I.W.W. and Marxists, for example, are not discussed. Further, neither an historical inquiry is atempted nor a detailed examination of issues such as the evolution of particular doctrinal traditions is given. No in-depth attempt is made to examine the specific processes by which ideas were transmitted internationally, though probable major examples are mentioned. (For example, note Ely's (Chautauquan, Vol. 8: 151) citing of the ideas of English Christian Socialists, Peabody's (in Ford, 1913: Introduction) reference to Marshall's address before the Ipswich Cooperative Congress and the extensive discussion given to the views of diverse British authorities by Massachusetts Labour Commissioners (1877: 54—137). The main task is one of comparative compilation of important docrinal traditions on producer cooperation. To this end, usually only one or two illustrations of a particular viewpoint are given.

[16]) The main American work in this tradition is Warbasse (1936) and the principal outside influences are Potter (1890) and the Webbs (1914, 1921).

[17]) Most consumer's supremacists also believe that collective bargaining is the best — if not the only — way to advance industrial democracy In this sense the views of the Webbs may be viewed on the historical antecedent of many contemporary American academics, notably Derber (1970).

[18]) Domestic writers contributing to this position include Adams and Sumner (1911), Adams, Clark, Hadley, James, Newcomb, Seligman and Waterhouse (all in Barns, 1886) and Peabody (in Ford, 1913). The principal non-American influences appear to be Marshall (in Pigou, ed. 1925: »The Future of the Working Classes« and Presidential Address to Ipswich Cooperative Congress«, Mill (1909: 764—90) Fawcett (1876: 281f).

that though most American PCs had failed they had for »... causes which were not permanent« (in Barns, 1886: 62). But most orthodox economic opinion was pessimistic of the viability of the PC form (Adams and Sumner, 1911: 430—1). Reasons endogenous to the PC form were stressed in explaining failure, though some mention is made of factors beyond the control of individual PCs. In particular, Walker stresses the failure of many to recognize the separate and distinctive contribution of the entrepreneur (Walker, 1968: Ch. 15).[19]) It was believed that a separate class (factor of production) was needed to make hard managerial decisions and that consequently the internal logic of an ostensibly monistic PC would break down when such conflicts necessarily arose when an atempt was made to combine worker and entrepreneurial functions. Doubt was also frequently expressed about the practicability of PCs in the U.S. until certain educational and moral preconditions had been met (Adams and Sumner, 1911: 423, Peabody in Ford, 1913: Introduction and Seligman in Barns, 1886: 55). Exogenous factors discussed include opposition by capitalists and unsympathetic legislation (Ford, 1913: 60—63). Finally, the similarity of many of these views to those expressed by their more famous English peers serves to demonstrate the probable impact and influence of other opinions in forming American doctrine.[20])

The third doctrine is that of producer's supremacy.[21]) To this author it seems that this doctrine is more properly portrayed only ofter a more comprehensive and relevant survey of the literature than that which was undertaken by Shirom. In a preliminary attempt at such an undertaking, the works of Americans thought to be sympathetic to the notion of producer cooperation were surveyed. Seven distinctive features of the American producer's supremacits position are distinguished. First, PCs are valued in part because it is believed they will be more efficient, particularly with respect to use of labour than other organizations.[22]) PCs were also believed to posses various non-economic advantages (Shaw in Adams, 1888: 240, 305). The cooperative environment helped to produce better men and provided for what was believed to be a fundamental right to economic self-determination (views of employees in Barns, 1886: 115—30).[23]) Third, many believed that producer's supremacists should aim to bring about peacefully fundamental change in the present system (Ely, Chautauquan, Vol. 8: 150, Wheitling in Perlman, 1950: 32 and Powderly, 1940: 230). Many, including Ely (1886: 199) and Bemis (in Adams, 1888: 167), thought that the number of

[19]) Some institutional economists shared similar beliefs. Thus, Hoagland (in Commons, 1913: 570) believed that employees were lacking in basic business ability. It is also likely that many employers entertained similar beliefs. For Carnegie's views, see Derber (1970: 65—66).

[20]) Sometimes explicit mention is made of these views. See Peabody (in Ford, 1913: viii—ix) where Marshall's address to the British Cooperative Congress of 1889 is discussed. For a survey of British orthodox economic thought on PCs, see Jones (1976).

[21]) The principal American authors in this tradition include Barns (1886), Bemis, Shaw, Shiun and Warner (in Adams, 1888, and A.E.A. 1887, 1888), Dubois (1907) Ely (1886), Chautauquan Vol. 8 and (1889), Ford (1913), Janes (1924), Powderly (1940), Newton (1887), Virtue (1905, 1932) and Wheitling (in Perlman, 1950). Major non-American influence are Greening (1923), Holyoake (1906) and Neale and Hughes (1882).

[22]) See comments by Hutchins (158—9), Connecticut Workingman (140—41) and Ely (Introduction), all in Barns (1886).

[23]) This is an interesting as well as a powerful testament of »... what the idea of industrial democracy has meant to some minor leaders and the rank and file.« (Derber, 1973: 603).

PCs would naturally grow. Fifth, producer's supremacists stressed various desirable dimensions which viable PCs should have; failure to be aware of these considerations would likely cause special problems for PCs. For example, Barn's survey of the views of workmen on the practicability of PCs in the U.S. elicited affirmative responses but only if levels of education of member-employees were adequate (1886: 114). Special mention was made of the need for business training. Note also the emphasis Ford (1913: 66) and Massachusetts Labour Commissioners (1877: 136) place on ethical prerequisites. Sixth, in speaking of PCs, Ely (in Adams, 1888: 9) believed »... that the more democratic their constitution has been, the more successful has been their career.« Last of all, when confronted with the apparently dismal track record for American PCs, the failure of individual PCs and the slow spread of the PC form was explained mainly by recourse to diverse features of an allegedly hostile environment (Ely in Barns, 1886: Introduction, Bemis in Adams, 1888: and Warner in Adams, 1888: 397). When matters internal to PCs were stressed, normally problems concerning management are mentioned (Warner in Adams, 1888: 425).

Thus, it is clear that there exist competing doctrines on American PCs. Differences exist with respect to attitudes towards the notion of producer cooperation — contrast the positions of consumer's and producer's supremacists. While consumer's supremacists discern no redeeming features whatsoever in the PC form, orthodox economists believe PCs to have some virtues and producer's supremacists are even more enthusiastic. For consumer's supremacists the life of PCs will be short and failure will be explained by inherent deficiencies of the PC form. Orthodox economists also believe that PCs will be shortlived, but suggest that the difficulties experienced by PCs may in some part be attributed to environmental considerations. It is these exogenous factors that receive almost exclusive attention from producer's supremacists in explaining the tendency of most PCs to wither away.

Several other observations stem from this comparative doctrinal survey. For the most part, adherents to these differing positions fail to pursue the task of seeking empirical support for their views—there exists an obvious need for empirical testing of these divergent beliefs. This is particularly important in view of the demonstrated similarity between historical doctrine and contemporary American academics' beliefs on matters such as the alleged inability of PCs to survive and reasons for failure. Indeed, in these respects the views of consumer's supremacists and orthodox economists might be regarded as an implicit premise underpinning Derber's »American Idea of Industrial Democracy«.[24]) Second, it is apparent that the attention devoted to the study of PCs by prominent American economists and experts in industrial relations has diminished over the years. For example, while early economists usually extensively discussed their ideas in major works or articles appearing in the most important economic journals, over time these characteristics have in general been less and less in evidence.[25])

[24]) Note also the similarity with the views of Chamberlain and Cullen (1971: 103) who claim that PCs fail for reasons including inefficient management, internal dissension, lack of capital and discrimination by others.

[25]) Ely, as first President of the American Economic Association began the series *Publications of the American Economic Association*. Almost half of the first volume was

Last of all, one is struck by the continuing relevance of many of the matters discussed. In particular, note the prescience of those who attached great significance to the educational requirements for industrial democracy and the recent upsurge in interest in that subject.

IV. AMERICAN PCs: PRACTICES OF INDUSTRIAL RELATIONS, REASONS FOR FAILURE AND PERFORMANCE

In evaluating the actual practice of industrial relations in American PCs, Shirom argues that, from the standpoint of the performance of management's functions, PCs failed to live up to the standards established by his interpretation of the doctrine of producer's supremacy in three respects. First, he argues that »Although the norm of democratized management — periodical election by the members — was duly acknowledged, it very seldom materialized« (1972: 545). But the establishment of a stable management stratum is not necessarily inconsistent with other interpretations of the »norm of democratized management.« Most of these deny the need for mandatory rotation of management but instead require that the opportunity for management turnover exists and that power rests with the workforce — officers of PCs should be periodically elected by all employees on the democratic basis of one-employee-one-vote. By this token, managers of successful PCs, as was the case with PCs among the Minneapolis coopers (Shaw in Adams, 1888: 236), might be expected to be reelected. Furthermore, Shirom (1972: 545—7) argues that contrary to the »norm of democratized management,« authoritarian leadership styles were typical. Again it can be argued that other interpretations of the doctrine of producer's supremacy might not regard such a finding as being in conflict with ideals. Leadership style might be expected to vary according to the nature of the issue being decided. So long as there is an effective and rapid grievance machinery which is probably of a formal nature and provides grieved members of PCs with the opportunity for redress, managers of PCs might be expected to exercise stronger control over worker members on job-related issues such as starting and stopping times and individual output norms than their capitalist counterparts would on similar issues.[26]) Further, the data supportive of Shirom's contention are somewhat meagre — essentially an opinion expressed by one manager and repeatedly reported in various B.L.S. publication (beginning with Bulletin 531: 74) is used to confirm the belief of the typicality of authoritarian leadeship styles in PCs. Thirdly, casual empiricism is used to support the belief that managers of PCs »... [lacked] adequate education, and generally poor business qualifi-

devoted to the study of cooperation. Note also the large sections of Commons and Adams and Sumner devoted to the study of cooperation in general and producer cooperation in particular. At the same time, except perhaps for the flurry of interest and aggressive investigation mainly during the 1880's, it seems that the breadth and richness of the debate was much less protracted and more circumscribed than that in Europe. Compare, for example, the American debate with the European contributions listed in Horvat (1975) and Vanek (1975).

[26]) On other high-level decisions, such as consideration of the need for relocation or major capital expenditure, which in conventional firms are usually viewed as beyond the purview of the job-conscious worker, one might expect to find democratic leadership styles more prevalent among management in PCs than their capitalist counterparts.

cations among cooperative managers seem to have been widespread« (Shirom, 1972: 547).

Shirom (1972: 547—8) also musters evidence in support of two hypotheses on the nature and extent of labor-management conflict in PCs. Since managers of PCs are dependent on employees' votes for re-election, he contends that managers will be expected to be exceedingly restrained in their use of administrative discipline. A variety of studies are referenced to help support this position. But in most cases the evidence is of an anecdotal kind. Moreover, it can be argued that at least for certain issues — those of a job-related nature — this is not a plausible position. And fragmentary data exists in support of this opposite position.[27]) Second, it is argued and evidence is assembled to support the proposition that »... given the universal phenomenon of labor-management collision, one may well imagine that industrial cooperatives could not possibly have been conflict-free« (Shirom, 1972: 547). Again the supportive evidence mentioned is rather sketchy. More importantly, it is hard to imagine anyone expecting to find PCs to be conflict-free; support for the contention that PCs are not conflict-free is unsurprising. But such observations obscure the more vital issue — whether or not conflict in PCs is less frequent and typically of a qualitatively different kind than in comparable capitalist firms.

Hence, it is quite clear that Shirom's evaluation of the actual practices of industrial relations in American PCs is not necessarily persuasive — it rests on incomplete data and employs debatable hypotheses. Equally, the paucity and unreliability of the available data together with the existence of diverse viewpoints means that at this stage it is not possible to definitively reject Shirom's views.

When an attempt is made to evaluate the experience of American PCs from the perspective of the three doctrinal positions developed earlier, similar problems emerge. The difficulty is drawing generally-applicable conclusions from investigations of what are probably widely-differing types of PCs is compounded by the absence of sound and systematically-collected data. Evidence apparently offering at least partial support for each position can be marshalled. This point can be illustrated by limiting attention to the differing reasons advanced for the failure of PCs.

Both consumer's supremacists and orthodox economists stress the importance of factors intrinsic to the PC form in helping to explain the demise of PCs. Thus both positions can be supported by accepting Shirom's interpretation of the evidence he presents concerning the problems of management and conflict which are alleged to typically plague PCs. Additionally, evidence garnered by Shirom to buttress the notions that PCs are usually launched at the least opportune time, that PCs are vulnerable to mechanization and that managers of PCs lack marketing and business experience also helps to underpin these views.

As was argued before, however, much of the evidence Shirom presents on management and conflict, which implicitly supports the consu-

[27]) Berman (1976: 13), for example, notes that the more successful PCs are those where the power to discharge undesirable member-workers rests with the manager and that this power was exercised. Shaw (in Adams, 1888; 236) reports that internal dissension among the Minneapolis coopers was extremely rare.

mer's supremacy and orthodox economists position, is not very robust. Further, the producer's supremacist position can be amended such that the evidence Shirom presents supports (refutes) the amended producer's supremacist position. Further, the evidence produced to underpin the other notions is not very convincing. The argument that PCs are launched at the least favourable times (that is, usually during times of declining demand) is not supported by the experiences of most Minneapolis cooperages which were established to cater to a growing demand for barrels. While B.L.S. Bulletin 437 indicates that some managers of PCs believed that they were lacking in marketing experience, some 17/21 managers reported that they had no such difficulties, and Shaw (in Adams, 1888: 235—6) reported that the business methods of the Minneapolis cooperators were admirable. It will also be recalled that an important leg of the consumer's supremacist position— the alleged inability of PCs to survive — has been refuted. Some American PCs were able to survive for long periods of time.[28]) Finally, there is some, albeit fragmentary, evidence to support the importance producer's supremacists attach to the role of forces beyond the control of PCs in explaining the demise of PCs and the slow spread of the PC form. The hostility of business in preventing PCs from obtaining access to raw materials and machinery and the opposition of political pressure groups are noted by Randall (in Adams, 1888: 498). Hoagland (in Commons, 1918: 571) records the role sometimes played by opposition by religious sects, and Grossman (1943: 208) reports that attacks by labour unions were also fortchcoming.[29]) Discrimination against PCs in capital markets is noted by Ely (1886: 202—3), Grossman (1943: 208) and Janes (1924: 535) though the Minneapolis cooperages (Virtue, 1905: 528) did not appear to experience such difficulties. Bemis and Warner (in Adams, 1888: 165, 423) point to the difficulties posed by unsympathetic legislation — usually the need to get special charters — and to problems stemming from the difficulties of legal incorporation.[30]) The absence of a Federal organization that catered to the special needs of PCs — to provide technical and marketing advice, to act as an educational association, and to help protect PCs from an alien environment — was viewed as an important weakness by many (Ely, 1886: 204, Ford, 1913: 73—83).[31]) Finally, Ely (1886: 200) notes that the plight of PCs was not aided by the assistance of men of stature, as had been the case with the development of PCs elsewhere.

Again, it is clear that the available evidence does not permit definitive conclusions to be reached as to which doctrine meets with most empirical

[28]) Other factors are also noted. Ware (1929: 320) and Grob (1961: 46) suggest that PCs were inefficient because they choose to remain small. Ely (1886: 203) and Hoagland (in Commons, 1913? 570) point to the corruption that characterized some PCs, Ford (1913: 83) notes that employee members in many PCs were very apathetic and Commons (1913: 568) contends that employees were not willing to accept the responsibility of actually starting PCs.

[29]) On the other hand, PCs in shingle-weaving enjoyed a good relationship with unions, even to the extent of having a union label policy adopted (Janes, 1924: 534).

[30]) In particular, note Ford's observation: »The laws of Vermont actually stipulate that voting in all corporations shall be by shares, thus destroying the democratic nature of all incorporated associations in which this question is raised« (Ford, 1913:61).

[31]) However, even if no federations catering to the specific needs of PCs were established (except the Cooperative Board of the Knights of Labour), the concentration of PCs in certain trades and certain localities probably produced informal ties. In particular, note the concentration of PCs in Westfield and Lynn in Massachusetts, as well as the better-known examples of Minneapolis (cooperages), Washington (shingle-weaving) and the Troy-Albany area (foundries).

success. Empirical inquiry is complicated by the fragmentary nature of the available data and the imprecise nature of doctrinal positions (and the resultant difficulties in deriving testable hypotheses). Furthermore, writers in most doctrinal traditions proceed as though American PCs were uniform — the probable heterogeneity of American PCs with respect to basic characteristics such as the role of equity ownership in determining control rights in PCs, machinery for decision-making, provisions for income-sharing and whether or not investments are primarily financed out of retained earnings or via the external capital market is largely ignored. Shirom, too, by regarding all American PCs as examples of »total participation«, glosses over the diverse nature of American PCs. Such a procedure is probably a dangerous as well as a misleading oversimplification.

In this respect, the beginnings of a categorization of participatory forms developed by Vanek (1975: 13—16) is a considerable step forward. In terms of the Vanek schema, most American PCs are by definition very imperfect participatory forms. They are capital-controlled and usually »involve control, ownership and exploitation by less than the entire working collective« (Vanek, 1975: 23) compared to instances of self-management[32]) where all control, management and income remains in the hands of those who actually work in the given enterprise on the basis of equality of vote. Furthermore, when this typology is used in conjunction with recent developments in the formal economic theory of labour management,[33]) the task of comprehending and gleaning lessons from the American experience of PCs is rendered somewhat easier than if the three doctrines previously discussed are used. First, self-managed (in the Vanek sense) firms are expected to outperform comparable capitalist forms with respect to indices of efficiency such as total factor productivity and in terms of income per worker.[34]) Second, the implications of much of the recent theoretical and empirical study of labour management by economists is summarized by a set of »fundamental rules for ensuring efficiency in labour-managed systems« (Vanek, 1975: 33—55). Departure from these conditions may more than offset the edge in performance that labour-managed firms will enjoy such that expected performance depends upon the specific enterprise structure and key features of the context within which the firm operates. For example, reliance on internal financing because of collective ownership of assets and failure to charge a scarcity price for the use of capital, is seen as the fundamental reason explaining the tendency of PCs to be shortlived and the ultimate cause of most major maladies of PCs. In the case of many American PCs, imperfections would be seen to stem from the role of equity ownership in the enterprise. Membership is based upon stock ownership instead of the preferred requirement of active participation. Two classes of

[32]) Vanek (1975: 13—16) distinguishes self-management from labour-management. For ease of exposition, we use the terms interchangeably.

[33]) In particular, see Vanek (1971, reprinted in Vanek, ed. 1975). From the stand-point of this study, Vanek's work is considered most pertinent for various reasons. His is the most recent attempt to advance a general theory for a self-managed market economy. As such, his work is more comprehensive and more generally applicable than that of other theorists, including Ward, Domar, Horvat and Meade, some of whose studies are reprinted in Horvat *et al* (1975). Most important, Vanek's is the only body of work that includes a rigorous theoretical explanation of the tendencies observed throughout the world for many PCs to be shortlived.

[34]) »Income« includes monetary and non-monetary components such as employee job-satisfaction.

employees will likely emerge and undermine the efficiency of the PC as founder members find it difficult to leave the PC while recouping their equity and new employees are unable to afford to become members. »Thus there will be a general tendency for the average age of the members to increase; and when most of the members come close to retirement, there will be a strong inducement to sell the whole enterprise to capitalist interests, and the cooperative will disappear even if the enterprise survives« (Vanek, 1975: 23). A shelter organization is needed to help fund and protect participatory firms; without the existence of such, a body, PCs will not be expected to flourish.

The implication of this is that evaluation of American PCs should probably best proceed by recognizing not only the diversity of types of PCs but also the imperfect nature of the structure of most American participatory forms. When the American experience is examined from this perspective, fragmentary supportive evidence can be adduced.[35]) For example, note the benefits derived by shareholders upon the dissolution of the N.S. Barrel Company (Virtue, 1932: 544). The demise of other Minneapolis cooperages (Virtue, 1932: 543—4) may also be viewed from this standpoint. Perhaps when retiring members cashed in their shares they thereby caused PCs to experience substantial liquidity problems which either required assets to be sold or mean that re-equipment reserves were seriously depleted and new technology could not be introduced. Numerous accounts also exist concerning the tendency for the number of outside labourers employed in PCs to increase as PCs age while the total labor force similtaneously declines, (Janes, 1924: 536, B.L.S. Bulletins 437: 29 & 531: 78). Many of Shirom's observations on conflict and managements's poor performance in PCs would be viewed as direct consequences of defective participatory structures that often involved control by non-working capital owners rather than as evidence of intrinsic weaknesses of totally participatory forms. The absence of a shelter organization may be viewed as an important factor explaining the unsuccessful historical record of many American PCs. On the other hand, Kerr's remark that the failure of many self-help cooperatives during the 1930's resulted from problems created by government policy which »... obstructed a fair opportunity for the self-help groups to demonstrate their capacity to conduct production projects ...« (Kerr, 1939: 407) shows that the specific nature and structure of an effective shelter organization is a subject deserving of more atention.[36])

Using diverse indicators including average enterprise production, average firm value added and an aggregate production index, Kerr (1939: 707—47) suggests that the performance of self-help cooperatives was often as least as good as (and sometimes better than) the performance of comparable capitalist firms. From a policy perspective, Ker (1939: 747—63) presents

[35]) Again, the absence of reliable descriptive information on the characteristics of individual PCs (and individual members) over time — on matters such as machinery for employee participation, methods for income sharing and average age of the workforce — means that at this time robust support (or refutation) of views is simply impossible.

[36]) Rather than establish a separate agency to help self-help cooperatives, most enterprises received help from various self-help divisions of existing agencies. Furthermore, subsidies were uncertain and inadequate and helped to produce undercapitalized firms and caused production to be erratic. Enterprises also seem to have been handicapped by the need to adopt a cumbersome accounting system, ill-conceived advisory supervision and a policy which tended to prevent them from selling on the open market (Kerr, 1939: 398—411, 729).

evidence to support the thesis that PCs are a cost-effective or socially-efficient means of relieving unemployment. Furthermore, different success criteria will be used in evaluating the performance of PCs. Thus, in the face of declining demand, the tendency of PCs to adjust prices and wages (rather than output and employment) is viewed favourably as evidence of the value employees placed on security and continuity of employment. Note also the tendency both for average and overall employment in PCs to increase during the Great Depression (M.L.R. 1935: 265 and M.L.R. 1938: 1000) and the testimonies recorded by Virtue (1905: 542) and Shaw (in Adams, 1888: 230) of the importance accorded to regularity of employment by Minneapolis coopers. There is also some evidence that the money income per worker of employees in PCs was usually at least as good as that earned by employees in comparable capitalist firms, (Bemis, 1895—6: 611, B.L.S. Bulletin 437: 30, Newton, 1887: 596 and Janes, 1924: 534). Finally, Virtue's (1932: 544) observation that members of Minneapolis PCs experienced more freedom and independence than those in similar capitalist firms and Kerr's remarks (1939: 396) are consistent with the Vanek expectation that employees in PCs will place greater emphasis on the non-monetary component of their income than employees in capitalist firms.

V. CONCLUSIONS, IMPLICATIONS AND AN AMERICAN VERSION OF INDUSTRIAL COOPERATIVES?

In the concluding section of his paper, Shirom (1972: 551) argues that American PCs »... may rightly be considered a genuinely American social phenomenon.« This thesis is based on two related arguments. First, unlike their European counterparts, American PCs allegedly »... displayed almost no trace of any reformist social philosophy ...« (Shirom, 1972: 550). Second, differing from their European cousins, American PCs »... did not exhibit any close affinity to other wage-earners' movements, such as the A.F.L. or the Cooperative League« (Shirom, 1972: 550). Both arguments are suspect. On the first point, there are well-known examples of influential American producer's supremacists advocating social reformist philosophy. For example, for the views of Sylvis and Powderly see Grob (1961: 20, 44), for Ely's position see Barns (1996: 185) and recall the preamble of the Knights of Labour and its endorsements of an economy comprising PCs. While existing accounts of American PCs usually tend to contain evidence substantiating Shirom's position, it is equally true that similar observations were made by many investigators of British PCs.[37])

On the second point, while American PCs formed *after* the collapse of the Knights of Labour did not develop close relationships with other wage-earners' movements such as the A.F.L., such was not the case in general before the 1880's. Even thereafter relationships were entered into with individual unions. Janes (1924: 534), for example, notes that PCs in shingle-weaving succeeded in having a union label policy adopted. Furt-

[37]) For example, see Hall in *Cooperators Yearbook* for 1934 and 1937. For additional information on the absence of an evangelical spirit among members of British PCs, see Jones (1974) Chapter 2.

hermore, it is not true to say that in Britain »... cooperative shops were usually supported by the trade union movement and/or the consumer's cooperatives movement« (Shirom, 1972: 550). After the battle-royal in the British cooperative movement over the true nature of cooperative principles was effectively resolved in favour of advocates of consumer's supremacy in 1882, PCs were seldom supported, at best tolerated and usually opposed by the distributors who dominated the British cooperative movement. At the same time, the hostility of many British trade unions towards producer cooperation — a hostility grounded in unions »burning their fingers« in financing unsuccessful PCs in the late nineteenth century — was nurtured by various forces. The growing influence that the Webbs (and their advocacy of collective bargaining and antipathy towards producer cooperation) exercised over union leaders is significant. Many commentators, including unionists, confused PCs with the growing number of essentially profit-sharing schemes connected with the Labour Co-partnership Association. The latter, because they aim essentially to incorporate workers within the existing structure of capitalism (and do not seek a significant expansion in worker self-determination) in general, do not receive much smpathy from union quarters. A second confusion by unionists was the false assumption of a homogeneous organizational framework and outlook for the differing units, both productive and distributive, within the cooperative movement. Thus, a resolution at the 1915 T.U.C. expressed antipathy towards the development of a separate cooperative union for employees of cooperative stores because the new union threatened to compete with existing unions. Apart from this inter-union squabbling, deeper anxieties were expressed in a resolution of 1910 (reported on p. 111 of *Cooperators Yearbook* for 1912) which deplored the fact that industrial cooperatives did not receive deputations of unionists. It was likely that in the minds of many unionists PCs were indicated as equally guilty: those features which distinguished PCs from their cooperative brethren were blurred.

For these reasons it is hard to accept the thesis that American PCs constitute a »genuinely American social phenomenon.« On the contrary, what little is known about the characteristics of American PCs suggests that they were animals essentially similar to British PCs. While important differences exist with British PCs being incorporated under separate legislation (Industrial and Provident Societies Acts), most British PCs belonging to federal organizations (Co-operative Productive Federation and Cooperative Union) and stock in British PCs remaining at par (while the price of stock in American PCs is determined at the marketplace), concerning membership, ownership and control both types are capital-controlled and normally accept the principle of »one-member-one-vote.«

In the beginning of his article, Shirom (1972: 534) states that one objective of his survey is the belief that »... industrial cooperatives can provide insights regarding conditions under which democratization of management in industry would be effective and feasible«. While he never explicitly returns to this issue, some of his observations (such as those on the socio-psychological motivation of cooperators) might be reasonably considered to have implications for this matter. However, it is probably methodologically unsound to try to simply infer lessons from the diverse experiences of mainly worker-initiated, usually autonomous and perhaps so-

metimes self-managed experiments for use today mainly by management to initiate schemes which »democratize management« in enterprises that will usually remain essentially unaltered in their control structure. Obvious hazards attend the glib drawing of inferences from this kind of comparative institutional study when the institutional context within which contemporary enterprises operate has changed so enormously both during and since the period under consideration in this study. Major lessons might be reasonably drawn from the American historical experience — but then only cautiously — only it they are to aply to contemporary PCs. In this regard, Shirom's observation on aspiration and threatened status loss, along with the desire to thwart it, may be valid socio-psychological motives which help to explain the industrial pattern American PCs have followed and will most likely tend to follow. Casual empiricism also suggests that the opportunity to join a vital federal organization is usually crucial to the success of individual PCs.[38]) At the same time, it is quite possible that there are features of American PCs which might be transferable in some shape to other work organizations. However, the principal finding of a recent study that »Relatively limited programmes, such as job enrichment, participation in decision-making, or incentive plans, seem unlikely by themselves to create large or enduring improvements in both productivity and job satisfaction« (Katzell and Yankelovich, 1975: Abstract) suggests that improvements in both productivity and job satisfaction can perhaps be best achieved by the simultaneous introduction of far-reaching organizational changes such as incentive systems which directly link individual or small team performance with monetary rewards, and machinery which enables employees to significantly participate in decision-making at all levels within an organization.

It is clear, however, that before definitive answers on these and other similar matters can be determined, a need exists for serious archival and in-depth literature searches which pay particular attention to union and business archives and dissertations like that by Kerr (1939) and are supplemented by analysis of census records for American PCs.[39]) Such investigations would consolidate our understanding of the scope and extent of American PCs, refine our views on the comparative doctrine of American PCs, permit the classification of PCs according to typologies such as those of Vanek (1975: 13—16) and Pateman (1970: Ch. 4), and help to determine which of the various explanations of the demise of American PCs is most consistent with the historical record. The accumulation of a rich data bank on the characteristics of individual PCs (and individual members) would also throw light on a host of questions, including: the nature and extent of links between members of PCs in shingleweaving and the founders of early PCs in the plywood industry; the extent to which other socio-econo-

[38]) The demise of the British PC movement probably can in part be attributed to the withering away of the role of the Cooperative Productive Federation (C.P.F.). Historically the C.P.F. acted as a central guiding force within the British PC movement: it was a successful trade association and had effective educational and propaganda arms. Now it is a gallant craft with only one member.

[39]) The decennial censuses of production for 1860—90, which contain detailed information by individual productive units, are potentially, very valuable sources. Moreover, to aid the task of future historians as well as current researchers, it is to be hoped that a systematic survey of all contemporary PCs would be conducted and hopefully undertaken on a regular basis.

mic characteristics (such as membership of minority groups or being American-born) have been typical of founders of American PCs; the adaptability in functioning as members of PCs of employees from diverse cultural backgrounds and work-experience; the extent to which the pattern of immigration into the U.S. has been associated with the variation in the birth rate and geographical distribution of PCs, and the nature and function of labour unions in PCs. Alternatively, Derber's »nine dimensions of industrial democracy« (1970: 526—34) might be used as a basis for gathering information. At that stage, it is conceivable that insights might be gained which would help to improve the quality of work-life by modifying the structure of contemporary work institutions, both those of an ostensibly PC character and those of a more conventional kind. Further, if it can be demonstrated that a PC can not only survive but also effectively meet other employee expectations, then it becomes much more difficult to accept Derber's collective-bargaining model as necessarily the »American idea of industrial democracy.«

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PROIZVOĐACKE ZADRUGE U SAD, 1791—1939.

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Rezime

Autor smatra da je do sada posvećivano srazmerno malo pažnje iskustvu američkih proizvođačkih zadruga (PZ), koje se steklo u dugom periodu njihovog postojanja. Najvažniji izuzetak u tom pogledu predstavlja članak A. Shiroma (»The Industrial Relations Systems of Industrial Cooperatives in the United States, 1880—1935«, Labour History, jesen 1972) sa kojim D. Jones u ovom svom članku polemiše. Jonesov članak sastoji se od četiri dela. U prvom delu dat je statistički pregled (zasnovan uglavnom

na Shiromovim podacima) najznačajnijih PZ u SAD u periodu od 1791. do 1939. godine. U ovom delu se takođe osporava Shiromova periodizacija istorije američkih PZ. Glavni cilj drugog dela sastoji se u razvijanju odgovarajuće teorije koja bi omogućila vrednovanje američkog iskustva u proizvođačkom zadrugarstvu. Jones zastupa tezu da Shirom pogrešno prikazuje i pojednostavljuje pravu prirodu i izvore američke doktrine o PZ. Nasuprot Shiromu, on razvija alternativnu klasifikaciju američke doktrine o PZ koja podjednako uvažava i domaće i neameričke uticaje, koje, inače, Shirom ignoriše. Treći deo članka sastoji se od tri odeljka koji odgovaraju različitim pogledima na američke PZ. U prvom odeljku, koristeći se onim što je Shirom izložio o doktrini o supremaciji proizvođača, Jones preispituje Shiromovu ocenu prakse odnosa u američkim PZ, da bi zatim to američko iskustvo ocenio na osnovu svoje klasifikacije američkih doktrina o PZ. To isto iskustvo se, u drugom odeljku, vrednuje sa stanovišta formalne ekonomske teorije o radničkom upravljanju. U poslednjem odeljku trećeg dela kritički se ispituje Shiromova teza da PZ predstavljaju »originalni američki društveni fenomen«. Ovde su takođe prikazani i drugi aspekti vrednovanja izučavanja američkog iskustva o PZ, kao i mogućnosti transformacije starih PZ u moderne radne organizacije. Na kraju, Jones raspravlja o nekim implikacijama daljih istraživanja o ovoj temi.