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Editorial

Special issue of the International Journal of Action Research on industrial democracy

Johan E. Ravn, Oier Imaz Alias, Trond Sanne Haga and Davydd J. Greenwood (guest editors)

Action Research is a set of practices and ethical-political commitments to promote and consolidate knowledge production, democratic social transformation, human wellbeing, and environmental sustainability. It spans a wide variety of practices, diverse ideals for human flourishing within planetary sustainability, and many kinds of organizational learning dynamics and structures. Action Research cannot be reduced to a methodology; it is a set of ways to orchestrate and sustain democratic social practice. The spectrum of Action Research approaches is very broad. It ranges from Southern Participatory Research through Community-based Resource Management, Action Research for Territorial Development to Deliberative Policy Analysis, feminist practice, to civil rights and anti-racist-classist efforts in the global "North," to industrial democracy work in Europe, the United States, and Australia, and a host of other approaches. This inventory is incomplete, as the most recent The Sage Handbook of Participatory Research and Inquiry's 71 chapters show (Burns, Howard, and Ospina, Eds. 2022). No one of these approaches is the "right version" of Action Research. All offer frameworks, strengths, and liabilities. All have points to build on for further development.

One of the key places where the development of Action Research took place early was in manufacturing industries in the 1930s and the immediate post-World War II years. Within what we could call the cradle of capitalism, prosocial ideas developed about better quality and safer jobs and organizations characterized by participatory arrangements and practices. Significant individual successes developed in Norway, Sweden, the United States, and Australia and efforts were made to link these efforts into a general countermovement to mitigate the worst abuses of labor and the environment by capital. After a heady period of success and political support, especially in Scandinavia, this work has experienced concerted pushback from neoliberal, neo-Taylorist global capitalism and its political operators. The effects are visible in the gradual attenuation of not just industrial democratic programs but now are clearly visible in the worldwide threats to democratic governance itself. The internal threats to what seemed to be consolidated democratic societies, and the re-appearance of dictatorial expansionist regimes that are heavily armed and guided only by the lust for power and hegemony, pose a significant question for those of us who practice industrial democracy work and value democracy itself. How strong are industrial democratic ideas and practices today? Have they survived this onslaught? Can they survive neoliberal capitalism and totalitarianism in the future? Are they a source of hope for a better human future, both in human terms and in terms of the threatened planetary ecology, or will they be extinguished by insatiable greed?

This special issue aims to reinforce the dialogue and debates about the possibilities of sustaining and expanding industrial democracy and therefore social democratic institutionsm

under the current neoliberal domination of the global economy. We want to put these topics back in the public arena, but we recognize that difficulties of doing this are considerable. Prior generations of industrial democracy work relied heavily on individual cases of success and the erroneous assumption that good examples will automatically diffuse themselves and gain ground against authoritarian and neoliberal alternatives. Our argument that industrial democracy can work and survive in a world dominated by global neoliberalism and authoritarianism does not mean that there is a specific recipe by which this is accomplished and diffused more widely. To achieve a significant countermovement requires detailed analysis of successful cases, complex comparisons that do not engage in romanticization of industrial democracy, and paths for learning to identify, understand, and promote more industrial democratic developments within a larger hostile context.

This effort has two parts. The first is to make it clear that the survival and success of a wide variety of industrial democratic organizations shows clearly that such organizations are possible, even within a neoliberal global environment. The space in which they can develop and prosper still exists. The pessimism of the "left" about the neoliberal juggernaut is defeatist and unwarranted in our view.

That said, there is no simple or single recipe for efforts to develop industrial democracy. We believe that the analytical writing about these cases has ignored the facts that, while certain similar dynamics and processes characterize them, like any other kind of industrial organization, individual examples must manage to adapt constructively to quite different historical, political, cultural, ecological, and economic environments. There is no one model to follow, but rather a set of practices adapted to the local context from which lessons can be drawn. What is not possible is simple imitation to produce similar outcomes elsewhere. This creates the challenge of comparing cases of successful industrial democratic organizations that highlights and respects the integrity of their locations, histories, markets, designs, and developmental processes. This is a significant comparative challenge because the uniqueness of each case is a key part of its survival. At the same time, we argue that all successful industrial democracies do have certain larger system features and processes in common. This dialogue between similarity and difference, systems practices and path dependency is key to teasing out lessons for the future practice and expansion of industrial democratic organizations.

To address these complexities, we present two very different case examples: the Norwegian industrial democracy movement exemplified through the Aker Solutions industrial group and the Mondragón Cooperative Corporation in the Spanish Basque Country. We contend that the differences between them (different histories, different cultures, different institutional contexts and arrangements, and different scales) show that industrial democracy is capable of successful development under a wide variety of conditions. The cases also show that these successful examples cannot be ignored by the neoliberal hegemons simply because such actors detest social democracy and societal solidarity, seeing them as obstacles to their profit-taking.

To achieve this complex comparative analysis, our team has collaborated for 3 years in regular dialogues. Together we combine decades of experience with both cases. Our comparison combines general systems theory analysis, socio-technical participation, political participation, cultural perspectives on organizational dynamics, and concepts of deliberative democracy to understand how these enterprises operate and manage their ongoing challenges. The idea for this collaborative analysis emerged from Davydd Greenwood's personal experience during a 3-year Action Research project in Mondragon in the 1980s, and his subsequent

decades of involvement in the Norwegian industrial democracy movement′s various national action research projects and in Action Research PhD programs at the Norwegian University of Science and Technology (NTNU) in collaboration with Morten Levin. While he recognized the differences between these two experiences, Greenwood felt that much could be learned about successful industrial democracy work by a systematic comparison of these cases. We had the good fortune to gain the support of the collaborators in this special issue and the interest of the Mondragon Cooperative Corporation in this comparative project.

The aim of this project is to promote the expansion of organizational democracy within the global industrial system as a superior and more humane alternative to a neoliberal model, that rejects looking beyond short-term profit-maximization, no matter what the human or environmental costs are. We show that the constant process of balancing and rebalancing political and socio-technical participation is a key dynamic in keeping such industrial democratic systems updated and in the continual process of self-development necessary for viability in a changing and turbulent global environment. We show that enterprise ethos and worldview, far from being an add-on or a "soft" dimension, is the bedrock on which such systems rely, and that the so-called "rational choice" model of economics is neither rational nor adaptive.

We are not alone in these reflections. In recent policymaking in the EU, there has been an emphasis on the need for industry to be thought of differently. For example "…we believe Industry 5.0 will be defined by a re-found and widened purposefulness, going beyond producing goods and services for profit. This wider purpose constitutes three core elements: human-centricity, sustainability and resilience. A purely profit-driven approach has become increasingly untenable. In a globalised world, a narrow focus on profit fails to account correctly for environmental and societal costs and benefits. For industry to become the provider of true prosperity, the definition of its true purpose must include social, environmental and societal considerations" (Breque, De Nul, & Petridis, 2021, p. 13).

Finally, we avoid romanticizing the cases, by showing how these different systems address the very real challenges they face. We conclude that the differences between the cases show there is no one right way to create democratic organizations. The path remains open for many different versions of these more humane and clearly successful organizations. Their existence most certainly does not exhaust the possibilities for industrial democratic developments elsewhere. Rational adaptation to both the social and environmental challenges we face demands further exploration and promotion of these democratic industrial designs.

We proposed this special issue to put industrial democracy back at the center of international debates about controlling the depredations of neoliberal capitalism. To that end, we recruited four knowledgeable colleagues to comment on our essay and add their own perspectives on these issues. They are Bob Dick, Shankar Sankaran, Joseph Blasi and Douglas Kruse.

Bob Dick has been for decades a significant actor in Action Research in Australia and the curator of one of the most extensive online archives and resources on Action Research (http://www.bobdick.com.au/resources/research.html). An extensively published author and active Action Research consultant, his synthetic analytical perspectives are widely cited.

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PRODUCTIVE PRAGMATISM: Industrial democracy under neoliberal capitalist conditions[1]

Johan E. Ravn, Oier Imaz Alias, Igor Ortega, Trond Sanne Haga, Davydd J. Greenwood

Abstract: This essay presents two case examples of the context and practices of industrial democracy: Norwegian industrial democracy exemplified with the Aker case and the Mondragon Cooperative Experience (a term Mondragon often uses to describe its whole structure and history). The comparison illustrates the necessity of combining general systems theory, the distinction between political and socio-technical participation, and the role of ethos, worldview, and heedfulness in understanding how these enterprises operate and manage ongoing challenges. Our central motive is to promote the expansion of organizational democracy within the global industrial system as a superior and more humane alternative to global neoliberal capitalism. These are not simple comparisons because these systems have different histories, contexts, and dynamics. In making the comparison, we show that the constant process of balancing and rebalancing political and socio-technical participation is a key dynamic in keeping such democratic systems viable. We also show that enterprise ethos and worldview, far from being an add-on or a "soft" dimension, is the bedrock on which such systems rely. After making this general presentation, we put these systems in motion to show how they address the challenges of downsizing and strategic planning. Downsizing and strategic planning show both systems' ability to face unexpected events and effectively cope with their potential consequences. We conclude that the differences between the cases show there is no one right way to create democratic organizations, but that paths exist and remain open for many different versions of these more humane and successful industrial organizations so necessary for creating sustainable societies.

Keywords: productive pragmatism, industrial democracy, worker cooperativism, Aker Solutions, Mondragon.

Pragmatismo productivo: La democracía industrial frente a las condiciones del capitalismo neoliberal

Resumen: Este ensayo presenta dos estudios de caso sobre el contexto y las prácticas de la democracia industrial: la democracia industrial noruega ejemplificada con el caso Aker y la Experiencia Cooperativa de Mondragon (un término que Mondragon usa a menudo para describir toda su estructura e historia). La comparación ilustra la necesidad de combinar la teoría de sistemas, la distinción entre participación política y sociotécnica, y el papel del *ethos*, la visión del mundo (*worldview*) y la atención consciente (*heedfulness*) en la comprensión de cómo estas empresas operan y manejan los desafíos actuales. Nuestro motivo central es promover la expansión de la democracia organizacional dentro del sistema industrial global como una alternativa superior y más humana al capitalismo neoliberal global. La comparación

1 All authors contributed equally to this chapter. We have ordered authorship to reflect the professional interest of the co-authors. Johan Elvemo Ravn is the corresponding author: johan.ravn@sintef.no

entre ambos casos no es sencilla; estos sistemas tienen diferentes historias, contextos y dinámicas. Al hacer la comparación, mostramos que el proceso constante para equilibrar y reequilibrar la participación política y sociotécnica es clave para mantener su viabilidad. También mostramos que el *ethos* empresarial y la visión del mundo (*worldview*), lejos de ser un complemento o una dimensión "suave", son los pilares sobre los que se fundamentan dichos sistemas. Después de hacer esta presentación general, mostramos como ambos sistemas abordan los desafíos de la planificación estratégica y la reducción de personal. En ámbos casos queda en evidencia la capacidad de ambos sistemas para enfrentar eventos inesperados y hacer frente de manera efectiva a sus posibles consecuencias. Concluimos que las diferencias entre los casos muestran que no existe una forma correcta de crear organizaciones democráticas, pero que existen caminos que permanecen abiertos para el desarrollo de diversas formas de organizaciones industriales exitosas y más humanas, tan necesarias para crear sociedades sostenibles.

Palabras clave: pragmatismo productivo, democracia industrial, cooperativas de trabajo asociado, Aker Solutions, Mondragon

1. Introduction

Questions about power, participation and legitimacy are always key in organizations within global industrial capitalism. From an industrial democracy perspective, underlying conflicts of interest between capital and labor cannot be abolished or nullified. They are forces to cope with or even to utilize to promote better alternative systems. The economist J. K. Galbraith wrote about the way a balance of power between strong industry/capital, trade unions and the state prevented any one of the actors from accumulating too much power (Galbraith, 1952). Industrial democracy is built on this principle, both as a model and as a practice. It is, however, based on more than the idea of curbing capital. A key premise is that the production process and economic outcomes benefit from working conditions that are sustainable and positively challenging for all employees, including participation in innovation and broader restructuring processes within an agreed-on framework.

This essay builds a comparison of industrial democracy as practiced in Norway and in the Mondragon cooperatives. These are dissimilar systems and operate on different scales, making the comparisons challenging. Despite the differences, these systems are similar in key ways when their underlying dynamics are examined. The Norwegian system is based on a long-standing national structure of laws and partnership agreements among unions, employers, and the government. The Mondragon system, despite its now extensive international reach, is based on a regional network of worker cooperatives located in the Spanish Basque Country and is an important but not dominant part of that regional economy. Both systems are based on democratic principles and provide significant openings for labor to adjust its relations to capital, but they are very differently anchored and structured. The following comparative analysis does not ignore these differences but seeks to analyze the overall system dynamics that enable both cases to function and sustain themselves. In this way, we want to promote the consideration of still other future contexts and designs for industrial democracies

that can survive and even prosper in the current global system, without ignoring the diversity of situations and possibilities in which such systems can exist.

We affirm that key to the analysis is understanding the complex balancing act between political participation and socio-technical participation in both systems. Following Abrahamsson (1977), political participation refers to involvement in high-level goal setting and long-term planning within the company. Socio-technical participation, on the other hand, refers to 'involvement in the organization's production' systems[2]. This balance between the social and the political is always at risk and yet must be maintained. To contextualize this, we argue there is no one ideal formula for creating industrial democratic systems. Rather there are a set of system conditions that must be met in any attempt to move in this direction.

The analysis matters because it underlines the relevance of a participatory/democratic approach to corporate governance in the face of contemporary global challenges. Like any other open system, enterprises and organizations are constantly having to deal with changes and heterogeneity in their environments, and must adapt successfully to survive or to flourish. The comparison between the Norwegian system and the Mondragon system reveals how their successful adaptations to a dynamic and variable environment have relied on ongoing and developmental processes in both realms of political participation and socio-technical participation. The comparison also reveals that adaptation and change critically depend on the capacity of organizations to (re-)interpret and deepen their own ethos and worldviews.

Through more than two years of dialogues and comparative analyses, we have developed this comparative perspective[3]. We are motivated by the aim both to understand and to improve the functioning of both cases and to draw lessons for other possible industrial democratic efforts elsewhere. We found that focusing comparatively, without ignoring the significant differences between the cases, has required considerable conceptual clarification, agreement on analytical frameworks, and then the actual work of laying out the comparisons and responding to the similarities and differences. In the end, our underlying goal is the improved functioning of both systems, assisted by learning broader lessons from the comparative analysis. Given the richness of our own learning experience in this collaboration, we aim for this analytical approach to encourage future developments of diverse industrial democratic systems and to foster productive comparative analyses of such systems.

In what follows, we introduce the basic concepts and analytical frames employed to structure the comparison. These include general systems theory, Clifford Geertz's definitions

2 Abrahamsson (1977) takes participation to mean involvement of employees in company decision-making. Political participation means involvement in high-level goal setting and long-term planning within the company. It means that employees, through some form of selection process, are represented in consultations and decisions about strategic path choices for the entire company or business. Political participation can as well give employees a right to hold organizational executives to account. Socio-technical participation, on the other side, means 'involvement in the organization's production' systems. Socio-technical participation extends the employees' involvement into the daily value-creation processes giving rise to the firm′s products. While it may involve the implementation of decisions made at a higher level, it also involves improvements and changes in the production organization, the way to operate, job enhancements, safety, etc.

3 The authors of this chapter all practice action research and this is directly relevant to our perspective. One reason that Action Research is exiled from the conventional university social sciences and humanities is that it is based on general systems theory (GST) and does not respect the artificial disciplinary boundaries so abundant and actively defended in academia. Action Research affirms that nothing human can be understood outside of its systems context and that the only way to demonstrate understanding that systems context is by acting on it deliberately to try to produce a desired and socially solidary outcome. AR offends the siloed social sciences and humanities and demands that academic inquiry, driven by prosocial values, be directly developed in real world contexts with the diverse and relevant stakeholders as part of a complex process of gathering and integrating diverse understandings, knowledge, and experience into better functioning groups.

of ethos and worldview in approaching organizational culture, Abrahamsson's distinction between socio-technical and political participation, and Pava′s "discretionary coalition formation" (Geertz, 1957; Abrahamsson, 1977; Pava, 1983). This compound analysis of the evolution of structure and culture in each case helps us capture the differences between these approaches to the relationship between labor and capital, while still permitting a comparison of the cases from a broader general systems perspective.

2. Frameworks in use:

Systems analysis, the sine qua non: The dependence of contemporary physics, chemistry, molecular biology, systems ecology, and action research on a general systems conception of the world is clear. Despite this, a major proportion of academic social scientific inquiry and policymaking still relies on non-systems concepts organized Tayloristically. The Tayloristic organization of social inquiry makes systems approaches impossible because it treats knowledge and practices as a set of siloed territories to be owned and managed independently. The result of such an approach is analytical and practical failure to understand the dynamics of complex human systems.

Open and closed systems: Key to systems theory is distinguishing between "closed" and "open systems"[4]. Both types depend on adaptive interactions with their environments (including competitors) to survive. Closed systems adapt to changes by intensifying the processes within them in attempts to overcome their challenges. By contrast, open systems have more permeable boundaries, and adapt to challenges by changing their own parameters and internal processes to maintain a dynamic equilibrium and a manageable relationship to their environments. All life forms are open systems.

Evolutionary theory and evolutionary ecology are particular forms of open systems theory. From kin selection theory, we know that evolutionary selection operates on groups and not just on individuals. Sociability and solidarity have adaptive consequences. Within complex, multi-leveled interactions between environments and plant and animal species, sociability becomes part of the systems processes that give rise to successful adaptations[5].

Cultural systems/social systems: Organizational structure and organizational culture, while analytically distinguishable, cannot be treated as separate. They constantly interact in human systems and must be understood together to analyze human situations. Engaged mutual awareness among members of any human group is always a central element in their operation.

Causal-functional and logico-meaningful integration: Clifford Geertz's development of the ideas of Gilbert Ryle (1949) and reaching back to Pitrim Sorokin and Max Weber (Geertz, 1973, p. 142–169), is a development of systems theory applied to humans. In Geertz's framing, social systems are held together by "causal-functional integration". This under-

4 This is not the place to develop a detailed presentation of GST. Like any major conceptual breakthrough, systems theory is composed of a variety of streams that eventually led into the concept of "general systems theory". Among the key streams are the attempts by Jakob Johann von Uexküll and Ludwig von Bertalanffy (1968) to explain how inorganic matter becomes organic matter. Their answer is that the matter is the same, but its organization is different, involving different kinds of relations among the parts and processes.

5 Thinkers like Gregory Bateson (1972) and Anna Tsing (2015) have taken these perspectives into the study of human groups and their adaptations.

standing is familiar to anyone who has read most of the functionalist literature on social systems and social organization. A change in one part necessitates changes/adjustments in others to achieve a limited homeostasis.

Cultural systems also have systems properties but of a different causal type. They have "logico-meaningful integration" of the kind that involves sensemaking and constant efforts to bring different cultural ideas into to a degree of coherence and intelligibility. These cultural systems include ethos, worldview, symbols, myths, concepts of identity, groups, the individual, etc.

Key to the operation of human systems is that changes in the social system require changes in the cultural system and vice versa. When something unexpected or unwanted happens in an organization, it sets off processes of adjustment that include both social reorganization and new efforts at sensemaking. Humans cannot operate without constantly working on maintaining a tolerable balance among these dimensions. Without this effort, their lives become intolerable.

Path dependence: This perspective also means that all human systems are heavily affected by path dependence. No matter where a change comes from – internally or externally – the change works on an existing system and sets off processes that create new patterns of action. These in turn set parameters around future patterns of action when conditions change.

Political and sociotechnical participation: We follow Abrahamsson (1977)[6] in distinguishing between political participation (representative co-determination) in decisions and socio-technical participation in organizational implementation at the operational level. Abrahamsson treats these two types of participation as independent of one another, very much in accordance with most analysts. We disagree that these types of participation are mutually independent. We contend that these are two participatory dimensions of a larger system, so that political participation and socio-technical participation necessarily flow into each other.

Moreover, these are key concepts for our analysis and they have both social and cultural dimensions. Participation is both an idea and a practice that can be found in many national constitutions and laws. A conventional meaning refers to participation in some kind of decision system, but it is a mistake to equate participation only with political participation. The way participation is organized and conceptualized is key to understanding how any organization operates. Following Geertz, we argue that socio-technical participation in organizational implementation has both social and cultural dimensions, and that any socio-technical system is a combination of these dimensions. We also argue that political participation is both a social organizational feature and a set of concepts and values that combine in participatory processes.

Firms and their environments – systems of systems: We consider it essential to see that socio-technical and political participation are two participatory dimensions of a larger system. In these cases, we are dealing with firms set within a larger dynamic systems environment. For these firms to persist, they must constantly work at balancing the relationship between the socio-technical dimensions and the political dimensions to retain the ability of the firms to adapt to constantly changing conditions without losing their democratic dimensions. These processes set off "organizational deliberations", "discretionary coalition formation" (Pava, 1983) and operate in a context of what Gilbert Ryle called "heedfulness" (Weick & Roberts, 1993, p. 365). Heedfulness means that groups of actors' awareness of the roles and abilities of

6 This representative participation is what Piketty (2020) calls "co-management" and Arnstein (1969) refers to as "delegated participation".

the other actors enables them to manage the complicated collaborations that makes things work for the stakeholders.

This elaborate set of analytical frameworks has turned out to be the minimum frame of reference we needed to make meaningful comparisons between the Norwegian and Mondragon systems that are able to show both their similarities and differences. These frameworks are the way we have sought to avoid stereotypical or mechanistic comparisons of these related but not identical forms of industrial democracy. In addition to the value of the substantive comparisons we make below, we hope these frameworks will be of use to others in bringing additional cases and their lessons into this comparative perspective.

3. The Norwegian industrial democracy system:

In a neoliberal capitalist system, the owners of capital possess the means of production and the employees possess only their own labor. Capital owners want to accumulate capital while employees want a fairer distribution of the profits created through their labor. How the conflict between these interests has been handled in a particular society relates to those societies' ethos, worldview, and historical conditions.

In Norway, the conflict became institutionalized in the form of a negotiating relationship between the two sides organized at the national level – the employers' federations and the labor unions. The two sides have, for the most part, decided to operate as partners rather than as opposing parties (Colbjørnsen, 1981). Understanding how they ended up as partners requires knowing the historical development of the sector and its regulation. For most of the 20th century, Norway was a society with small wealth differences[7]. Until the mid-1970s, it was the poor relative in the Nordic family, but it had natural resources such as fish, waterfalls (energy), and metals (mining). Throughout the 20th century, it developed into a shipping nation, with many small shipyards along the coast and with a large merchant fleet that operated across all the world's oceans, and it built up a significant smelter industry based on its rich access to hydroelectric power. The oil and gas reserves on the Norwegian continental shelf were discovered in the late 1960 s and the major developments and production started in the mid-1970s.

The Norwegian participatory system was created and developed gradually, through many steps in the period from 1935 to the present, with laws and agreements based on tested practices and experience. The period between 1905 and 1945 in Norwegian history has been named "The Great Reconciliation" (Olstad, 2019), referring to the gradually worked-out trade-offs between labor and capital. This came about after a period of economic hardship and extensive conflict between labor and capital. The frequent conflicts depleted the parties and created fertile ground for a fundamental change in the relationship between them.

The most important result of the reconciliation was the "Main Agreement" in 1935 between the Confederation of Trade Unions (LO) and the Confederation of Norwegian Enterprises (NHO). That year the Labor Party took over the government and it stayed in power for 30 years. Over the years, new laws and modifications of the agreements were introduced

7 Since the 1980s a comprehensive liberalization of society and political economy has increasingly challenged this.

and were significant in structuring Norwegian work life. The extensive work reforms were largely directed by the Cooperation Committee composed of the most important shop stewards, elected representatives from the Labor party and the government (also picked from among the Labor Party members) (Aabø, 2021).

The signing of the Main Agreement connects to the ideological development of the labor movement and the climate for expanded cooperation that arose in the interwar period (1918–1939). LO management tried to adapt to the new situation in various ways, among other things by taking a moderate line on rights and wage demands and by adopting a positive attitude toward cooperation with employers on modernization and productivity growth. This became apparent in the establishment of collective agreements based on profit sharing (so-called productivity agreements).

The significance of the Main Agreement relates to the economic crisis of the 1930s, the reconstruction in the early post-war period, the development of co-operation and co-determination in the 1960s and 1970s and the development of new technologies in the 1970s and 1980s. For the labor movement, democratization of economic life became a central goal in the post-World War II period. The economic problems of the interwar period were to be avoided through more public management of the economy and greater influence of the employees on the companies.

In 1953, the Labor Party, then in government, proposed board representation for employees in joint stock companies but they could not implement it at the time. Nevertheless, the employees' influence was expanded. LO favored expanding the companies' duty to provide information to shop stewards. In 1954 this was approved. In 1972 employees' statutory representation on the Board was mandated (political participation)[8]. Later, the employees' political influence and participation in the companies was further expanded. The agreement to establish a Production Committee was incorporated into the Main Agreement in 1966.

Simultaneously, the Co-operation Council LO-NAF (The Norwegian Employers' Association the forerunner of NHO) was established as an advisory and information body for the various co-operation committees in work life. The Co-operation Council initiated activity in both training of employees and research in the area of co-determination. In 1962, the employers' organizations set up a committee to investigate problems concerning cooperation between the parties in work life. Einar Thorsrud at the Institute of Social Research in Industry (IFIM) at the Norwegian University of Technology was contracted to work on this and a research program was begun in the summer of 1962.

- Phase A clarified problems concerning the employees' formal right to representation, in particular representation on the company boards (political participation).
- Phase B focus on employee's opportunities for involvement and development in the workplace – job expansion, development of self-governing work groups, changes in work management, recruitment, and training (socio-technical participation).

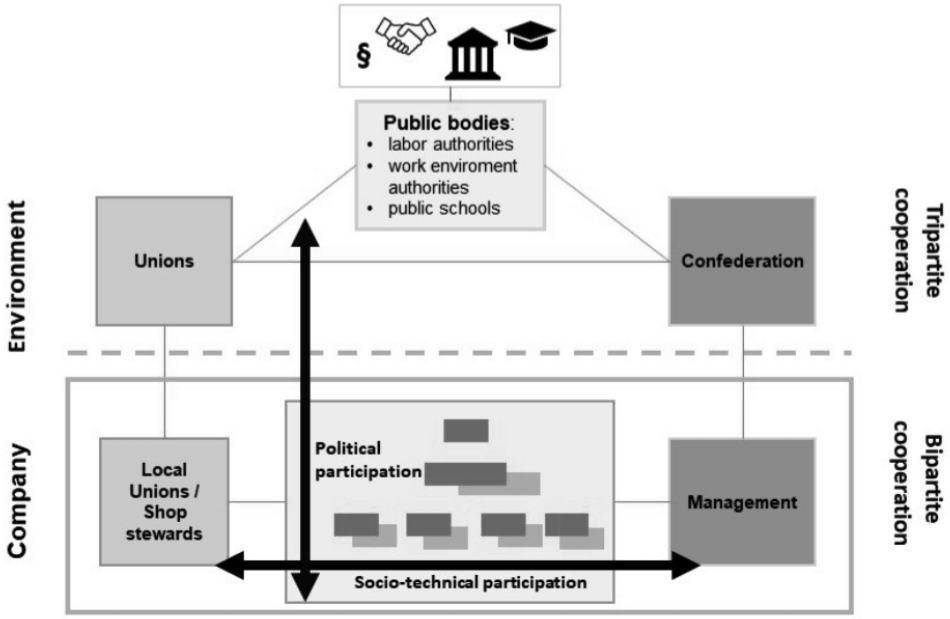
The main organizations supported the program, later to be widely known as "the industrial democracy experiments" (IDE's).

8 It follows from the Norwegian Companies Act that employee in all companies with more than 30 employees have the right to elect members, observers, and deputies to the company's board. In companies with more than 50 employees, the employees may demand that up to one third and at least two of the board members with deputies to be elected by and from among the employees. Democracy regulations mentioned so far are given by law and apply everywhere.

While the labor movement has always worked toward strategies to expand workers' influence in the workplace, and while some schemes have been enacted, the negotiations to revise the Main Agreement have played a key role in implementing reforms in the area of co-determination in Norway. With the Main Agreement as a tool, the trade union movement has ensured workers' greater influence over their own work situations and more control over the companies' decisions.

Below is a sketch of the principal levels and categories of institutional environments, how they 'come together', and how they – through regulations, deliberations, communications, and consultations become operationally linked to any organization involved.

Figure 1: Work organization and its key external institutional couplings.



The upper segment describes the institutional environment beyond the organization, but interacting with it are laws, agreements, decision making bodies, and R&D institutes. These are all factors significant for the organizations beyond their commercial environments. The organizations′ ability to survive and develop is linked not only to how they handle markets, but also to how they interact with these environments.

The long vertical arrow on the left side refers to political participation. It indicates the extensive interaction with the surrounding environment. It is not limited to trade unions and employer organizations, but includes public bodies (schools, universities, labor authorities, working environment authorities, etc.) in addition to the regional and national political parties and the parliament. The horizontal arrow refers to socio-technical participation (on several levels) in the organizations. There are mutual relations between the political debates at different levels in the organization and the socio-technical activities at the associated levels. Thus, the political axis stimulates socio-technical activity and the participatory activity in the

workplace stimulates political activity. The interaction between the two systems, political and socio-technical, helps drive the overall developmental dynamic.

In Norwegian companies, employees may choose to organize in the various unions that are linked to national associations. All union members are members of their respective national associations and these link most employees and their companies to national institutions. The work organizations within the companies are thus subject to support and regulation from several locations in the broader institutional environment. Skilled people/groups may also use the institutional environment as tools to pursue their own interests, as when a manager uses paragraphs from the central agreements to curb resistance and or to develop support for her local change initiatives. Similarly, a shop steward or a safety representative may also find support and assistance in some part of the institutional environment for reform efforts.

Regulative institutions like the Main Agreement and laws do not in themselves determine organization design or organization development. However, they do leave their mark and should be seen as vital ingredients in structuring work organizations. Developing and redeveloping a work organization requires focused initiatives, but such initiatives can also exploit the "affordances" provided by the leeway and degrees of freedom offered within these larger institutional arrangements.

3.1. The Norwegian model on the ground floor

The Stord yard of Aker Solutions we will describe delivers topsides and large modules to the oil and gas industry offshore and onshore. Aker Solutions is a private company with the Norwegian state as a minority owner. The yard's main market is deliveries to clients operating on the Norwegian continental shelf. It is 100 years old, a 'cornerstone' employer in its community, and has gone through major makeovers various times (with more to come). At present it has 1,600 blue collar and white-collar regular employees and a substantial temporary workforce. It has complex supply chains, global competitors, six unions (of varying strength and influence), a well-developed 'participatory system', all now focused on the urgent need to enter new/greener products/markets. The company is a good illustration of a Norwegian manufacturing firm embedded both in a international competitive market and in the institutionalized Norwegian model.

The yard is organized into different departments. Examples are fabrication, assembly, and fabrication and assembly method engineering[9]. Within the production departments, people are organized in teams of around fifteen people, each with a foreman or team leader and a safety delegate. Under normal operations many production units have a significant contingent of temporarily hired labor, mainly from Poland. At a location like the yard, several unions are present. In this case, there are six unions, two blue collar and four white collar ones.

The yard has recently experienced a corporate merger. The yard was part of the smaller corporation having a total of 2,700 employees. The other corporation had about 14,000 employees. The two corporations knew each other from previous collaborations. Until 2011, the companies were part of one corporation but then underwent a de-merger.

9 In the production of large, unique products, the assembly method (to divide the product into manageable, construction-friendly units and determine the sequence of the assembly) becomes fundamentally important – both the overall and the detailed ones. The case company has therefore established a separate department for method engineering.

3.1.1. "Political participation" within the company/group structure

The Main Agreements and the law channel how organizational democracy is structured and practiced, some in the form of instructions, but mostly in the form of recommendations. Thus, the local company, its managers, and employees, have a major say about how to deal with challenges and changes. This means that industrial democracy schemes are rooted in local ethos and worldviews as well as in the Main Agreement. In this example, the company holds an annual "cooperation conference" in which more than a hundred managers and union representatives gather to deliberate about efforts and challenges. The purpose is to discuss current strategic and operational issues with a large and representative group of employees and managers. The conference does not make decisions, but gives the management, business and trade unions signals about necessary corrections/reinforcements and about the realisities of and challenges with new initiatives or ongoing operations. Perhaps the most important function is the anchoring of new initiatives[10].

Department Committees – DC

The yard is organized into departments. A department can contain from 20 to 150 employees. Each of these has a department committee (DC), consisting of elected representatives from the department: union representatives, the safety delegate, other elected representatives, and the department manager. The DC handles issues at the department level: operational issues, health, safety, security and environmental (HSSE) issues, development efforts, improvement initiatives, etc.[11].

Work/location Council – WC

The Main Agreement requires that any independent limited company have a Work Council (WC)[12]. After the merger, what were previously independent limited companies merged into a joint limited company. The yard thus went from being an independent company to a location within a larger one. The local Work Council was retained and it is still composed of elected shop stewards from different unions, the main safety delegate and company management, equally divided between employees and management. WC leadership alternates between the elected shop stewards and management. The Council handles all major operational issues such as investments, development efforts, work environment issues and can initiate large and small socio-technical development projects. It has access to all operational, investment, health-safety-environment, and personnel information. It chooses for itself what to process in more detail. All new initiatives also will be discussed in this body. It cannot formally prevent the

10 "The cooperation with the shop stewards and the boards of the trade unions […] is of the utmost importance for the company's well-being and progress. […] Capital and labor must go hand in hand with each other's efforts to build a company that can produce so efficiently, well and cheaply that it always asserts itself in the competition, while at the same time it is founded so solidly that we can create security for the future of his family". The quote is taken from the brochure "Welcome to AS Stord" written by the owner and managing director Onar Onarheim seventy years ago, in 1951. It is an utterance from an individual, but we also read it as an imprint of the local culture.

11 Main agreement §15:1: Companies with more than 200 employees and with independent departments under their own management with the authority to make decisions in matters concerning the department, should establish department committees.

12 Main agreement §13–1: Within companies with at least 100 employees, a company committee shall be established with representatives of the management and the employees. The management of the company and the employees shall have the same number of representatives.

company management from carrying out a measure but going against an expressed wish from the WC will make the process difficult for management. That is why it rarely happens – solutions are found that both management and unions can rally behind.

Company Board

After the local limited companies in the group were eliminated in 2017, this body disappeared.

Group Council – Group WC

The Group Council is made up of elected shop stewards from different unions in the entire group, the main safety delegate and group management, equally distributed between employees and management. The leadership in the broader WC alternates between the elected shop stewards and management. This body's tasks are identical to local WCs but largely focus on issues that concern the entire group rather than the individual locations. Through mergers of groups and centralization of their management, the former local companies have been shut down and become locations without own boards and without final decision-making authority. When the local companies existed, they had their own board and WC. With the centralization, the statutory WC was centralized. The body was rightly retained locally, but without the same authority that in had in prior times.

Group Board

By law, four of the eleven board directors are employee representatives[13]. There are no restrictions on the election of employee representatives (directors) to the board, but historically these are selected from the union shop stewards.

As Figure 2 shows, trade unions have access to all levels of decision-making – something management does not have. The Norwegian Companies Act defines the proportion of how many board members are to be elected from the employees (one third of the board in companies with more than 50 employees with an additional board member in companies with more than 200 employees). The rest of the board is elected by the owners. In ordinary companies, the owners will have a majority on the board.

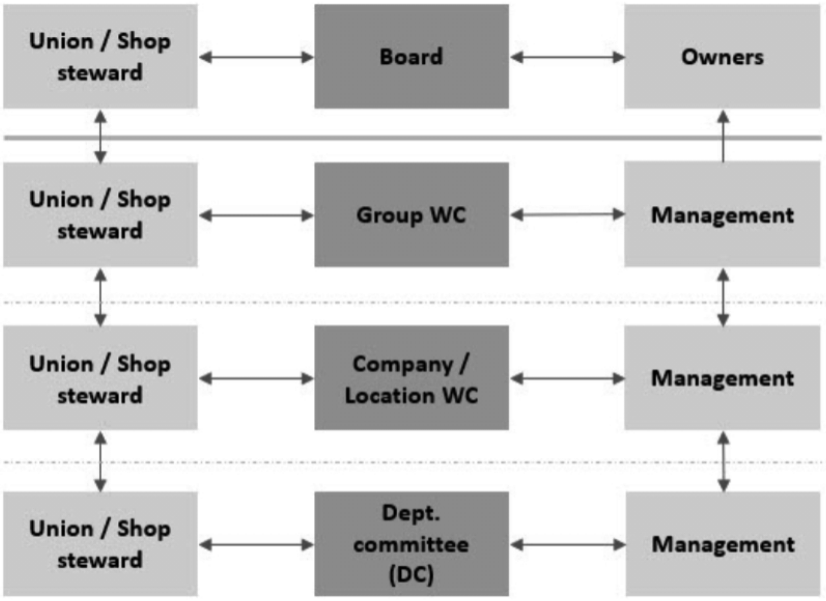
The shop stewards' access to the decision-making board has actually been used actively by management in many contexts within the corporation. For example, if an investment decision is to be handled by the corporation board, the employees' board representatives are updated in detail by local shop stewards and management prior to the decision. This is because they will be able to participate in discussions and decisions that exclude local management. The shop stewards' participation on the board will thus make it possible to ensure that all important information and arguments seen from the operational unit reaches the board through them.

3.1.2. Sociotechnical participation in a systems view

Socio-technical participation refers to employee involvement in daily operations, including the implementation of decisions taken at a higher level (Abrahamsson, 1977). This form of

13 Public Limited Liability Companies Act §6–4: In a company with more than 50 employees, the employees may demand that up to one third and at least two of the board members with deputies be elected by and from among the employees.

Figure 2: Process chart for political participation.



participation may seem limited to each of the ordinary employees, but it is important to see (to understand the whole) that that socio-technical participation also takes place in various representative bodies. The democratic bodies will be the ones that process, anchor, and decide on improvement proposals that are directed to them. This means that these bodies will assess and initiate socio-technical processes on different levels in the company.

Department Committees – DC

The Department Committee discusses improvement proposals and deals with work environment issues, and health-safety-environment incidents. It is told about and discusses company initiatives (stemming from management) and is where "external" initiatives are anchored and where members advocate for such initiatives. It is regarded as "our" body by the personnel in that specific department and it initiates internal improvement teams to solve specific problems.

The DC's are the hubs for employee participation and dissemination of essential information. A recent example of the role of the DC has to do with the recruitment of personnel for ongoing education. In several arenas, management and the shop stewards encouraged blue collar employees to participate in adult education programs offered by a local technical college. Despite heavy marketing, interest in these courses was weak. Management and the shop stewards gathered all the relevant DCs and explained to their members why it was desirable to promote this training. After discussing it, they agreed that the DC members should

actively promote the initiative. In only a couple of days the relevant courses were fully subscribed.

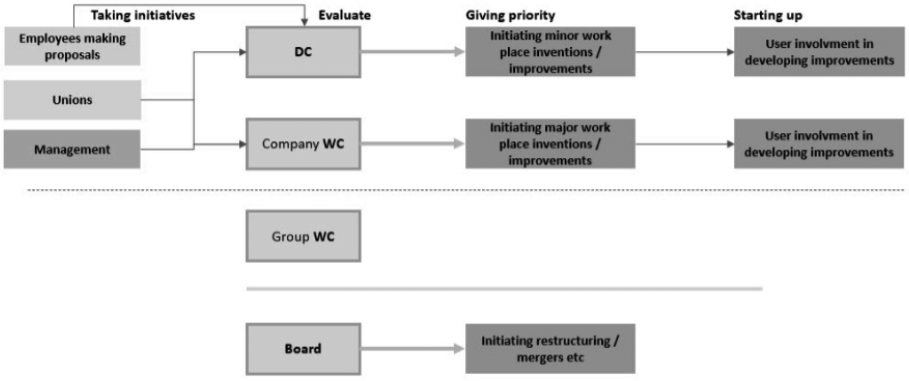
Work Council – WC

The Work Council is the body that receives operational status reports (progress, efficiency, operational obstacles and so forth) and discusses the results, addresses health-safety-environment issues, discusses company/group strategy and gives input, discusses management initiatives and how to implement them, and discusses and decides on major improvement initiatives. These may come up from departments, from unions or down from management. It also follows up on specific initiatives. WC is the hub for employee participation for major initiatives within the company that involve most or all the organization.

The "proposal box" can serve as a concrete example of socio-technical participation. To understand it requires knowing the role of the individual bodies described above and how they interrelate. Most companies have some sort of system to invite employees to make improvement proposals. In its most primitive form, it is a suggestion box placed on a wall somewhere. An employee who has an idea or a suggestion can write it on a piece of paper and put it in the box. The company will have some procedure for handling such proposals.

Over the past two years, the yard has developed a digitally supported version of this system. Developing it involved selected employees and union representatives and the resulting proposal box solution reflects the yard's participatory traditions. It is now an app installed on the company cell phones provided to all employees. The system includes carefully developed organizational procedures to handle improvement proposals.

Figure 3: Process chart for sociotechnical participation – the case of the proposal box.



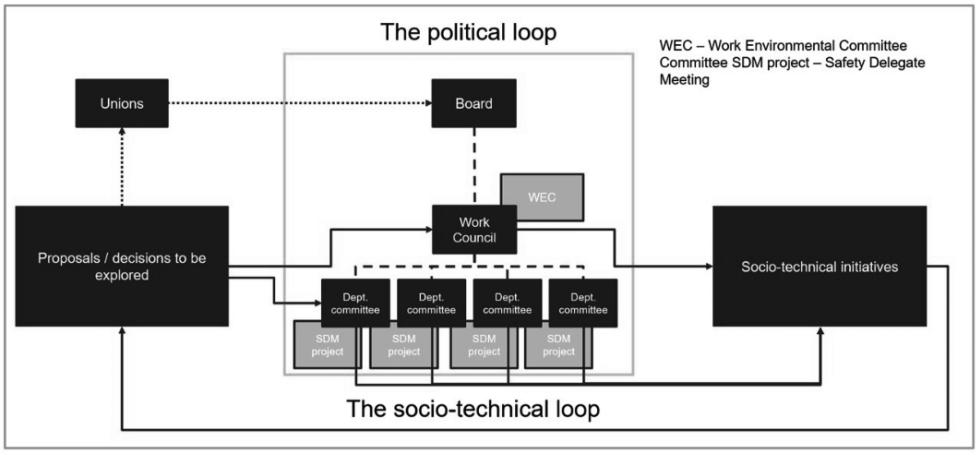
Some source within a department develops a proposal. When the proposal is submitted via the app, the employees of that department are notified. Entering the app, they can view the proposal and access attached documentation. The next step is to evaluate the proposals through simple "likes," as well as through responses about the possible associated effects involved. There are opportunities to add suggestions and improvements to the proposal to make it more complete. All aspects of the communication are visible in the app. Thus, all

departmental employees can be actively involved in the improvement effort. Eventually, the proposal is handed over to the DC where the proposal is considered and a decision made about its implementation. The proposal box system allows users to monitor the progress of proposals through various stages and in various arenas.

This is a collaborative tradition, where the interplay between direct participation at the shop-floor level and representative participation at different levels of the organizational structures coalesce. Basic elements of participation are essential in both the initial proposal process and in the participatory responsibility for handling proposals as they proceed through the decision-making processes at different levels of the organization.

There exists no sharp distinction between political participation in the decision hierarchy (DC to the Board) in the company (the political loop in Figure 4 below) and socio-technical participation in the design of the work and the work processes on the company floor (the socio-technical loop in Figure 4 below). The different parts of the system, political and the socio-technical, interact. If there is a need for the board to address issues, the matter is raised there through the unions and the shop stewards serving as directors on the board. If a challenge arises that can be solved locally, it will be addressed through the democratic bodies (DC or WC) and through other processes where the employees are directly involved.

Figure 4: Mutual influence between the political and socio-technical participation system.



Clearly local management and local unions work closely together to promote the development of their own business. This applies on all levels of the company and is particularly important when the company wants to get something from local, regional, or central authorities or from their national associations. This might include financial support for training in temporary redundancy situations, acceptance of workforce rotation schemes, help in getting work assignments in difficult situations, funding for R&D collaboration, etc. In such situations, the target is the same for management and trade unions and they use the tools at their disposal to achieve what they want. The figure is a simplification. The element "Work Council" may refer

to both local WC and Group WC (Figure 2). Since a Group WC is intended to cover a much larger organization with several levels within it, it can present challenges to achieve a composition that can take care of both site-based issues and more strategic themes. As indicated in Figure 4, a Work Environment Committee is part of the two-party cooperation at the yard. Such a committee is required by law and anchored in the Working Environment Act with a special focus on the physical and mental work environment.

3.2. System challenges – manageable and unmanageable

The Norwegian industrial democracy model enables the parties in the companies to handle a number of different challenges. As laid out in Figures 3 and 4, the various democratic bodies established at the organizational base can handle issues initiated by individuals or groups in the organization, by unions, and by management. In the table below, some such challenges are exemplified.

Table 1: Overall challenges that are solved within the Norwegian industrial democracy model.

Area	Typical challenges
Strategic planning	Difficult strategic choices or challenges. Reason for action: Strategic challenges ahead that require special measures such as a wage freeze.
Mergers and intra-organizational relationships	Mergers of companies (locally) and within groups (internally). Reason for action: Enabling, through discussion/negotiations, acceptable solutions based on union and the management clarification of positions and in the absence of conflict.
R&D efforts	Accomplishment of major R&D projects. Reasons for action: Clarifying and anchoring new development agendas.
Productivity campaigns	Productivity campaigns. Reason for action: Declining competitiveness
Health and safety	Accomplishment of major Health-Safety-Environment campaigns. Reason for action: Weak results generally or serious incidents
Education and training programs	Education and training measures such as the establishment of a technical education system. Reason for action: Need to adjust or more fundamentally change composition of competencies in the company.

Challenges are manageable if they do not threaten the assumptions on which the system is built. How such manageable challenges are handled in practice is displayed in two examples elaborated below.

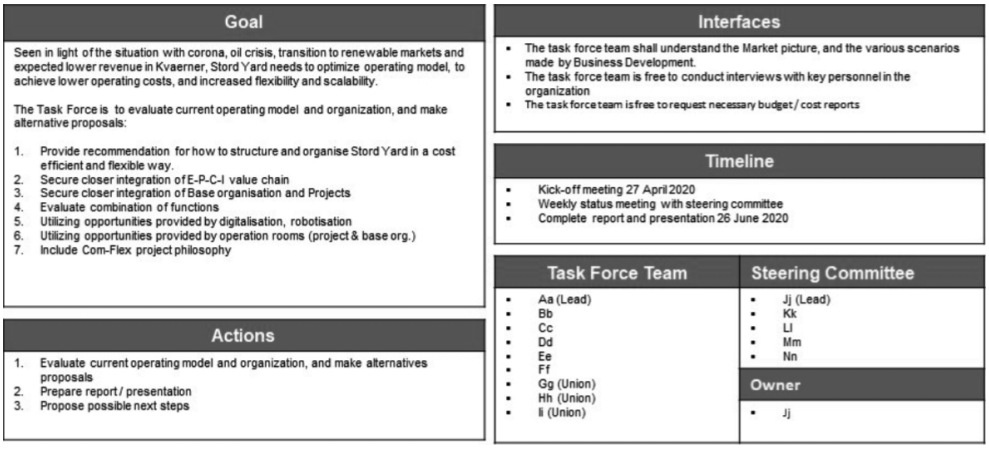
3.2.1. Managing challenges: The Yard's Future – a strategic, socio-technical initiative

The Stord Yard and many other suppliers are heading into major market and digital transformations. The market is changing due to the energy transition from fossil fuels to more sustainable energy sources and new technology and new digital solutions are becoming available for the businesses through affordable pricing.

Since the mid-seventies the yard had been treated as an assembly yard for mega-projects in the oil and gas industry on the Norwegian continental shelf. This now must change. The number of such oil and gas projects will be significantly reduced in the future, but they will not disappear. They will probably be replaced by smaller projects adapted to new energy sources such as offshore wind and hydrogen and other renewable product types such as carbon capture plants. This means that the yard must be able to alternate between carrying out large and small projects and engage in a broader variety of projects. This requires organizational flexibility.

To meet these challenges, several comprehensive measures have been initiated. The Yard Future (SYF) Project is one. SYF was initiated due to an immediate need to change the yard organization to handle the new project types in parallel with the older ones and to develop and implement new digital solutions along with the use of new technologies. The taskforce was initiated by the Yard management, but the idea was first discussed and anchored in the Work Council (WC). When the WC supported the idea and approved it, the taskforce was established and the work started. They developed a mandate for the taskforce which clarified what the management team was asking for in the way of answers and suggestions.

Figure 5: The SYF mandate.



The mandate emphasized several factors. The yard had to reduce its own operating costs while increasing flexibility and scalability. Three of the nine members of the Task Force Team (TFT) were shop stewards from different unions, both blue and white collar. Including shop stewards was the Management Team's decision. This reflects the historical pattern in the yard where the parties cooperate closely as partners to develop sustainable solutions to meet fundamental company challenges.

The taskforce discussed areas and topics to be included in their work in detail. Simultaneously, the working method involved detailed and demanding discussions. Although the

taskforce had been given limited time to carry out the work, both management and unions made clear the need to obtain relevant and good data. These demands were accepted and the taskforce emphasized collecting relevant and high-quality data. The steps followed included mapping, analysis, suggestions, and reporting.

The taskforce then discussed which areas should be given priority and how the process should be organized. The team agreed to organize the work in eight groups for eight different topics. A total of 41 different people from around the yard were selected to participate. The groups collected data (interviews of personnel, retrieving figures, etc.), analyzed material and came up with suggestions for improvements to address the challenges the yard faced.

These were the eight areas that emerged:

- Interaction between base organizations and the project organizations.
- The structure of the base organization.
- The structure of the project organizations.
- Work hours, work rotations and overall work hours.
- Digitization opportunities/strategy.
- Competence mapping by department.
- The tender process.
- Clarifying decision-making authority and expectations of leaders in decision-making processes.

The topics selected are heterogenous, but they reflected the many issues troubling the existing organization and hindering the needed restructuring.

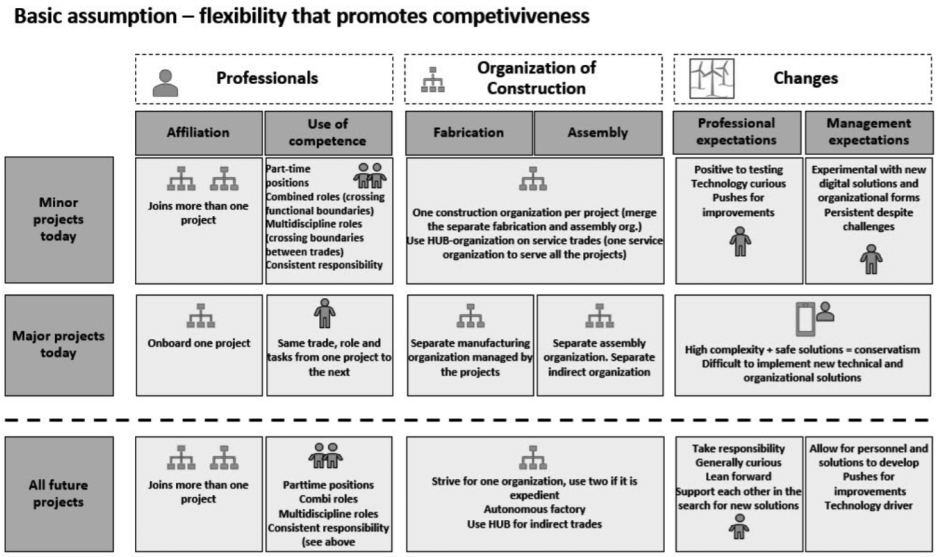
The work in the groups showed great commitment. The groups were made up of personnel with the relevant diverse knowledge and experience. The selection of personnel for the different groups was guided by a unified approach: no fads, only sustainable solutions. At the same time, emphasis was placed on involving key shop stewards to ensure the organizational anchor. In change processes like these, anchoring is important and active participation from shop stewards gives them first-hand knowledge of the discussions and possible solutions and choices, something that makes further anchoring easier going forward.

Since researchers from SINTEF (the Norwegian Science Foundation) collaborated with the yard on flexibility and scaling of the organization before, they also contributed laying out future scenarios regarding the future organization of workplaces. This provided fresh thoughts that energized the discussions.

During an intensive period of a few months, the working groups completed their tasks and passed on materials and proposals to a smaller group appointed by the taskforce that processed the input. WC put the work of the taskforce on its agenda several times during the project period. Finally, a report was presented with proposals in all eight areas. The report was presented to the WC and the Yard Management. The proposals from the groups and TFT were well received. In a short time, several of the proposals in the final report were implemented. These included:

- Reorganization of the management team at the yard.
- Acceptance of a new improved and simplified tender process.
- The establishment of a completion unit for smaller projects to avoid all projects following the same track.

Figure 6: Assumptions about project design now and in the future.



In addition to these major changes, there were other minor improvements in various yard areas.

The final report was not the end of the transformation. In further work on the transformation, both shop stewards and their members have been eager to move forward – they are impatient. The contributions from both sides and the anchoring that took place through the taskforce has contributed to a positive approach to the transformation and the changes. This result has been confirmed by a major survey conducted by SINTEF.

3.2.2. Manageable challenges: Downsizing orchestrated through political participation

During the winter of 2014–15, the corporate management communicated a need for downsizing the corporation due to a lack of orders. The corporation is an engineering-to-order supplier that delivers large, unique products, and the market for such products is surveyable and predictable. The suppliers know which projects the clients are considering developing/carrying out. This enables them to predict staffing needs with a relatively high degree of accuracy. This information is shared with the employee representatives/unions on a regular basis. Future staffing, for example, is on the agenda at the monthly WC meetings at the different locations.

The staffing histogram and market outlook for the winter of 2014–15 indicated the need for a staff reduction in the corporation. How such capacity adjustments are to be carried out is regulated internally in the corporation through a specific process description developed by the local organization. This contains a detailed list of actions that include who is to be involved in each action and where the various actions are in the organization.

Since the situation in 2015 involved the entire corporation, the process started at the corporate level. The first action was to gather the shop stewards and representatives from the top management to discuss and decide on the goal. The result of the discussion can be seen in a

protocol signed by the unions and management which contains the reasons for the changes, guiding principles, and selection criteria for downsizing (i. e., competence, applicability, experience, and seniority). This protocol also triggers the implementation of the actions mentioned above.

This process is very detailed as can be seen from the small excerpt below:

- How the assessment process should take place at an upper level (for example whether it should include one, two or all three companies, which areas/ disciplines it should cover, the need for capacity at each discipline and seniority).
- How the assessment process should take place at an individual level (emphasis on broad vs. specialized "narrow" competence).
- Information and communication about the process.
- Participants in the process (including the occupational health service, the safety representative organization, and human resources).
- Planning (when should the various steps be completed).
- The organization of the effort.
- Training of managers and shop stewards to handle the process.
- Adequate follow-up with personnel who are affected by the process and those who remain.

In this instance, this assessment was initiated on a senior level and thus the scope was established early. Such processes will differ according to how extensive the downsizing in the corporation is. In principle, the risk assessment is a "live document" since the document is continuously updated as the process develops.

In each of the local companies, local protocols were established. These protocols were drafted, discussed, and decided on by the Work Council before being sent to the board as recommendations. On transmission, the protocol is signed by local union representatives and the local top management. Then the local board, where the unions have several representatives, will make a final decision on the scope of and process of the downsizing. The specific protocol from 2015 states:

"The parties have conducted regular discussions in accordance with AML §8 (Work Environmental Act) and the Main Agreement in recent months and agree to give the board at the yard the following recommendation: The board authorizes the administration at the yard to downsize its own capacity by up to 200 people by the end of 2015. This will take place through:
1. normal departures;
2. departures as a direct consequence of defined instruments in the capacity adjustment plan;
3. "redundancies".
(from the Negotiation protocol "Case: Future staffing capacity Kværner Stord" signed by all local unions and management, dated 30 April 2015).

Although these local protocols relate to the corporate protocol, local variants can be different. For example, the set-up of a steering group for the downsizing process and the actual processing of the possible redundancies can vary. In the specific company examined here, the union representatives and management agreed to appoint the Work Council as the steering committee. They monitored it to see that the process took place in accordance with the process description. They also followed up on the risk assessment. Once the local board had made their decisions, the process for crew reductions was started. A working group with representatives from both parties was established to ensure an orderly implementation of the process.

After assessing and concluding in which positions/position categories/areas there is redundancy, the individual assessments will be made. This is a time-consuming exercise because not only will an assessment be made of who will be retained in the designated positions and categories, but those who become redundant here have the right to be examined for other positions in the company for which they may be qualified. Many employees in the company in question have played different roles and held different positions during their employment period. This means that personnel in other departments, which in principle would not be covered by the reductions, may be affected if they are "knocked out" by personnel who are redundant in their own department. This puzzle is meticulously monitored by the unions to ensure that the principles for assessing personnel are strictly adhered to. Lists of possible redundancies will be distributed to the unions who critically review them and through discussions finally agree on who will ultimately be on the redundancy list.

The process description has proved a very useful tool. It has been built up by logical sequential steps so that the next step depends on the previous step being completed. Since downsizing processes have been rare, it is necessary for those who are to be involved in managing the process to have a thorough understanding of what must be taken into account at the various steps.

Downsizing processes often create a lot of conflict in organizations. Consequently, such processes often end up involving external legal assistance to find the solutions. In the case of this corporation, however, such processes have been carried out, almost without exception, without such assistance. This may indicate that downsizing processes based on strong involvement of the relevant stakeholders before, during and at the conclusion of the process demonstrates a company's ability to find solutions that employees consider fair.

4. The Mondragon Cooperative Experience

The Mondragon Corporation is the biggest industrial cooperative conglomerate in the world and the biggest industrial group in the Basque territory: ninety-five cooperatives, 138 affiliates and subsidiaries worldwide, 11,482 million Euros total revenue, and 79,931 employees… (Mondragon Corporation, 2020). The corporation is composed of a group of autonomous and independent cooperatives sharing a set of common institutions. Most are industrial worker cooperatives. Together with consumer, service or education cooperatives, they are organized in four different business areas: industry, finance, retail, and knowledge development/transfer. The shared institutions include the headquarters, R&D centers, and investment funds that provide the cooperatives with technical, social, or financial support.

4.1. A short genealogy

The original motto of the Mondragon Cooperative Experience (MCE) was to advance an alternative kind of enterprise "… that sought to do justice to a holistic view of the worker as a person and relied on a robust model of collective self-governance." (Barandiaran & Lezaun 2017, p.281) The first cooperatives were founded in the mid-1950s, that is, in the aftermath of the Spanish Civil War and in the darkest years of a dictatorship. In this context, a group of

young industrial entrepreneurs led by a charismatic priest took the initiative to transform the living/working conditions in their community. In origin, then, the MCE reflects the intent of a community to meet its most basic needs through self-organization.

Under the dictatorship, small business firms became the only feasible means for the self-organization of the community. To achieve this, the pioneers of the Mondragon cooperative experience thought it was necessary to reform how firms were organized. In particular, they needed to change the balance between labor and capital. Before founding ULGOR, they tried unsuccessfully to reform existing firms in the valley such as the Unión Cerrajera. But, unlike the Norwegian case, they experienced the impossibility of bringing the parties to the conflict (workers and managers) into partnership (mutual recognition and fair collaboration). This explains their decision to create and promote a different kind of enterprise based on worker ownership (Ortega, 2021).

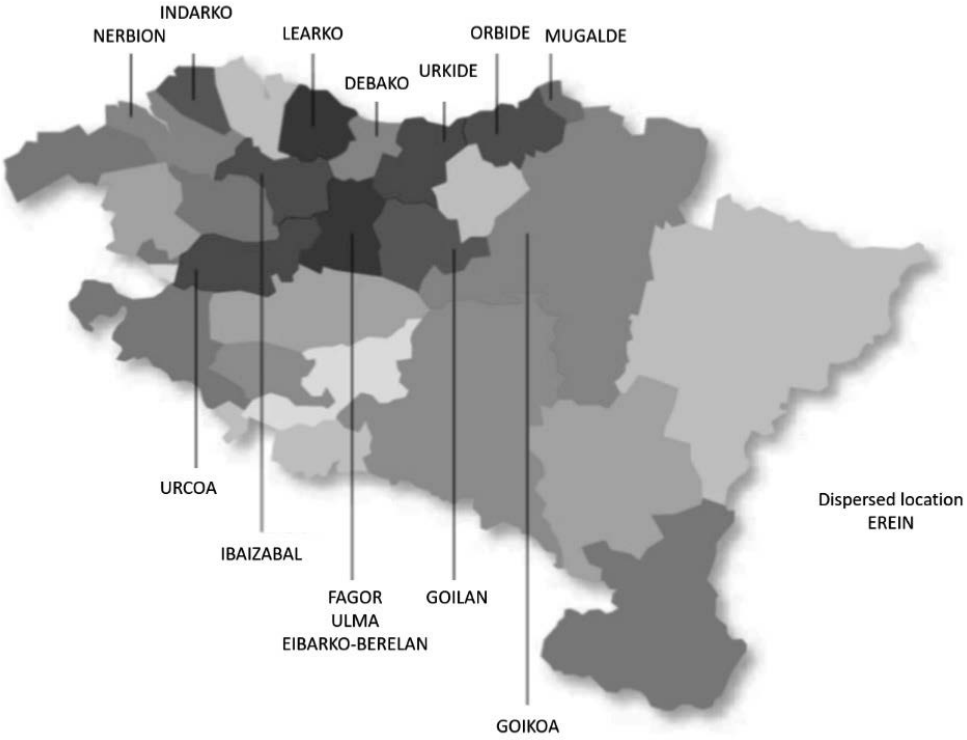
The initial period of the MCE was characterized by the economic success of the pioneering cooperatives. In 1956, ULGOR began with 24 members. This number had multiplied by 10 by 1960 (228 members). This success is explained in the literature as the result of a combination of their abilities and of the economic context. On the one hand, the charismatic leadership of the priest, José María Arizmendiarreta, is important, as is his prestige and roots in the community of the founders. This is also built on a sense of identity, common values, and the long-term, strong industrial tradition of their community (Altuna & Urteaga, 2014). In addition, the absence of manufacturing competition in an extremely autarchic market and the measures of political support like the Economic Stabilization Plan (1959–1961) with which Franco's dictatorship liberalized the economy, reduced state interventionism, and devalued the currency all helped facilitate investments.

In this context, ULGOR not only grew but it also began networking. In 1964 Talleres Arrasate (1957), Copreci (1962), Comet (1963) and ULGOR together formed the first group of cooperatives called ULARCO (1964). This step was important because it established the basic structure for the organization of the MCE as a network of cooperatives (Ormaechea, 1991). ULARCO was a regional group, meaning all the Group's cooperatives were geographically close to each other and shared strong links to the community. By the 1990s, the 94 cooperatives of the Mondragon Cooperative Group were distributed across 14 different regional groups (see figure 7) with different levels of mutual integration depending on their localization, history, or functional development (Narvarte Arregui, 2006).

The regional groups were inspired by the concept of inter-community solidarity. The group provided mechanisms for the distribution of positive and negative results, common funds to support the creation of new cooperatives, the relocation of workers, or the provision of common services. However, in parallel with the consolidation of regional groups, the first mechanisms of what later became the Mondragon Cooperative Group (1987) began to take shape.

Caja Laboral was established in 1959 as a 'cooperative of cooperatives' to give financial support to new cooperatives (Caja Laboral Popular, 1986). The business division of Caja Laboral played an important role in the emergence of the Mondragon Cooperative Group (1987) through the use of the mechanism of a contract of association. To get access to its services, each cooperative had to sign a contract including a commitment to certain principles regarding the distribution of surpluses, wage ranges… measures that made the model more homogeneous across cooperatives and enhanced their sense of unity and cohesion.

Figure 7: Geographical distribution of groups in 1994 (adapted from Altuna Gabilondo, 2008).



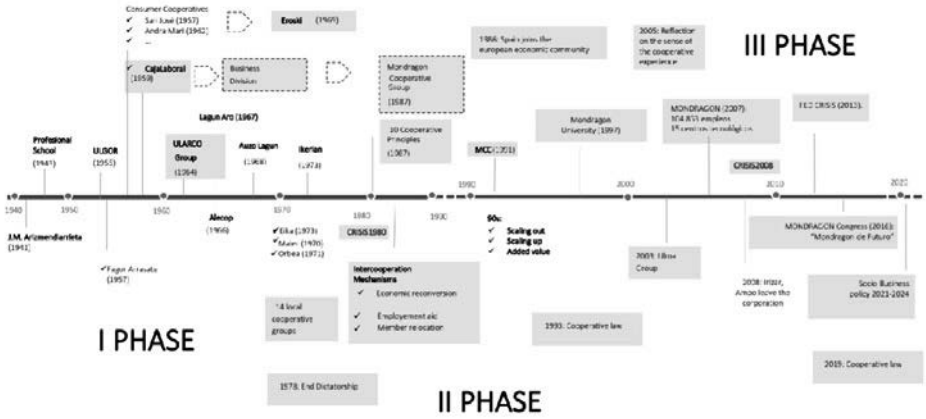
Caja Laboral Popular, also, played an important role in providing social protection to its members with a system of social provision later known as Lagun Aro (1959). In 1958, a change in national legislation left cooperative members without national health and retirement protection. They were considered owners not employees and, therefore, they were excluded from, among other things, unemployment protection mechanisms. In response, the MCE stablished its own system of social provision strengthening the role of the Mondragon group of cooperatives as a community development agency (Altuna Gabilondo, 2008).

In 1987, the first Mondragon Cooperative Congress took place. The basic principles of the system were agreed on and the basic structures of the Mondragon Cooperative Group (MCG) were constituted. The organization of the MCG in regional groups was not questioned, but the Group gained capacity to influence the general course of the MCG by strengthening its own collaborative structures. The Cooperative Congress was in charge of basic regulations (policies affecting the balance between labor and capital, for example), elaborating common templates for internal norms and the management of common infrastructures. Regional groups did retain their hegemony regarding most executive functions directly linked to the daily operations of member cooperatives (industrial, research or investment policies, for example).

Together, regional groups and shared supra-structures shaped a complex network boosting the capacity of cooperatives to adapt to changing environmental conditions without losing their embeddedness in their communities. However, the profound industrial crisis of

the 1980s challenged this balance. In this crisis, the limits of the regional organizational model and the sustainability of shared structures, most notably, Caja Laboral, came to light.

Figure 8: The main phases in the development of the MCE (adapted by the authors from notes taken at Otalora training sessions).



The balance shifted definitively in 1991. The Mondragon Cooperative Corporation (MCC) was established as a federative civil society of cooperatives organized by business areas and divisions. The cooperative corporation left behind the regional organization model and thereby substantially altered the internal equilibria among cooperatives, groups and the corporation.

In short, the cooperatives had concluded that an organizational model focused on strengthening the local developments only was insufficient for dealing with the needs of cooperatives competing on global markets (Altuna Gabilondo, 2008). The cooperatives required an overarching structure capable of providing a more unitary strategic direction and management, while guaranteeing the operational autonomy of cooperatives (Narvarte Arregui, 2006). The transition was not painless; the group ULMA, for example, decided to leave the corporation to maintain their own group. However, the resulting business success brought social peace and the decade between the 1990s and 2000s is characterized as a period of steady growth marked by the internationalization of the business model and the consolidation of corporate structures.

4.2. The Mondragon Corporation as it stands today

Structurally the 1991 Cooperative Congress established the organization of the corporation almost as it stands today. At the level of individual cooperatives, the internal structure has remained practically unchanged since their foundation in the 50s. In both cases, the structural set-up aims at a balance in the socio-business nature of the cooperative project. This attempt results in a dual structure:

– The techno-structure (management) refers to the technical side of the project and is business oriented; it is in charge of the proper management of the production and distribution process and channels socio-technical participation.
– The socio-structure[14] (governance) refers to the institutional side of the project. It is socially-oriented involving the strategic aims and is the place where worker-members exercise ownership and democratic rule. It is the channel for political participation.

This dual structure provides different channels for political and socio-technical participation and intends to guarantee the proper operation of both while respecting the balance between labor and capital, worker-members and managers, and the mission of the cooperative over the profit of its members.

4.2.1 Structural set-up of the Corporation

The corporation comprises four business areas: financial, knowledge, retail, and industry. Most of the cooperatives in the group are within the industrial area which is, currently, organized in 11 different business divisions. These areas and divisions are, therefore, the intermediate level between the cooperatives and the corporation. They are set up according to product-market relations and aim to foster horizontal relationships between cooperatives operating in similar sectors and also vertical relationships focused on channeling the interactions between cooperatives and the corporation.

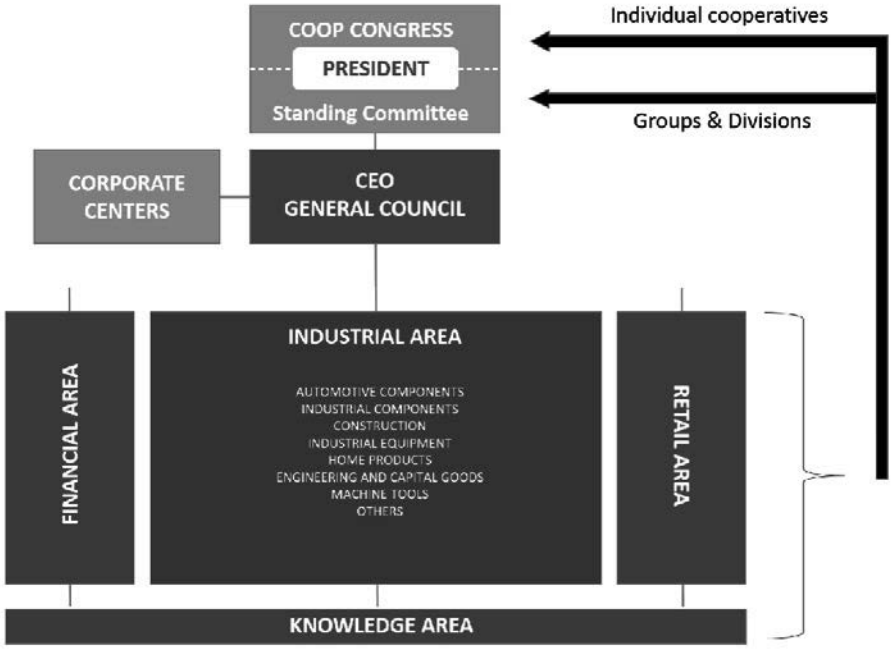
Corporation level structures are composed of members elected by individual cooperatives (Congress) and divisions and groups (Standing Committee) and they are organized in three main governing bodies: the Cooperative Congress (CC), the Standing Committee (SC) and the General Council (GC).

– The Cooperative Congress is composed of 650 representatives directly elected from among the member cooperatives. Areas and divisions also have the right to appoint one representative to the Cooperative Congress. The Cooperative Congress establishes general rules and policy frameworks for Mondragon member cooperatives.
– The Standing Committee is the Governing Council of the corporation. It is composed of 21 members elected by divisional governing councils by areas or circumscriptions (industry (14), distribution (4), financial (2) and knowledge development (1). It develops administrative policies and oversees their implementation as well as reviewing the performance of the senior management body. For example, it appoints and can dismiss the president of the General Council.
– The General Council is the management council of the corporation. The Standing Committee, based on proposals made by the presidency, appoints its members. It comprises 12 members: the president, each area has a vice-president called its General Director, and six vice-presidents represent the industrial division.

The corporation also has its own structures, currently including by the corporation central office, the Mondragon Foundation, and Mondragon Investments.

14 The interpretation of the socio- in the context of the Mondragon cooperative experience (socio-structure) and the theoretical framework in use in this contribution (sociotechnical participation in Abrahamson's sense) is different. We are aware it can lead to confusion. The specific meanings are clarified several times through the text and exemplify, in our point of view, the difficulties of a nuanced comparison between different cases using a common framework.

Figure 9: the structure of the Mondragon Corporation as defined in 1991 (Freundlich, 2015).



4.2.2. Structural set-up of a worker-cooperative

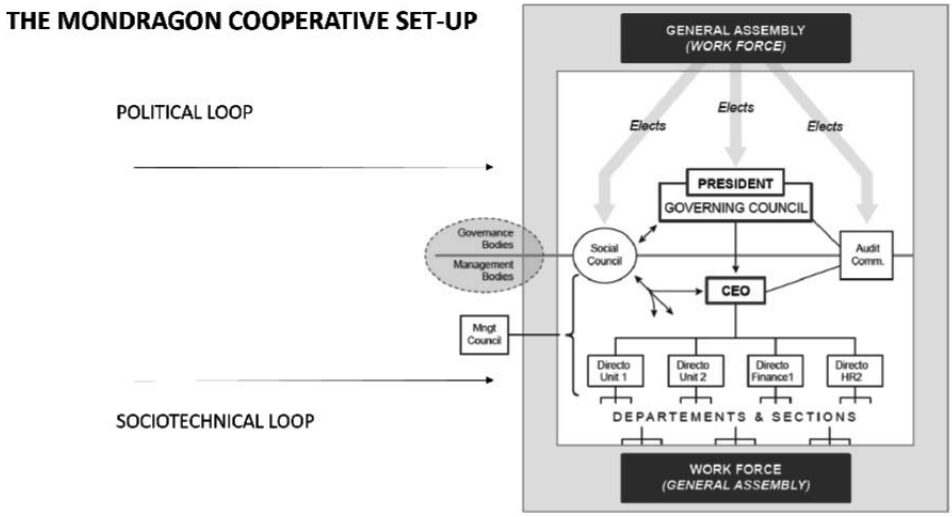
In worker cooperatives, the primacy of labor over capital holds because control, by law, rests with the worker-members. This basic pillar of worker-cooperatives has two implications. First, ultimate control of the company is democratic, ruled by the principle of one-person-one vote. Second, it signifies a democratic treatment of financial surpluses or losses. The internal democracy of worker cooperatives structurally enacts the primacy of labor over capital in the governance and management of cooperative enterprises.

Each cooperative has 5 different governing bodies: General Assembly, Governing Council, Management Council, Social Council, and Audit Committee.

- The General Assembly is the highest governance authority, and it is composed of all cooperative members. It meets once a year and votes on major issues. For example, it names the Governing Council, approves rules and regulations or norms or decides on the distribution of income or losses between salary and investments.
- The Governing Council is a representative body and has the responsibility for the governance and management of the cooperative. It decides on strategic issues, elects the CEO, approves the nominations of members for the board of directors, and monitors the management's overall performance.
- The CEO and the board of directors form the Management Council, the body responsible for the firm's day-to-day management. It has autonomy and exercises authority over the different departments into which the production process is organized. It acts under the

supervision of the Governing Council, to whom it should report periodically and by whom it can be dismissed.
– The Social Council is a consultative body representing the members vis-à-vis the governing bodies, that is vis-à-vis the management function. Its roles are counselling, information, and negotiation on social and labor issues. It is composed of any cooperative member who is elected by the business units and approved by the General Assembly.
– The Audit Committee is appointed by the Governing Council and elected by the General Assembly. It is composed of 3 members responsible for guaranteeing compliance, not only of regulations but also the internal norms of the cooperative.

Figure 10: internal structural set-up of an individual cooperative (adapted from Freundlich, 2015).



4.2.3. Structural duality: political and socio-technical participation.

The structural set-up of the cooperative system attempts to retain the balance within the socio-business structure of the cooperative project through a dual structure that separates what we have called the techno-structure and the socio-structure.

One explanation for this separation is that a dual structure precludes the influence of workplace hierarchy in institutional deliberations. The unequal epistemic authority between managers and workers regarding business operations can overcome the political authority of the workers in the context of institutional deliberations. Indeed, in practice, managers can be invited to assist deliberations in the Governing Council even if their participation is not

necessary. Nonetheless, the formal separation intends to guarantee the exercise of worker-members democratic rights in institutional bodies without management interference.

Seen another way, the strict separation between the techno-structure and the socio-structure can be seen as a measure to guarantee the proper functioning of cooperative business model without the interference of worker members. According to Ortega (2021), for example, the idea driving this arrangement centered on the once strongly questioned capacity of worker cooperatives to develop efficient work organizations despite their democratic organization. However one interprets it, the division into a techno- and socio-structure is currently under pressure.

Regarding political participation, for example, simply put, democratic representation does not guarantee the Governing Council the necessary technical expertise to exercise its duties in management meaningfully. However, the role of the Governing Council is essential to an integral approach to the socio-business dimension of the cooperative project. If it fails, this can lead to a division of labor between structures that degenerates into an oppositional understanding of their roles.

To overcome this risk, the corporation recently brought forward a "Good Cooperative Governance Framework" (Otalora, 2019). This proposal is a 'soft' mechanism that establishes two main lines of action. On the one hand, it defines the functions (normative framework) and the roles ('modes of development') of the cooperative governance bodies. On the other, it offers tools and mechanisms for facilitating processes to develop relationships of trust and co-responsibility. To that end, it defines four main axes or 'levers': shared vision, control and monitoring, decision-making, and common spaces.

For example, the second lever refers to the development of relationships of trust and co-responsibility, facilitating the Governing Council in developing its functions of control and efficient monitoring of management. It suggests, together with the inclusion of independent members or the creation of a technical secretariat, the implementation of a 'cooperative scorecard'. The content of the scorecard (business, financial and social indicators) aims to provide the GC with a clear and rapid visualization of the evolution of the cooperative and examines the degree of coherence between the results and the defined strategy.

Regarding sociotechnical participation, on the other hand, it is widely agreed that the structural separation of the techno- and socio-structures, and strong focus on political participation, has unintentionally resulted in an impoverished vision of cooperative's organization of work. The first industrial cooperatives were pioneering regarding worker participation, insofar as workers as owners controlled the strategic operations of the company.

However, in terms of the actual organization of work, they have mainly followed Tayloristic logics and Fordist modes of production (Altuna and Urteaga, 2014). Jesús Larrañaga, one of the founding fathers of the MCE, for example, saw this paradox as follows: "Another grand paradox: the waste of the enormous potentiality of owner participation. Excessive emphasis was placed on the legal aspect of participation in assembly disputes and too little in the creative fertility of worker participation in the workplace itself" (Larrañaga Lizarralde 1998, p. 303).

In view of this, there have been interesting developments both at the level of individual cooperatives and at the level of the corporation itself (Elorza, Aritzeta, and Ayestarán, 2011). At the level of the cooperatives, there is no uniform approach although several cooperatives make use of well-known mechanisms aimed at facilitating participation in the workplace. For example, a widely used mechanism are the so-called 'mini-fabrics' (MF). These mini-fabrics

are the smallest operative units in the cooperative. In cooperatives with big plants, there is a MF for each group of 100 workers and it provides workers with several channels to respond to operational day-to-day issues (see table 2). This level adds to others already in place as part of the techno-structure of the cooperatives at the plant level. Its enactment differs from cooperative to cooperative. However, each MF has one responsible leader, appointed by the Management Council of the plant, and a group of collaborators. It provides an intermediate level between workers and the plant's Management Council and its different business units. In short, mini-fabrics intend to lessen the gap between workers and managers by providing an additional avenue of bidirectional communication.

Table 2: Example of participation channels in a mini-fabric.

NAME	PURPOSE	DIR.	STRUCTURE	FREQ.	TIME
Shift meeting	Information exchange		Shift Coord. + All MF members	Every shift	5'-10'
Shift operative	Information gathering		Shift Coord. + Operators	Every turn	15'
MF Daily operative	Security, quality, losses.		Group head + coordinators, operator (rotatory).	Daily	30'
Weekly operative	Security, quality, losses.		MF head + Group head, shift coordinators…	Weekly	120'
Collaborators	MF global ratios		MF Head + All MF members	Monthly	90'
PROJECT TEAMS	Process/product/ management, system innovation…		Team head + stakeholders.	-	-
PLANNING	Customer service, maintenance…		Planning head + Group heads, shift coordinators	Daily	15'
OFFICE	Collaborators follow-up		Immediate superior + each collaborator	Bi-monthly	-
TRAINING	Collaborators training		Immediate superior + each collaborator	Annual	120'
MANAGEMENT PLAN	Define management control panel		MF head + Group head, shift coordinators…	Annual	-
COMPENSATION PLANS	Consensual definition of compensation by objective		Stakeholders	Annual (monthly follow-up)	-

4.3. (Un)Manageable challenges and the sustainability of MCE's cooperative project.

Size and complexity challenge the efficiency of the dual structure of worker cooperatives in balancing political and socio-technical participation. Indeed, worker cooperatives today face challenges unimaginable at the time their structure was designed. Growing competitiveness challenges threaten the rhythm and capacity of democratic decision-making. Basic values of the cooperative identity (work, stability, responsibility) get outdated in the light of cultural transformations toward less solidarity and more radical individualism in society at large. Investment capabilities are overwhelmed by the amount of funds required by current, complex projects etc.

Together all these challenges have the potential to endanger the sustainability of the Mondragon Cooperative Experience by challenging the equilibrium between the essential components of the model. For example, business success requires rapid reaction and flexibility, but this comes at cost of the democratic nature of decision making in worker cooperatives. In our conversations with cooperative members, we have identified several of these challenges (see table 3).

Table 3: Challenges and their socio-business impact.

CHALLENGE	IMPACT
COMPETITIVENESS	Efficiency and participatory decision-making (i. e. slowness, risk management...). Shared ownership and individual incentives...
CULTURAL TRANSFORMATIONS	Cooperative identity, civic/community life, sense of responsibility, and growing individualism or different aspirations of younger generations.
STRATEGIC PLANNING	Changes in the industrial sector, global supply chains, and lean manufacturing; distance and limited adaptability.
INVESTMENT CAPABILITIES	Funding needs to invest in strategic projects given size and dimensions and the limitations of the model (i. e. external funding or risk capital).
TECHNOLOGICAL CHANGE	Aging sectors and the need for new product/service niches and business model transformations (digitalization, design engineering, start-ups...)
TALENT	The attraction of talent and constraints of the model due to job stability, low salaries due to pay-gap restrictions), additional responsibilities...
GRAND SOCIAL CHALLENGES	Cooperative value-added in the light of trade-offs between 'old' (social) and 'new' (gender equality, environmental sustainability...) challenges.

Despite this, the cooperatives have been able to find ways to handle some of them successfully without losing their sense of belonging to a project that, at least, intends to do business in a more humane way.

From our point of view, the main feature of the levers discussed earlier is that they are capable of enacting inter-cooperation mechanisms between cooperatives and corporate structures to respond to challenges that cannot find an easy solution at the level of the individual cooperatives. In other words, in the face of critical moments the most critical lever of the Mondragon cooperatives is the cooperation between cooperatives and the corporation.

4.3.1. Manageable challenges (I): downsizing

Due to their special status, cooperatives by law must have 70% of their working hours undertaken by working members who, in turn, cannot be let go except under very specific and extraordinary circumstances. This stability is one of the hallmarks of the cooperative experience itself, one of its defining purposes. However, the same stability dramatically reduces the adaptability of cooperatives in dealing with the volatility, uncertainty, and complexity of global markets. A paradigmatic example is a COVID-19 outbreak. In the Basque case, the crisis meant a decline of 19,5 % of the GDP in the second trimester of 2020 or the loss of 1,115 enterprises in the business environment of the Basque territory between February and September. In the industrial sector, employment losses in the second trimester of 2020 reached 20,1 % of working hours.

In this context, the mechanisms used by the Mondragon cooperatives to deal with the COVID outbreak is called "the mobile schedule". The mobile schedule is part of the catalogue of tools available for cooperatives associated with Lagun Aro EPSV, the social provision institution closely linked to the Mondragon Cooperative Experience. Mobile schedules aim at helping co-ops deal with critical but temporary contingencies that demand downsizing their structures without reducing their regular workforce. Concretely, the mechanism allows cooperatives to minimize working hours per week for six months in a year. In the following six months, worker-members should restore these lost hours to the cooperative. If they cannot, Lagun Aro provides the funds to restore them in the form of unemployment benefits. The only condition for access to this service is that other measures must be taken before invoking this mechanism, mainly reducing paychecks by a minimum of 5 %.

In the COVID-19 outbreak, sixty-three out of 123 cooperatives associated with Lagun Aro used the mobile schedule. This means that 8,964 worker members were affected, and about 837,041 working hours were lost. Accordingly, the expenditure on unemployment benefits (encompassing, mainly, mobile schedules) reached 22.53 million Euros in 2020, an increase of 19.95 million Euros compared to 2019. Indeed, 2020 and 2018 are the only years since 2013 that the employment subsidy fund did not grow. However, the group decreased its structural unemployment from 621 to 610 the same year, including 110 implemented solutions, including definitive redeployments (34), early retirements (43), voluntary severance payments, and 21 departures for other reasons (retirements, etc.).

In short, mobile schedules provide an example of how inter-cooperative solidarity mechanisms provide cooperatives with the capacity to manage contingencies like the COVID-19 downsizing of their structures without challenging their defining purpose – protecting worker-members. Understanding this requires knowing how they have the capacity to implement these decisions at the level of the individual cooperative and the role of shared infrastructures like Lagun Aro in the relevant decision making.

Officially, Lagun Aro EPSV is a non-profit, voluntary, and democratic social provision institution. EPSVs are a kind institution in the Basque Autonomous Community that was

created in 1983 to provide a juridical umbrella for non-profit entities whose main task is complementing retirement subsidies. In the industrial crisis of the 80s, the Basque Government used its statutory competencies to bridge the gaps left by the central government. It provided the means for the collectives (communities, firms, etc.) to set up their own social provision mechanisms. Under this umbrella, all kinds of entities flourished aimed at, protecting their associates from events that can put their life, resources, or activities at risk.

In the context of the MCC, Lagun Aro EPSV took over the role of Lagun Aro and, previously, the Laboral Kutxa, in providing mechanisms to sustain work in its associated cooperatives, including retirement subsidies, but, also, supported redeployment mechanisms, unemployment benefits, and the mobile schedule itself. Lagun Aro is, therefore, an institutional device to assist cooperatives in the face of challenges putting their life, resources, or activities in danger. Indeed, cooperatives are Lagun Aro's owners and decide on the general norms regulating mechanisms like the mobile schedule.

The General Assembly of Lagun Aro is composed of delegates of the 123 associated cooperatives or, as it named in the statutes, the "protector associate cooperatives"[15]. Each cooperative has the right to have at least one representative in the General Assembly and can increase this presence with a new delegate for every 30 worker-members associated with Lagun Aro, up to a limit of one-third of the total of the Assembly for one cooperative. The General Assembly appoints the president and members of the Governing Council and has the capacity to modify processes such as the regulation of the mobile schedule. However, in most situations, decisions regarding mobile schedules and other employment subsidies are made in delegated organs of its Governing Council.

The decision to accept the actions of Lagun Aro depends on the Benefits Committee, a delegate organ of Lagun Aro's Governing Council. To activate the mobile schedule, each case is analyzed by the Benefits Committee, which, after careful consideration of the particular work situation of the cooperative, will recommend specific measures. The Benefits Committee is composed of 7 members appointed by: Management Council (2 members), Governing Council (4 members), Mondragon Corporation (1 member), and technical staff (2 members with voice but no vote). A simple majority makes decisions, and the assessment criteria are primarily technical.

If a request affects more than 50 people, the decision needs to be made by the Governing Council of Lagun Aro, not the Benefits Committee. The Governing Council is chosen by the General Assembly and composed of the president and representatives of its 11 "communities of associates" who decide each case by simple majority. Communities of Associates are delegate organs of the Governing Council with a status similar to that of the Benefits Committee but with a different role and composition. In total, there are 11, one for each group of between 500 and 2,000 associated members. Members participate in the community through their corresponding cooperative's delegates and cooperatives are grouped into communities following criteria of business integration, geographical proximity, activity, and the number of associates.

Therefore, if a cooperative wants to apply for the mobile schedule and the measure affects fewer than 50 people, an evaluation takes place in the Benefits Committee. If it affects more

15 There are cooperatives which are not part of the Mondragon Corporation associated with Lagun Aro EPSV. Concretely, some which were associated to Lagun Aro before the corporation was established and decided not to take part in it (for example, RPK or Goros) and others that decided to leave the group but maintained their affiliation to Lagun Aro (for example, Ampo or Irizar).

than 50 people, it is done by the Governing Council. In both cases, the evaluation entails a technical assessment of the work structure of the cooperative and its particular situation before specific measures are agreed on with the applicant cooperative. However, due to the specific composition of the governance structure of Lagun Aro, the counterpart of cooperatives is not (only) technical staff, but (mainly) delegates of its 'communities of associates'; meaning, delegates of other cooperatives associated with Lagun Aro.

Moreover, other cooperatives play an even more crucial role if the situation of the cooperative in trouble needs support beyond the capabilities of the mobile schedule. When a situation affects a cooperative's workforce structurally and requires downsizing a particular section or business permanently, the cooperative can ask for the redeployment of worker-members to another cooperative associated with Lagun Aro. In this case, Lagun Aro plays a mediating role by putting the cooperative in difficulties and potential host cooperatives in contact. It provides a series of mechanisms to compensate for losses to the worker member and a series of incentives for the hosting cooperative to facilitate the process. A cooperative cannot be forced to accept redeployment if worker members do not fit its necessities in terms of skills and competencies. Measures are taken to monitor the level of collaboration of associated cooperatives with redeployment policies and sanctions are possible in the case of non-compliance.

4.3.2. Manageable challenges (II): strategic decision making

The volatility, uncertainty, complexity, and ambiguity of current market dynamics require firms to have the capacity to react rapidly while keeping an eye on the big picture. Strategic management speaks about the necessity to engage the organization as a whole in long-range planning to navigate disruptive challenges without losing sight of the organization's basic purpose or vision. Leadership is a crucial means to accomplish these ends because the purpose, direction, and the alignment of organizational capabilities largely depends on the capacity of leadership teams to state and communicate the vision and mission of the organization across its different levels. However, in a cooperative firm, leadership is collective. The collective nature of leadership facilitates alignment regarding purpose and vision and boosts engagement among its different stakeholders. Indeed, strategic control depends on the Governing Council appointed by the General Assembly to control management acts on behalf of the cooperative members and not his or her individual interests.

Nevertheless, democratic rule entails challenges of its own. For example, the collapse of Fagor Electrodomésticos is explained in the literature by a combination of external and internal factors, the latter linked to "cooperative's governance system and culture (…)." (Basterretxea et al. 2020, p. 20) Basterretxea's argument is that because of its democratic nature, the interests and needs of factory workers prevailed over the shared interests of the cooperative. This prevalence came about because of an excessively critical and unsupportive role played by the Governing Council, which led to a 'reverse dominance hierarchy'; worker control over decision-making was so stringent that it made management impossible.

Deciding whether Basterretxea's interpretation of Fagor Electrodomesticos failure is correct or not exceeds our intent here. We have elaborated on our interpretation of the case elsewhere (Ortega & Uriarte, 2015). However, the example points to a well-known criticism about the limitations of worker-cooperatives' democratic governance with regard to their

capacity in the face of difficult decisions; for example, decisions against the short-term interest of worker-members.

The example we give here shows another way to balance the role of the worker member in the decision-making process without violating basic cooperative principles. This is done through the joint action of cooperatives and corporate structures. The main idea is rather simple: inter-cooperation provides decision-making at the cooperative level by setting it in a more extended context (the group) that promotes a strategic orientation.

In 2018 a decision was taken by the General Congress to regulate the distribution of results in the cooperatives of the group. It was named "Results distribution for the enhancement of our own resources". The norm responded to a mandate made two years before, in the 2016 general congress, with the approval of "Mondragon of the future" and "The socio-business policy 2017–2020". The aim of the norm was to reinforce the cooperative's own reserves; in short, the decision changed the norm governing the capacity of individual cooperatives to distribute surpluses among worker members in favor of amplifying common reserve funds. The norm was not new, but it established a more stringent criterion for the distribution of assets in favor of the long-term interest of the cooperative over the individual interests of its members.

The failure of Fagor Electrodomésticos in 2013 led to a crisis within the structure of the Mondragon group itself. In 2014, the corporation's president resigned. A group of three senior executives of the primary cooperatives of the group was appointed to conduct a strategic reflection focused on the future of Mondragon. The first outcome of this process identified three critical axes to be considered: values, organizational structure and instruments, and funds of inter-cooperation. The result was contained in the motion, "Mondragon of the future", approved in the 2016 General Congress. The motion underlined the necessity of enhancing a culture of co-responsibility and the translation of this general aim into the organizational structure and financial inter-cooperation funds and instruments. The Socio-Business Policy (2017–2020) approved in 2016 reinforced this mandate. The document identified five strategic policies aimed at enhancing the sustainability of the cooperative model, directly appealing to the cooperatives to reinforce their financial situation by increasing their resources. The norm on "Results distribution for the enhancement of our own resources", approved in 2018, brings this general criterion into practice.

The approved norm is compulsory for all cooperatives and sets a more stringent limit for the distribution of surpluses among cooperative members than the law requires. Cooperative firms receive beneficial taxation treatment. This special treatment, however, requires them to devote 30 % of their surpluses to, for example, education and the promotion of cooperativism or other public interest activities (10 %) and to nurture their Compulsory Reserve Fund (20 %). According to the law, cooperatives can deploy the other 70 % as they wish. They can distribute it among worker-members or devote it to voluntary reserve funds. In addition, reserve funds can be either divisible, meaning worker-members can reclaim these funds under certain circumstances; or indivisible, namely, they become part of the common patrimony of the cooperative.

To assess the behavior of the cooperatives of the group, the Corporation ran an analysis of the distribution of surpluses in the industrial area between 2010 and 2015. The analysis revealed that, after the deduction of the corresponding 30 % to existing inter-cooperation mechanisms and corporate funds, the distribution of results was mainly dedicated to the incomes of cooperative's worker members and their individualized patrimony (75 %) rather

than to the common patrimony of the cooperative (25 %). The individualized patrimony is also part of the cooperative's patrimony but, contrary to indivisible reserves, it retains certain temporal limits because the worker-member can claim it only under certain conditions. The new norm, on the contrary, establishes more stringent criteria for worker-member's compensation in the form of returns or individualized voluntary contributions to reserve funds, depending on each cooperative's financial profitability, debt, and ratio of independence. In short, the norm prioritizes the sustainability of the cooperative over the profitability of a particular year from the perspective of the cooperative's members′ compensation.

A norm of this kind creates several challenges in terms of decision-making. For example, the criteria are homogeneous for a heterogeneous group of cooperatives. Indeed, the main discussion in the process was about the appropriateness of these particular criteria. For example, the second criterion measures the number of fiscal years a cooperative will need to pay its debt considering its yearly capacity for profit or Earnings Before Interest, Taxation, Depreciation and Amortization (EBITDA). However, in specific sectors, the need for continuous investments makes it difficult to meet these criteria even for wealthy cooperatives.

Still, consensus within main governing bodies was possible and a nearly unanimous majority in the Cooperative Congress approved the norm. At the Corporation level, the procedure enacts a series of checks and balances enhancing the robustness of the decision before it goes to the General Congress. First, it is the head of the corresponding department at the Corporation's headquarters, in this case, the department of finance, who elaborates a proposal. The first step, therefore, is technical. The task is to respond to the general aim expressed by the Congress in a way consistent with external and internal laws and regulations. Once a first proposal is ready, it passes through a double check. It must pass the Standing Committee and then the proposal must be approved by the General Council. In this case, the proposal was approved by both the Standing Committee and the Council and, with the corresponding modifications, was submitted for vote in the General Congress in 2018 and it was approved by a large majority; only 16 out of 639 voted against it. Therefore, it can be argued that checks and balances through corporate procedures enhanced the norm with sufficient robustness to cross the rubicon of the General Congress.

Asked about it, a senior executive of the corporation underlined the value of the norm because it ensures the prevalence of the interest of the cooperatives over the short-term interest of their members. Procedurally, he argued, the fact that the discussion took place at the level of the group facilitated decision-making at the level of the individual cooperative. This kind of decision is hotly contested in the General Assembly of individual cooperatives, so establishing a general rule simplified the process and enhanced its efficiency. However, in his view, it was not only about efficiency. The extensive support in the General Congress suggests something more: the norm matched the basic cooperative principles of the group well. In other words, once the norm was set explicitly, it was difficult for a cooperative member not to comply with it. The authority of the norm was based on its reasonableness in the light of shared principles and the very fact of being subjected to a collective scrutiny at the level of the group made it prevail.

Recent events demonstrate things might not be that easy in future practice and that positive measures can have negative consequences. Still negative consequences do not disqualify the contribution that checks and balances at different levels can make to the capacity of worker cooperatives to take difficult decisions; or at least those that can go against the short-term interest of worker-members in an individual cooperative.

5. Summary and discussion

The comparison between the Norwegian model of industrial democracy embodied in the cases of Aker Solutions and the Mondragon Cooperative Experience responds to the view shared by the authors that both experiences, notwithstanding their particularities, have something common to tell the world about the ways of doing business better and more humanely. We have made an empirical and analytical case that the assumption that the current neoliberal system of political economy is inevitable and unreformable is false. We have done so by presenting two diverse, innovative, and resilient manufacturing alternatives that manage the labor-capital relationship humanely and that are surviving in competition with firms that accept the neoliberal capitalist logic of workers subject to capitalist extraction.

Arriving at this point analytically has meant overcoming a fetishistic approach to both cases as 'exotic' souvenirs of a past with no future relevance. We show that both cases emerge from lengthy struggles in very particular circumstances and evolve along divergent paths. Despite this, both are major industrial enterprises structured on a national and regional scale and successfully compete in a hostile global market.

Unlike many who write about industrial democracy and cooperatives, we are not providing the reader with a recipe for achieving humane businesses in the current global system. Our analysis shows that there is no recipe because no two contexts are the same. However, we have laid out some major lessons to be learned from the structures and processes presented in the two cases. These lessons can provide guidance to enable others to find their own ways toward a more humane business and social future.

To arrive at this point, our analysis has centered on framings that show what both cases have in common. These form our basic ontology.

- Systems perspective: We have analyzed both cases as systems adapting to a broader systems context. This places the focus on the relations among their key parts, how these are mutually adapted, and how they support adaptive interactions with the broader environment. We have shown that the success of both cases does not depend only on their initial setup and charismatic founders, but on their openness and adaptability – their capacity to evolve in a constant conversation with the broader environment.
- Positive and dynamic linkages between the social structures and cultural dimensions. It is well known that major dissonance between social organization and the cultural experiences of the members of a group is destructive. Change in one necessitates change in the other. We have emphasized how, at different moments in their historical development, both systems have been capable of readapting the relationship among these parts to re-establish equilibrium between the causal-functional (social or organizational) and logico-meaningful (cultural) dimensions of their systems in the context of new circumstances.
- Deliberative processes: Throughout we have focused on deliberative processes by which the social and cultural components of these systems are developed and balanced in response to critical events in the environment. These deliberations include considerations of both the strategic paths forward and day-to-day operations in the workplace. We have showed how each system enables the flow of these conversations both through mechanisms of political and socio-technical participation that enable organizational changes and new adaptations to the changing environments they operate in.

Overall, both cases demonstrate that organizational democracies can successfully compete in global markets while providing humane alternatives to global vulture capitalism′s treatment of labor and local communities from which the workforce comes. Both systems embody a common commitment to a more balanced approach to the relationship between labor and capital. This is accomplished through sustained participatory efforts (both political and socio-technical). In short, this is the sustained practice of organizational democracy. Both cases are pro-social in intending to make their community/society better by doing business in a better way.

These similarities matter and contain important lessons for those who wish to learn from the cases but the differences in structure, context, and strategy revealed in the two cases are also vitally important. They show how both systems have responded differently to the challenges they face and the unique mechanisms and processes they have developed to adapt to their business environments and societies. These differences show that there are paths forward for such systems but that each has to find its own way, stimulated hopefully by learning about what other industrial democratic systems have done.

The Norwegian case involves a national system of laws and partnership agreements among unions, employers, and the government. This system surrounds the individual companies and interacts with them. Starting in the 1930s, the conflict between Norwegian labor and capital was institutionalized as an effectively regulated negotiating relationship between the unions, the employers, and the government, a relationship organized on the national level, as well as locally. Over the decades this has supported a work life system built on rich relations and institutional regulations within the companies and beyond them. Key to this system was the establishment of collective agreements based on profit sharing, the so-called productivity agreements. In the post-World War II period and well into the 1970s, the workers' organizations had a clear agenda to take control of the means of production away from capital. While they did not succeed, the industrial democracy experiments in the manufacturing industry in the 1960′s were partly driven by this effort. They altered the perspectives of the workers and employers and the industrial democracy politics of the government.

In the absence of absolute formal power, the workers have nevertheless been able to develop significant formal and informal influence. Using the Main Agreement as a tool, the trade union movement has been able to ensure workers′ greater influence over their own work situations and some control over the companies' decision-making. Also, the employer side came to acknowledge that employee influence has had a positive effect on the companies' performance. Key to this has been the interplay between political and socio-technical participation where at some moments, the political participation processes at times stimulate socio-technical participation, and at others, where socio-technical participation directly catalyzes political activity. This interaction between the political and the socio-technical dimensions contributes to a positive developmental dynamic in these organizations.

The case highlights how also external regulative institutions like the Main Agreement are brought into the local organization and act as vital ingredients in formatting and re-formatting of work and organization when they are put to use by organizational actors such as union representatives. The work organization within the company is subject to support and regulation from several points in the larger institutional environment. At the same time, skillful people/groups of people can also use the broader institutional environment as tools to pursue their own interests within the companies. The Norwegian case analysis describes the different

institutions at various levels in detail because these are where management and employee representatives meet to deliberate socio-technically and politically.

We have also showed how organizational democracy addresses new developments, providing a detailed account of how the new digital proposal box has been developed and implemented in the organization. The example reveals how this process is sewn together through the various forums at different levels, all the way from the proposer, via the department committee, and sometimes all the way up to the board.

The Norwegian case shows how industrial production processes benefit from organizational conditions based on both political and socio-technical participation. It builds work processes that are challenging and sustainable and that drive innovation and restructuring processes, all within an agreed-upon, balanced framework. Sound industrial democracy is not just about letting people have a vote or of individuals being invited to participate at work. It is about building organizational "heedfulness" – deliberation and action based in reciprocal understanding and appreciation of the roles and aims of others. This creates adaptive organizational dynamics.

The Mondragon case begins with the inheritance of a community trying to rebuild itself from the ashes of the Spanish Civil War and in the darkest years of a fascist dictatorship. Key to its success, in this initial period, was the closed nature of the Spanish market, the strong sense of community and industrial tradition of the people of the valley in which Mondragón is located, and the charismatic leadership of its founding figures. From this initial period, it conserves a strong sense of community and its industrial tradition as well as a certain veneration of its founding figures.

Today, however, Mondragon is a multinational corporation competing in the global market. Indeed, the sustainability of the Mondragon Cooperative Experience depends on its capacity to re-calibrate the equilibrium between the ethos of a community development agent and the practices of a multinational corporation on a continuing basis.

At the level of the cooperative group, the profound industrial crisis of the 1980 s and the strong internationalization of the group in the 1990s changed the balance among key elements. The industrial crisis pushed a reconfiguration of the group into business areas and divisions, leaving behind the original regional groups. Simultaneously, the corporation developed shared mechanisms for providing technical and financial assistance to the cooperatives and boosted the internationalization of cooperatives. Both efforts proved very successful and contributed crucially to cooperatives' survival. However, the measures had an impact on the identification between workers, cooperatives, and their surrounding community, and raised concerns regarding the overall sense belonging and meaning of the Mondragón Cooperative Experience.

Notwithstanding these tensions, both the transition towards a more integrated corporation via the organization into business areas and divisions and the advancement of group-level strategies (i. e., internationalization) demonstrated the strength of the MCC as a federative association of cooperatives. It also highlighted the crucial role of inter-cooperative solidarity infrastructures in dealing with the daily challenges. For example, the example of downsizing shows how inter-cooperation and solidarity among cooperatives helps individual cooperatives deal with very complex circumstances (i. e., a global pandemic) while keeping their commitment to work and industrial democratic values.

At the level of the individual cooperatives, the balance between the social and business dimensions of the cooperative project was achieved through the strict separation of both

functions in different structures. This separation was initially meant to ensure the proper functioning of both. The socio-structure (Governing Council, General Assembly and other components) channels political participation and ensures the social orientation of the overall project. The techno-structure (business units, departments…) channels socio-technical participation and guarantees the proper operation of the business on a day-to-day basis. This structural setup provides the techno-structure with autonomy for day-to-day management decisions. However, the socio-structure retains the power to orient and re-orient the cooperative project strategically. The priority of labor over capital is guaranteed because as the owners, the cooperative members appoint and can dismiss the managers.

The problem with this separation is that as the size and complexity of the cooperatives has grown, this division of labor can create challenges for the operational capacity of both structures. The complexity of issues and decision-making in globally competing cooperatives affects the capacity of the Governing Council to exercise its duties vis-à-vis management. The growing distance between elected members in the representative institutions and the members they represent, namely the worker-members, challenges the members' sense of identification with the organization and affects their perceptions of the legitimacy its decisions.

The increased size and complexity also incline managers to employ hierarchical and technocratic modes of management. This tendency seems to have been enhanced particularly in the case of the overall MCE, because of its strong emphasis on political participation. To address these problems, recent steps have been taken with the support of the corporate structures. As seen in the example we gave of strategic planning, the very fact of being a member of a more comprehensive network can boost virtuous cycles of collaborative control between the different actors involved in decision-making about sensitive matters within a cooperative. We gave the example the capacity of the Governing Council to make difficult decisions contrary to the personal interests of some individual worker-members. Also, the proposal for a "Good cooperative governance framework" (Otalora, 2019) developed by the social management structures of the corporation provides an orientation bridging the gap between cooperative governance and business management. It aims to boost trust and co-responsibility and to temper the loss of perceived legitimacy created by difficult decisions.

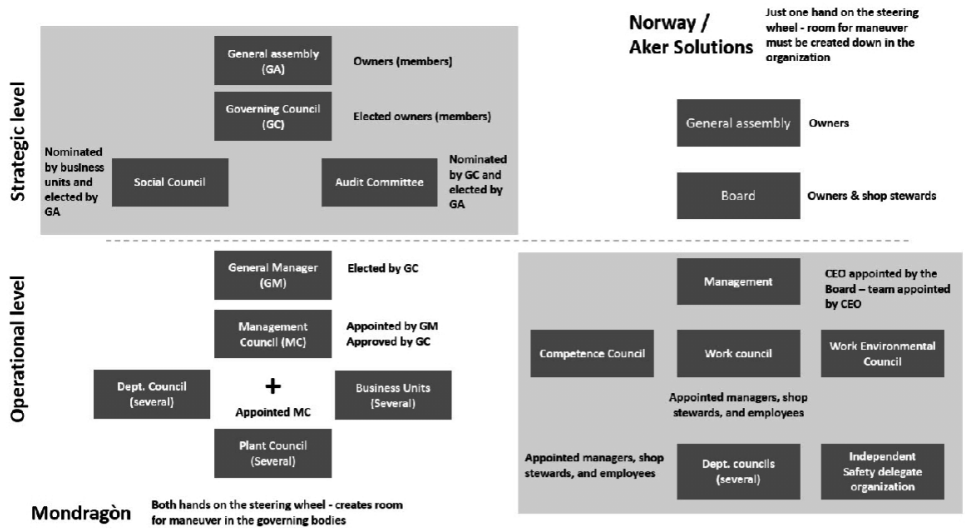
This partial summary of the cases points not only to the shared elements laid out in our initial framing of the comparison but also highlights the very different ways the systems address the issues.

Both cases reveal the importance of mutual awareness, a sense of solidarity, and collectivity all necessary to sustaining a more humane approach to the relationship between labor and capital. Yet both frame these processes differently. Mondragón emphasizes joint ownership whereas Norway emphasizes partnership. Norway builds on national regulatory systems while Mondragón emphasizes inter-cooperative solidarity. What they have in common is that the relationship between labor and capital is not resolved at the level of the individual firm but at the level of broader system components.

The comparison also reveals how differences regarding who is part of the system and how the relations among the different parts of the system are established directly influences the definition of structures and processes inside the companies. Both cases provide channels for conducting deliberations on strategic and operational issues, but they differ in the way they structure these channels and conduct these processes.

As can be seen from Figure 11, the two systems emphasize participation in different parts of company management. In cooperatives, political participation is central. The employees are

Figure 11: The different emphasis on participation in the two systems



owners and can, through the established management system consisting of various corporate councils, control the way companies are managed. For example, the general manager is appointed by the Governing Council. Moreover, worker-members can reject decisions taken by the Governing Council in the General Assembly. For these reasons, a proper functioning of cooperative's governance requires of a regular communication flow reaching individual worker-members.

In the Norwegian system where the ownership lies with private owners, and where employees' participation in the governing body is limited, the focus is on participation at the operational level. In the same way as in the cooperatives, a structure has been established that safeguards participation, but then at an operational level there is a strong focus on the employees' everyday work. This structure is essential in maintaining the interaction between political and socio-technical participation. In both systems, therefore, participation structures are an important foundation for achieving the balanced interaction between political and socio-technical participation.

6. Closing reflections

In doing this analysis, we have aimed to promote further development of industrial democratic systems opposed to the "stark utopia" of neoliberalism′s exploitation of labor and communities solely for capitalist profit. We suggest that the following are some of the considerations those attempting to move in an industrial democratic direction should take into account.

– If industrial democratic systems are not one-size-fits all, how can new efforts in this direction learn from the histories and structures of existing successful systems?

- It is clear in the cases that we presented that culture (ethos and worldviews) are important resources and components in the success of such systems. How do new efforts build a culture that sustains an industrial democratic effort without hobbling its entrepreneurial capabilities and how does this cultural baseline evolve over time in response to changing circumstances?
- What do unionized environments and non-unionized cooperative systems have to learn from each other about the balancing of the interests of labor and capital in competitive enterprises?
- Given the detailed agreements and complex structures to manage the relationships between labor and capital revealed in both cases, how can new startups or transformations of existing organizations learn from these structures of political and socio-technical participation and not have to repeat all the trial and error that led to the consolidation of the systems we have portrayed?
- Are their boundaries or scales beyond which industrial democratic systems cannot survive or to which neoliberal capitalist organizations are better suited or not?

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Introduction to invited response essays

To promote dialogue and analytical development, we sent the core essay of this special issue to three international researchers with a request for responses to the essay and to a set of questions about it that we formulated. These questions were set as prompts rather than as directives and the respondents were free to take up the issues and perspectives that struck them as most important.

- **If industrial democratic systems are not one-size-fits all, how can new efforts in this direction learn from the histories and structures of existing successful systems?**
- **It is clear in the cases that we presented that culture (ethos and worldviews) is an important resource and component in the success of such systems. How do new efforts build a culture that sustains an industrial democratic effort without hobbling its entrepreneurial capabilities and how does this cultural baseline evolve over time in response to changing circumstances?**
- **What do unionized environments and non-unionized cooperative systems have to learn from each other about the balancing of the interests of labor and capital in competitive enterprises?**
- **How are we to understand the complex and dynamic relationship between organizational cultures and socio-technical systems that such organizations are always trying to balance?**
- **Given the detailed agreements and complex structures to manage the relationships between labor and capital revealed in both cases, how can new startups or transformations of existing organizations learn from these structures of political and socio-technical participation and not have to repeat all the trial and error that led to the consolidation of the systems we have portrayed?**
- **Are there boundaries or scales beyond which industrial democratic systems cannot survive or to which neoliberal capitalist organizations are better suited or not?**

The three response essays that follow take up a variety of issues. Following them, in the spirit of dialogue, we lay out our understanding of what we have learned from the responses and the questions that remain to be worked on.

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Democratic alternatives to hierarchy — why so few?

Bob Dick

Abstract: Examples are briefly described of organizations that offer a perspective to complement the experience of industrial democracy in Norway and Mondragon. The examples are organizations choosing a structure and culture that minimize hierarchy. They provide a less-traditional approach to balancing political and socio-technical participation. To do so they devolve responsibility for coordination of effort and expertise to individuals and teams most directly providing the effort and expertise. This gives the individuals and teams high autonomy. Examples include a university class, action learning projects in community and organizational settings, and a voluntary self-organizing network of facilitators. In addition, a small sample of organizations from the larger sample documented by Corporate Rebels (https://corporate-rebels.com/) is also briefly described and compared. Finally, the examples are located within other, wider, changes taking place.

Keywords: balancing political and socio-technical participation, organizational structure, organizational culture, industrial democracy, minimal hierarchy, butterfly effect, paradigm shift

Alternativas democráticas a la jerarquía - ¿Por qué tan pocas?

Resumen: Se describen brevemente ejemplos de organizaciones que ofrecen una perspectiva complementaria a las experiencias de democracia industrial en Noruega y Mondragón. Los ejemplos son organizaciones que eligen una estructura y una cultura que minimizan la jerarquía. Proporcionan un enfoque menos tradicional para equilibrar la participación política y sociotécnica. Para hacerlo, devuelven la responsabilidad de la coordinación del esfuerzo y la experiencia a las personas y equipos que hacen ese esfuerzo y tienen esa experiencia de manera más directa. Esto da a las personas y equipos una gran autonomía. Los ejemplos incluyen una clase universitaria, proyectos de aprendizaje en acción en entornos comunitarios y organizacionales, y una red voluntaria de facilitadores autoorganizados. Además, también se describe y compara brevemente una pequeña muestra de organizaciones de la muestra más grande documentada por Corporate Rebels (https://corporate-rebels.com/). Finalmente, los ejemplos se ubican dentro de otros cambios más amplios que están ocurriendo.

Palabras clave: equilibrio entre la participación política y socio-técnica, estructura organizacional, cultura organizacional, democracia industrial, jerarquía mínima, efecto mariposa, cambio de paradigma

1. Introduction

This paper engages particularly with the tension between political and socio-technical participation and how to resolve it. My intention is to explore some examples that may suggest alternative theoretical and practical approaches. I draw on two different samples. One is my own experience over half a century in structuring academic classes participatively, and in the use of participatory action learning for large action learning programs in community and organization development. I also draw on the 25 years of existence of the Australasian Facilitators Network, a self-organizing network of about 800 facilitators in Australia and Aotearoa New Zealand. A second, brief, sample is drawn from the growing collection of trail-blazing organizations identified and documented by Corporate Rebels on their corporate-rebels.com website 'bucket list'.

Let me anticipate the conclusion I will later draw. As in the lead article in this issue by Johan Ravn and his colleagues (Ravn et al., 2023), culture is an important aid or hindrance to innovative structures. In particular, I conclude that existing and partly tacit assumptions about the nature of organizations, leadership, and coordination, are central. A widely held set of these assumptions can be characterized as the bureaucratic mindset. For people with such a mindset, I conclude that some promising alternative structures violate too many of their assumptions. The Ravn et al. article identifies many other aspects in its Norwegian and Mondragon examples. All are again relevant to the examples below, though only the aspects of organizational environment and of individual and cultural evolution are explored.

I too have assumptions. One of them that underpins my understanding of the different examples is explored below. It concerns organizational structure. Organizations can achieve large or complex tasks beyond the ability of unorganized individuals. They do so by coordinating the effort and expertise of multiple individuals and teams. Important questions follow from this idea — how is the coordination actually achieved, and by whom? Answers to this question open up some alternative ways of resolving the tension between political and socio-technical participation.

With this background, and the focus it provides, I now describe each of the examples. I begin with some of my own experience as learning facilitator and change facilitator. I also draw on my experience as the moderator of the email list that is the main coordination mechanism for the Australasian Facilitators Network.

2. Classroom and community participation

2.1. A university class

The example I draw on here was a fourth-year optional class in the final year of a four-year undergraduate program in psychology. The version I describe here evolved from many years of trial-and-error pursuing continuous improvement. My aim as course convenor was to bring democracy and participation to the classroom. For a little more detail see Dick (1991).

The starting point was very different. Initially, in the first week I tried to engage the learners in co-designing course content and process. The outcomes were disappointingly pedestrian. Each subsequent year I continued to experiment to find ways to improve learner

engagement and participation. Eventually I learned to facilitate the first four weeks of the whole-year course. In these weeks I helped learners prepare for week five, when we would co-design the rest of the first semester.

In these early weeks I clarified the limits to our freedom to design the course. In addition, I devoted much effort to building a strong sense of community within the class. Some activities addressed this directly. Some activities with other aims also included relationship-building components. Learner-chosen small groups engaged in intense relationship building within their group. The class also met, informally, with the previous year's class at a party at my home on the Saturday or Sunday on the first weekend. We also spent a weekend away (often under canvas) for learners to experience each other as real people, not as 'students'. The weekend was structured as half-work (or fewer attended) and half-play.

In week five we planned the first half of the course. There were three components to the day. First, the learners identified subject-relevant topics that would contribute to their own future work and life. In a second activity we identified the features of the learning processes we wished to use. Finally, small groups chose, from the class-compiled list, a workshop topic that they volunteered to design, facilitate and evaluate. From the chosen topics we built a week-by-week timetable.

For the rest of semester, a typical class consisted of one or two experiential workshops, each facilitated by a small group. Occasional sessions also reviewed our progress, agreeing on any changes. In the final week of semester (usually off-campus to achieve some distance from our regular roles) we reviewed the semester. We then designed our second semester program.

How did this achieve the coordination required within the class, and beyond? As mentioned, we addressed within-class coordination by choosing workshop topics from the whole-class list. How the groups operationalized and facilitated their workshop was then their own choice. Our early efforts to build community and relationships also helped coordination. To manage external interdependencies, we carefully observed University requirements.

A second example in this section consists of a series of community development programs conducted in a number of provincial centers in south-east Queensland.

2.2. Community revitalization

The Queensland government financed the program through the Queensland Small Business Corporation (QSBC). Provincial centers wishing to take part contacted QSBC, usually through their local council and local business organizations. The QSBC project officer then spent about six weeks in the community gauging their suitability, and the level of financial support warranted. During this time, she also set up a steering committee of local opinion leaders to help guide the program. (In retrospect, steering committee was not the best choice of label.)

After about six weeks I facilitated a one-day visioning and planning activity. Participants were a diverse group recruited from the community by the steering committee. They strove to include all local interest groups. For the visioning activity I used a modified and much-shortened version of Search (Emery, 1999). It asked participants to specify an idealistic vision for their community. They then identified a number of current actionable projects worthwhile in their own right and also consistent with the vision.

For each project, a participant volunteered to be a liaison person. Their only task was to recruit a small project team of people who fervently wished the project to succeed. Project teams usually consisted mostly or entirely of people who would directly benefit if the project succeeded. A slightly more expanded description of this community program can be found in Dick (2007).

The QSBC project officer and I continued our involvement. So did the steering committee, instructed not to 'steer'. Their task was communication, not control. They assisted with coordination between project teams and with the wider community. We made an effort to include the manager of any local newspaper or radio station on the steering committee. Foreshadowing a theme that I return to later, it was often a struggle to discourage the opinion leaders on the committee from trying to control the projects. They were accustomed to hierarchies in which senior people usually directed others.

As with the university class (above), projects were legitimized by being chosen by whole-community representatives. This aided within-community coordination, as did steering-committee communication. The QSBC project officer ensured that QSBC and government requirements were met. This provided the beyond-community coordination. Most project teams did achieve project goals because, as direct stakeholders, they benefitted from it.

Subsequent experience with action learning in other settings has also helped me to understand why so many of these programs did achieve their goals. (See also Dick, 2017.)

2.3. Other action learning projects

Applying action learning in other settings, I was less assured of the commitment of the project team members. As with the university classes, I learned to take initial control, later deliberately relinquishing it. In an extended first session with a project team, I pursued five objectives, now described.

First, and by far the most important, I helped team members to experience each other as whole human beings, not as occupants of their work roles. For this purpose, I facilitated the strongest relationship building activities that team members consented to.

Second, I sought goal commitment by encouraging project teams to own their project. They were asked to think of the goals as outcomes, defined in outcome terms. They were asked, "What will indicate to you that you have been successful?"

Third, project teams identified and listed other stakeholders. Teams displayed the list visibly whenever they met. Before making any decision, they consulted the list to check that appropriate stakeholders had been involved.

Fourth, I desired project team members to understand and own the decision making and problem-solving processes they used. This was to help them to share responsibility for their cooperation as a team. For this, I facilitated a process that developed two (occasionally three) guidelines for how they wished to work together.

The guidelines were worded to be specific, actionable, and easily monitored. Again, the team posted them visibly each session. At the conclusion of every session, they reviewed how well they followed the guidelines. When they consistently achieved a guideline, they replaced it with another guideline on another desired aspect of their process.

Fifth, I was keen to strengthen their individual commitment to the project team and project. I invited them to identify an individual learning goal. It was to be important to them individually, while compatible with project goals and wider organizational requirements.

These five activities aided coordination within each team and with the rest of the organization. As before, I initially facilitated sessions, later relinquishing control to give project teams almost complete autonomy.

The final example from my own experience is of a large completely voluntary group with a structure that is deliberately minimal.

2.4. Australasian Facilitators Network

The Australasian Facilitators Network (AFN) is a self-organizing network of facilitators in Australia and Aotearoa New Zealand. About 800 facilitators subscribe to an email list to maintain contact. A website also provides information on the AFN and its planned events. Some facilitators stay connected with the AFN through more local volunteer networks, including in the state capitals of Sydney, Melbourne and Perth.

The AFN has no Constitution and no office-bearers. Its continued existence relies on individual and collective initiative. As one example of how this has worked in practice, each year since AFN's creation in 1998, a group of people within the network has volunteered to design and facilitate an annual conference or gathering. This has happened every year.

Coordination within AFN is easily achieved because there are almost no necessary ongoing requirements for it. Every AFN member is a free agent. If someone wishes to initiate an activity, they identify any interdependencies and negotiate coordination with others affected. It also helps that AFN members are facilitators, many highly skilled. Most believe in participation and autonomy.

Over the 25 years of the AFN's existence, certain norms to assist coordination have developed. For example, for some time now it has been common practice that each conference or gathering includes one session for a 'general assembly', at which people contribute suggestions for future changes. Another common recent practice is that the organizers of the previous year's gathering offer support or advice to those organizing the next gathering. Any of these practices could be overturned if members decided to do it. Mostly, though, there is enough commitment to them for them to be respected.

Comparing my experience of the three different situations, all are characterized by high autonomy for individuals or small groups. The culture of the system helps to provide continuity, encouraging certain attitudes and mindsets. You will notice parallels between these examples and the organizations now briefly described. The emphasis in the descriptions is again on how coordination is achieved.

3. Trail-blazing organizations

3.1. Morning Star

Morning Star is a tomato-processing company based in California. It has about 600 members in the tomato-growing off-peak, and several thousand during the annual peak. There is an owner. Everyone else is a 'colleague'. There are no middle managers.

How is lateral coordination achieved? Colleagues identify who depends on them, and on whom they depend. They meet with each of these colleagues, one at a time, to negotiate how to manage their interdependencies. The resulting colleague letters of understanding (CLOU's) are posted on the company intranet, accessible to other colleagues. CLOUs are revised as needed, and at least annually.

Some guidance is provided to the negotiating colleagues by protocols and templates. For example, templates illustrate the expected content of the CLOU's.

3.2. Joint Special Operations Command

The US General Stanley McChrystal was appointed to command the Joint Special Operations Command (JSOC) in Afghanistan in 2003. As he reports in his 2015 book Team of teams, he found his forces in Afghanistan unable to respond quickly enough to the agile Al Qaeda enemy forces.

McChrystal therefore set up an alternative structure, bypassing the usual defense hierarchy. At weekly sessions, people of any rank could interact directly with others of any rank, to coordinate activities. JSOC became more agile, able to respond rapidly to new intelligence, often within hours rather than days.

3.3. Buurtzorg

Buurtzorg is a Dutch home care organization. It consists of its founder, Jos de Blok, and (in Holland) about 800 independent nursing teams. Each team of 10 to 12 home care nurses provides home care within a defined geographical area. Within Holland it has about 10,000 members. Each team undertakes that if it grows beyond 12 members it will split in two. Each team is responsible for all aspects of its operation. For example, it finds its own venue, recruits its clients, and maintains its own profit-and-loss statement. (See also Nandram, 2017.)

A backoffice of about 80 coaches and experts provides a team with whatever help they need to achieve full autonomy. As a team is responsible for a specific geographical area, little between-team coordination is required. Coordination is with their patients and suppliers of services within their own area. There is contact between teams, mainly to learn from one another by discussing their experience. A shared website assists.

This very devolved structure without middle managers achieves low costs. Also, measured patient and worker satisfaction are high.

3.4. Haier

Haier is a very large high-performing and profitable Chinese white goods manufacturer. Zhang Ruimin became Haier CEO in the 1980 s. With constant experimentation he gradually converted Haier into a diverse and highly responsive organization by developing an innovative structure. Now an organization of about 80,000 people, it consists of a large number of small microenterprises, each of between 10 and 15 people. A microenterprise pursues high quality service and high customer satisfaction with a specific product or service. Within this purpose, it is fully autonomous. Haier is now regarded as the world's leading manufacturer of household appliances. Cao (2018) describes it in detail.

Identifying a new opportunity, Haier members create a microenterprise. Each microenterprise manages its internal interdependencies. It also enters into other agreements as required, either within Haier or elsewhere. In other words, it identifies an opportunity offering performance and profit, then manages it directly.

These trail-blazing organizations, and the many others documented by Corporate Rebels, are more than usually effective. Joost Minnaar (2019a) has documented this on the Corporate Rebels website. All or almost all are characterised by high financial performance, satisfied customers, and employee enjoyment. Very few are imitated. On the Corporate Rebels website, Thomson (2021) asks, "Why are rebels so rare?"

Some organizations documented by Corporate Rebels have adopted a successful less-hierarchical structure, and then later reverted. Minnaar (2019b), one of the founders of Corporate Rebels, lists five examples of these 'poster boys of the future' that 'revert to traditional models'. He attributes the reversions to a change in leadership, a looming crisis, or both. Minnaar and the other Corporate Rebels founder Pim de Morree have also written a book about their experience (Minnaar & de Morree, 2020).

As I intimated earlier, I conclude that much of this is because the new structures violate assumptions held by many people about organizational governance and structure. Partly tacit, those assumptions are less accessible to conscious reasoning.

This conclusion fits within a wider set of considerations. In particular, there is a key difference between what I call indirect coordination and direct coordination. In the former, coordination is provided by someone other than the people whose behavior is being coordinated. In the second, those with the interdependencies are themselves responsible for coordination.

To situate the examples within a wider literature, I now consider in turn the effects of evolution and complexity.

4. Evolution, individual and collective

Three elements of our evolutionary inheritance seem particularly relevant in explaining a common reaction to some of the newer organizational structures. Two of the elements are part of the sociological concept of homo duplex — that we are both individuals and social beings. The distinction is credited to Émile Durkheim (1914). He believed that individual inheritance determines who we are. Our sociality, on the other hand, he attributed to social teaching, especially via religion.

Present understanding suggests that is only partly true. Systems do socialize their members into certain behaviors. However, it also makes sense to regard sociality as at least partly a natural aspect of who we are. Our species once mostly lived in small, egalitarian hunter-gatherer groups. Christopher Boehm (2012) reported some of the evidence for this, from past and present tribal groups. The same social tendencies have been documented in non-human social primates and some other species (Walraven, 2019), though usually less prominent than individual competitiveness.

Obviously, traditional evolutionary selection partly determines human nature. Individuals whose qualities best fit their immediate environment survive to have more progeny. Sociality is also due to survival, in this case of the whole tribe. Individual survival is more likely if their tribe survives. Individual selection is thus a component of evolution of all species. Our species, on the other hand, spent most of its existence cooperating within tribal hunter-gatherer cultures — for 200,000 years or more. Then with the advent of agriculture about 8,000 years ago individualistic competition again became valorized. The industrial revolution of about 200 years ago amplified that trend.

What, then, of the third component I mentioned? It is depicted in much of the work by Chris Argyris, especially with Don Schön. Together they wrote an important book on individual links between beliefs and actions (Argyris and Schön, 1974). Four years later they extended their models to apply to organizations (Argyris and Schön, 1978). The heart of their approach, especially in Argyris's hands, is a simple but counterintuitive notion. In Argyris's own words:

> "Although we say we value openness, honesty, integrity, respect and caring, we act in ways that undercut these values —not just once in a while, on very rare occasions, but regularly and routinely—whenever we face threatening or otherwise difficult situations." (Argyris, 2010, p. 11).

It is now understood that some primitive parts of our brain have a fast connection to our senses. Sensing threat they can take over the brain and control our reaction. This is the response that Goleman (2011) popularized as the amygdala hijack. Our conscious brain is not involved. It may even sometimes be blind to what is happening.

All this is about who we are, as individuals and as a social species. It helps to explain why we structure social systems as we do. Meanwhile, as this has been occurring the world may be on the verge of becoming less stable and less predictable.

5. The global trajectory of increasing complexity

For nearly two decades, futurists such as the Millennium Project team (Glenn, Florescu & the Millennium Project team, 2017) documented global developments. As they watched, the world accelerated and continues to do so. This constrains what future organizational structures may be possible. Complexity theory explains why.

Edward Lorenz, mathematician and meteorologist, illustrates this point. In the 1970 s he drew attention to the consequences of high complexity on predictability. The title of his 1972 conference paper attracted the attention of his colleagues, and more widely. His paper title (1972) asked, "does the flap of a butterfly's wings in Brazil set off a tornado in Texas?" The incident that triggered his own understanding is an illustration.

On his modest computer Lorenz had programmed a weather simulation. With 12 interacting variables it generated realistic simulations of weather events. On one occasion, Lorenz noticed an interesting pattern in the computer printout. To watch it again as it developed, he keyed in the 12 values from a point in the printout and restarted the program from that point. The printout followed a somewhat different, and eventually very different, trajectory. This was surprising. Computers are deterministic machines. Inputs determine outputs.

Then an important realization dawned. He had typed the values of the 12 variables to the three decimal places visible in the printout. Internally, however, the computer worked to a precision of six decimal places. A dramatic conclusion follows. Changing the input variables by no more than one thousandth of a unit eventually generated different outcomes. Expressed differently, the system of 12 interacting variables was essentially unpredictable.

To say this differently again … In a system even with many elements, but not very interactive, linear and reductionist methods of analysis can be effective. One or more experts with appropriate expertise can understand what happens. Planning is possible. Beyond a certain level of interaction this is no longer true. The situation has become unpredictable. In an unpredictable situation, trial and error must replace planning. In the large and growing literature on complexity, I find David Snowden's formulation very practical (Snowden & Boone, 2007; Snowden & Rancati, 2021).

It seems to me that many current organizational decisions are based on assumptions that are a reasonable fit for a less complex world. Peter Senge (2006), inspired by Argyris, called these assumptions mental models. Such traditional mental models, I propose, inhibit organizations from adopting some recent successful experiments in organizational structure. The mental models support traditional ideas about organizational culture and structure.

6. Conclusions

The examples I've described share some recurring features. In all, hierarchy has been minimized or avoided. Coordination is mostly achieved directly by those carrying out actions, not indirectly by someone else. This may also have the effect of reducing the total amount of coordination required.

It may be this feature that discourages many organizations from imitating. I wonder if the cooperatives described in the lead article by Ravn et al., operating as they do as a hierarchy, appear less violating of assumptions and thus less risky. If so, this can be an important advantage of hierarchy.

Two other subsidiary issues may warrant mention. First, in some situations there are wider interdependencies and requirements to be honored. What then? My experience has been that most people are comfortable having specified limits that constrain their autonomy.

Second, most examples on the Corporate Rebels bucket list were initiated by a single person, or occasionally a small team. The initial shift is typically driven by a person who assumes control, and later deliberately relinquishes it, as I now do. My own examples illustrate that during the initial phase, negotiating expectations with participants can increase participant support for change. Sometimes, skills or understanding must also be developed.

Let me now briefly address six issues proposed to me by the editorial team for this special issue of the journal. I think all are important.

First, can we learn from existing and prior examples? From the examples I have described, not fully. Direct imitation assumes that organizations are very similar, and the world predictable. We've seen that this often isn't so. General features of prior successes may be taken as a guide. If a situation is almost certainly unpredictable, some trial and error is also necessary.

Second, Mondragon and Norway illustrate that culture is important. My examples convey a similar message despite their structure being different. I suggest above that industrial democracy combined with hierarchy may be less culturally challenging to existing mental models than the Corporate Rebels bucket list organizations.

Third, how relevant are unions? In experiences I've not discussed here, I've found that direct involvement of local union officials can be helpful, and sometimes necessary. Uninvolved, they may respond in an adversarial manner. (In an earlier career path, I was for a time a local union representative in addition to my role as a draftsperson.)

Fourth, a key theme in the lead article by Ravn et al. is the balancing of cultural and sociotechnical systems. This has been a theme, not always transparently, in my own discussion. The way in which structures achieve the balancing is important. People with greater autonomy can control their processes and equipment, not be controlled by them.

Fifth (and related to the first), documented start-ups and other transformations eventually achieved success often only after a period of trial and error. Could they have avoided the trial and error by learning from existing examples? For me, the answer is — only to a limited extent. In a sufficiently complex world, I believe the future is too unpredictable. In this, I think futurists and complexity theorists would agree.

Sixth, what about the issue of scale and scaling? Does it matter? There are logical reasons to assume so. Consider the trivial example of adding one person to an existing team of three. Formerly there were three pair interdependencies to manage. Now there are six. Following Dunbar (e. g. 1998) I used to assume that an upper limit for shared decision making was about 150 people. In fact, as most of us associate with more than one organization or community, I thought that 150 was usually too many. The examples above demonstrate that this need not be so. Scale is an issue, though it can be sidestepped.

Finally, let me place all of this within its broader context. If the rate of change continues to accelerate, we may approach a major transition point — a paradigm shift. I think that most systems will then face a choice. They can attempt to honor their existing mindsets and persist with traditional approaches — which I expect to fail. Or they can embrace what I see as the most likely structural paradigm for the future. They can replace much (though not all) conventional planning with trial and error and restore more autonomy to individuals and teams.

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Review of Productive Pragmatism: Can industrial democracy be viable under neoliberalist capital conditions?

Shankar Sankaran

Abstract: I review the two cases of industrial democracy in Norway and Mondragon using multiple perspectives. From a system thinking perspective, I use a General Systems Theory (GST), Viable Systems Model and Soft Systems Methodology. From a management perspective, I examine how institutional entrepreneurship plays a role in creating new ways of coping with regulative, normative, and cultural-cognitive forces impacting the two cases. I then view the two economies from a governmentality perspective on how they deal with power and autonomy. My analysis demonstrates that the two democracies have coped well with internal and external forces. I also argue that industrial democracy would face challenges in dealing with new ways of working that have emerged due to the influence of technology.

Keywords: Viable Systems Model; Soft Systems Methodology; Institutional Theory; Governmentality

Una revisión del Pragmatismo Productivo: ¿Puede la democracia industrial ser viable bajo condiciones capitalistas neoliberales?

Resumen: Reviso los dos casos de democracia industrial en Noruega y Mondragón utilizando múltiples perspectivas. Desde una perspectiva de pensamiento sistémico, utilizo una Teoría General de Sistemas (TGS), un Modelo de Sistemas Viables y una Metodología de Sistemas Blandos. Desde una perspectiva de gestión, examino cómo el emprendimiento institucional juega un papel en la creación de nuevas formas de hacer frente a las fuerzas regulativas, normativas y cultural-cognitivas que impactan en los dos casos. Posteriormente veo las dos economías desde una perspectiva de gubernamentalidad para ver cómo tratan con el poder y la autonomía. Mi análisis demuestra que las dos democracias han hecho frente bien a las fuerzas internas y externas. También argumento que la democracia industrial enfrentaría desafíos al tratar con nuevas formas de trabajo que han surgido debido a la influencia de la tecnología.

Palabras clave: modelo viable de sistemas, metodología de sistemas blandos, teoría institucional, gubernamentalidad

Introduction

As I began to review the two excellent accounts of industrial democracy (Norway and Mondragon), it took me a while to reflect on how to respond, as I am not a specialist in the topic area. However, as I started reading the accounts, I began to sense a feeling of excitement that I may have something to say as a scholar working on organizations and management and systems thinking.

I plan to look at what has been written from three perspectives. The first perspective is from the viewpoint of systems theories. The editors mention General Systems Theory in their lead article. My view will be more from a cybernetics perspective, especially using the Viable Systems Model developed by Stafford Beer (Beer, 1984) as their essay asks a question about viability. I will also refer to Peter Checkland's work on Soft Systems Methodology (Checkland, 1989) as the article discusses conflict resolution with multiple actors with multiple perspectives.

The second perspective is from institutional theory as we are discussing institutions and their interactions with the environment in the two cases. I will specifically use Scott's work on institutional theory that discusses "regulative, normative and cognitive structures and activities that provide stability and meaning for social behavior" (Scott, 2014, p. 33). Within this view I will also discuss the role of institutional entrepreneurs. The term institutional entrepreneur refers to the "activities of actors who have an interest in particular institutional arrangements and who leverage resources to create new institutions or to transform existing ones" (Maguire, Hardy and Lawrence, 2004, p. 657).

The third perspective is from a governance perspective as my research covers project governance where we discuss the impact of governmentality on neoliberal theory which "involves a description of the shaping of freedom and power's attempts to negotiate the space between a subtle exertion of authority over subjects and their complete autonomy." (Baerg, 2009, p. 117)

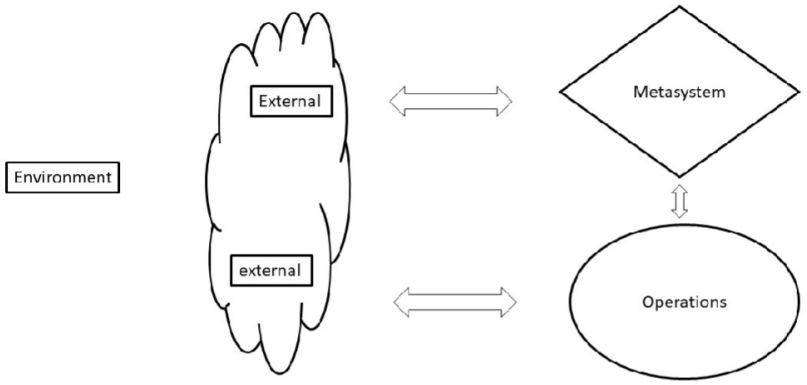
Before I discuss what, I observed about the case studies from the three perspective I will introduce some of these perspectives briefly for the sake of the reader who is unfamiliar with them.

1. Systems Theories

Cybernetics developed from control engineering but has similarities to the concept of GST (Bertalanffy, 1968) in that its founder Norbert Wiener (Wiener, 1948) opined that it works across disciplines as "it dealt with general laws that governed control processes whatever the nature of the systems under consideration" (Jackson, 2003, p. 7). The key concepts of cybernetics include communication, control, and feedback. While the early cyberneticists were mathematicians, engineers and scientists, cybernetics, also attracted social scientists such as Gregory Bateson's (Bateson, 1972), whose work on is mentioned in the lead article. I will also refer to another concept developed by cybernetics. Ross Ashby's concept of requisite variety (Ashby, 1956) is also used in Beer's Viable Systems Model. Ashby's notion of requisite variety implies that to cope with the complexities posed by an external environment a system (or organization) must have sufficient variety. The later cyberneticists developed second order cybernetics which is known as the cybernetics of the observing system taking a more subjective view that recognized the social construction of reality. Stafford Beer's Viable Systems Model is also driven by second order cybernetic ideas which originated from his work on neuro-physiological concepts which he applied to management systems. His original work viewed the firm using human physiology (heart and brain) as metaphors to design a viable organization (Beer, 1972; Beer, 1979).

The structure of a Viable Systems Model depicting an organization has three basic elements (see Figure 1).

Figure 1: Viable Systems Model for an Organization.



The metasystem represents the functions carried out at the top of an organization such as developing strategy and policy. The second element, Operations, deals with the day-to-day working of basic activities of an organization (e.g., manufacturing) and its coordination. An organization is an open system that is in constant interaction with the external environment. The organization interacts with the environment in two ways. The operations are concerned with the immediate environment (e.g., market demand for its product guiding the rate of production) while the metasystem is scanning the future environment to decide on policy and strategy (e.g., whether current products could become obsolete creating the demand for newer products).

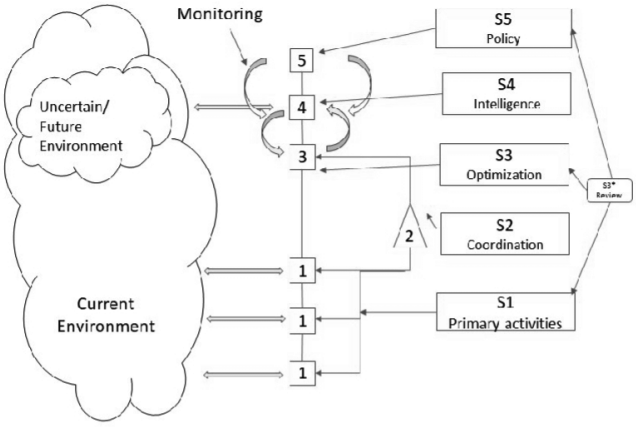
A Viable Systems Model as applied to an organization has five systems called S1 to S5, as shown in Figure 2.

S1 is the subsystem where primary activities of the whole system are performed. An example is the production line of a manufacturing firm.

S2 is the coordination function when several activities being carried out at S1 need to be coordinated or balanced to minimize perturbations. This work is usually carried out by managers on the production floor who manage any conflicts or remove bottlenecks.

S3 optimizes the interactions at the S2 level such as optimizing activities to balance production across several production lines and also acts as a resource bargaining for provision of adequate resources to S2 and S1. It also has a direct link to S5 which is the level of policymakers such as making regular reports on production figures. A special function at S3 which is known as S3* which is the audit function such as the quality control function in a factory that ensures that any quality issues are brought to light.

Figure 2: Subsystems of a Viable Systems Model.



S1, S2 and S3 are responsible for the present state of the organization and the day-to-day concerns of the organization.

S4 is called the intelligence function that scans the external environment to see if any future events that could impact on policy and strategy of the firm.

S5 is the policy level that direct the organization and set policy and strategy.

We will now look at how we can represent the two case studies using viable system model to analyse if all the subsystems depicted in Viable Systems Model can be identified and whether any of the essential components are missing.

I will use two figures presented in the case studies to depict a Viable Systems Model.

Figure 4 of the Norwegian Industrial Democracy System could be used to draw up a Viable Systems Model of the system. The structural elements shown in the political and socio-technical systems can be used to construct a Viable Systems Model of the Norwegian Industrial Democracy System as our system of interest.

The SDM projects (Figure 4 of the lead article) can be viewed as the S1 subsystem or operations of Norwegian Industrial Democracy System. The department committees can be considered as S2. These committees discuss improvement proposals, deal with work environment issues and initiate internal improvement teams. These committees coordinate the activities of the SDM projects.

The work carried out by the Work Committees dealing with the various reports can be considered as the work of subsystem S3. S3 acts like a hub and a link is shown to the Board indicating that Work Committees report back to the higher levels.

The role of the board clearly shows activities that are usually carried out at a policy level. However, because of the nature of this system the board and the union together represent the function so S5 as both have decision making responsibilities.

The role of the Working Environment Committee can be viewed as the work of S3* if it has a review or audit function or S4 if it also collects intelligence from the outside environment. This is unclear and the authors of the article can throw more light on this.

One example of how Norwegian Industrial Democracy System takes care of oscillations that have an impact on the system is evident from the way the systems managed downsizing. The assessment process clearly shows the balancing actions of the systems to keep it viable through self-organization.

It will be interesting to know how these challenges that led to downsizing were predicted or anticipated. That will show which body in Norwegian Industrial Democracy System performed the function of the subsystem S4.

Let us now look at Mondragon.

Figure 10 used in the Mondragon case study can be compared to a Viable Systems Model. In the Mondragon case the separation between the operations and metasystem is clearer.

S1 is clearly where work is carried out in departments and sections representing the daily work required to be carried out.

S2 is the line managers of the various functions depicted as Directors.

S3 is the work of the CEO who optimizes the function of the cooperative and communicates with the higher levels.

The audit committee along with the social council represent the function of S3*.

The President and the Governing Council represent the function of S5.

The subsystem S4 is again not so clear in the Mondragon cooperatives.

There is evidence that the Viable Systems Model for Mondragon has a balancing function between the political and socio-technical participation.

The lack of a S4 subsystems becomes clearer when issues with strategic decision making are explained from pages 35 onwards. Did the lack of a S4 subsystem lead to the collapse of Fagor Electrodomésticos as no intelligence function was performed? This is worthy of discussion in the article.

Incidentally Viable Systems Model has been used to design an adaptive Viable Systems Model to contribute to industrial democracy in a textile manufacturing company in Turkey (Toprak & Torlak, 2018). Table 1 shows a comparison of Viable Systems Models for the Norwegian Industrial Democracy System and Mondragon.

Table 1 – Comparison of Viable Systems Model for the two cases.

Subsystem	Norwegian Industrial Democracy System	Mondragon
S1	SDM Project/Initiatives	Work in departments and sections (Production?)
S2	Department Committees	Directors of department and sections
S3	Work Committees	CEO
S3*	Working Environment Committee	Social and Audit Council
S4	Unclear	Unclear?
S5	Board and Union	President and Governing Council

2. Soft Systems Methodology

Next, we look at aspects of Soft Systems Methodology evident in the two cases.

Checkland (1989) observed while in using systems engineering (a hard systems approach) to solve management problems that these problems were often ambiguous and not well structured. Addressing such issues required reaching an 'accommodation' of stakeholders who had conflicting views but could agree on a way forward through a debate. Soft systems thinking uses a process called "rich pictures" to capture stakeholder views visually. Checkland (1989) argues that problems faced in organizations should be called 'problematical situations' as you need to learn about the problem before addressing it. Rich pictures which capture problems without analyzing them does that. These pictures "capture informally, the main entities, structures and viewpoints in the [problematical] situation, the processes going on, the current recognized issues and any potential ones" (Checkland & Poulter, 2006, p. 25). Once rich pictures have been drawn by stakeholder groups with different perspectives, they can visit each other's pictures to understand their differing perspectives and the 'worldviews' that gave rise to those pictures.

In both cases in the lead article multiple stakeholder views had to be ascertained and 'accommodated' to achieve "desirable and 'feasible change" (Checkland, 1985). But it is unclear what participatory approach was used in Norway and Mondragon to debate stakeholder views and arrive at a consensus to move forward. That would have been useful to explain.

As soft systems methodology developed and started being used by practitioners to apply it to their own organizations it had to address social and cultural aspect of the situation being addressed as well, along with the power and political issues involved. This is also evident from the case studies in the discussion of sociotechnical participation and power and politics and its influence on the working of the two cases.

Another tool used in Soft Systems Methodology is the development of a human activity system. This usually takes place after the transformation required to improve the systems under consideration is discussed. The human activity system (HAS) represents the important steps to be taken to get the transformation in place including the sequencing of these steps. It serves as a high-level statement for the scope of a project that helps deliver the transformation and is evaluated for efficacy, efficiency and effectiveness. Figure 6 of Norwegian Industrial Democracy System resembles a HAS as part of the project design to develop flexibility to promote competitiveness.

While considering the transformation often the worldview of the systems under consideration is used to develop stakeholder accommodation. Mondragon's original motto (Ravn et. al., 2023, p.20) depicts its worldview "to do justice to a holistic view of the worker as a person".

3. Institutional Theory

Another perspective on the case studies is from institutional theory. I want to use Scott's three pillars framework to examine the case studies (Scott, 2014).

Classical institutional theory posits that organizations adopt organizational structures to suit the environments in which they operate to maintain stability and gain legitimacy. DiMaggio and Powell (1983) identified three types of isomorphisms that constrain organizations. Coercive isomorphism, which is enforced by external forces and behaviours of external organizations (e.g., mandatory reporting). Mimetic isomorphism, which rests on alignment and mirroring and works towards rendering organizations to imitate successful organizations in a field (e.g., a bank). Normative isomorphism, which influences organizations gaining legitimacy through adopting practices and standards established by professional bodies (e.g., ISO standards for quality). DiMaggio and Powell (1983) argued that organizations are not static and that the actions of "institutional entrepreneurs" can promote creative change. Battilana et al. (2009) described institutional entrepreneurs as individual actors within an organization who can change an organization through collective action.

Scott (2014, p. 56) defines institutions as made up of "regulative, normative, and cultural-cognitive elements that, together with associated activities and resources, provide stability and meaning to social life." Regulatory processes generally set rules and monitor and sanction organizations. Normative systems "include both values and norms" (Scott, 2014, p. 64). Values express desirable behaviours while norms "specify how things should be done". Normative systems specify desirable outcomes and how to pursue them. Cultural-cognitive areas are based on organizational cultures and behaviors bringing conformity to the way 'things are done' (Scott, 2014, p. 68); indeed, "a cultural-cognitive conception of institutions stresses the central role played by the socially mediated construction of a common frame of meanings" (p. 70). Javernick-Will and Scott (2010) created typologies of knowledge in relation to the three institutional pillars, as shown in Table 2.

Table 2: Typologies of knowledge (Based on Javernick-Will & Scott, 2010, p. 550)

Regulative	Normative	Cultural-Cognitive
Laws and regulations	Work practices	Local culture/beliefs
Operating laws	Social norms, expectations and local preferences	Language/concepts/meaning
Knowledge of government	Industry organization	
	Logistics	
	Relationships	
	Resources and productivity	
	Market knowledge	

The three-pillar framework can provide some insights into the two case studies to point out various aspects of the theory in use.

In the Norwegian Industrial Democracy System, the Main Agreement can be considered as part of the normative pillar due to the establishment of collective agreements as "Social norms, expectations and local preferences" while the industrial democracy experiments can be viewed as a cultural cognitive element to see if the results could be meaningful to the people

involved. Einar Thorsud's work created the necessity for change and he can be viewed as an institutional entrepreneur who tried to mobilise people through his research program.

The skilled people/groups using the institutional environment (Ravn et al., 2023, p. 8) point to a cultural cognitive aspect of the organization. The main agreement is also referred to as a regulative institution (p. 8) which points to the regulative pillar. The cooperative conference (p. 9) where deliberations take place contributes to the cultural cognitive pillar.

In the Mondragon case, the group of young entrepreneurs led by a charismatic priest to transform living conditions (p. 20) represents a form of intuitional entrepreneurship to instigate change to the system of cooperatives that can be viewed as an institution. The establishment of local protocols by the Work Councils (p. 20) represents a normative aspect of the institution as a work practice. The local variants developed to the protocols (p. 20) can be attributed to the cultural cognitive pillar as adjustments to suit local culture. So too are the Inter-cooperation mechanisms (p. 32) developed between cooperative and corporate structures. Cultural cognitive activities are also observed in the procedures that were developed to improve the robustness of decision making (p. 37) at the general assembly.

The criteria that were considered appropriate for a group of cooperatives to ensure fiscal processes such as earning, taxation, depreciation and amortization represent what was necessary to follow regulations thus pointing to the regulative pillar.

Table 3 shows a comparison of the elements of the three pillars for the two cases.

Table 3: Comparison of Three Pillars for Norwegian Industrial Democracy System and Mondragon

Case	Regulative	Normative	Cultural cognitive	Institutional Entrepreneur
Norwegian Industrial Democracy System	Main agreement	Main Agreement can also be normative?	Skilled people groups using the institutional environment Cooperative conferences	Einar Thorsud and his research
Mondragon	Fiscal processes	Work Councils	Local variants of protocols Procedures for General Assembly	Young entrepreneurs and charismatic priest

4. Governmentality

Governmentality refers to how 'we think about governing, with the different rationalities or, as it has been sometimes phrased, "mentalities of government" (Dean, 2009, p. 24). In other words, what we think about governing or being governed. The ideas of governmentality arose from the works of Barthes (2013) and Foucault (1991). Governmentality also represents how governance is implemented in organizations considering human aspects of governance.

When authoritative approaches are used to govern organizations, punishments or penalties are enforced on managers to follow rules and procedures. If liberal approaches are used, then managers are often incentivized to follow rules and procedures as well as motivated to follow them. In neoliberal organizations core values that members of an organization share and find it meaningful enables governance.

In both Norwegian Industrial Democracy System and Mondragon neoliberal approaches are found in setting up governance structures. When lack of orders led to the need for redundancies participatory processes were used, which led to a protocol signed by both the unions and management to decide on how redundancies will progress using a process agreed upon and valued by all. There was no attempt to force decisions to reach a fair solution. The mobile schedules used to deal with Covid-19 downsizing (Ravn et al., 2023, p. 33) and the establishment of benefits committee (p.35) shows how care is taken during times of change to look after the interests of the worker member. The collective leadership implemented to deal with challenges of the market dynamics also shows how the organization's vision and mission are kept in mind despite disruptive challenges. Several of the processes used in both Norwegian Industrial Democracy System and Mondragon reflect the care taken to protect workers even during challenging times indicating that these are values-based organizations.

5. Industrial Democracy

Poole, Lansbury and Wailes (2001) who have been studying developments in industrial democracy, discuss some ways to understand historical movements that are relevant to answer some questions raised by the authors. Poole et al. (2001) classify the main types of industrial democracies as:

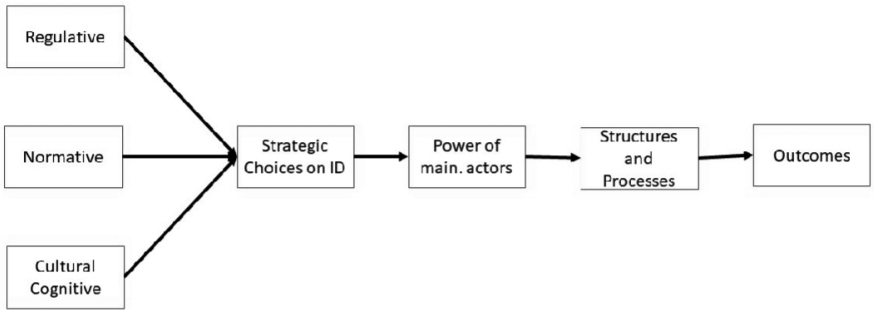
1. Initiatives started at the shop floor by workers to have control over production processes.
2. Union based participation where bargaining and negotiation on conditions of employment take place.
3. State-based initiatives with legislative support that focus on employee's rights to participate in decision making.
4. Initiatives taken by managers to increase employee involvement to contribute to efficiency, productivity and being adaptable to changes.

They trace the historical evolution of industrial democracy to three approaches:

1. Evolutionary approaches depend on 'growing role for the state and legislature in industrial relations' (p. 492).
2. Cyclical approaches that do not think that the development is linear but happen in cycles demonstrating "isolated periods of advance that have been followed by the decay and abandonment" (p. 492).
3. A more complex approach is based on isolation of factors that explain the movement. This view argues that "long term discontinuities arise from variations in the power of actors" (p.493), but the trend seems to favor management.

Poole et al. (2001) present a model to explain the growth of industrial democracy that include structural variables, subjective variables and the legal framework and politics. Poole et al's (2001) model can be viewed from the three pillars of Scott (2014) that was discussed earlier as shown in Figure 3.

Figure 3: Analysis of Industrial Democracy



Regulative elements are the legal framework and polity, normative elements are structural factors based on economics and technology and cultural cognitive elements are subjective based on cultural values and an ideological predisposition.

In a more recent book chapter published by Poole et al. (2018) point to the "recent advances in information and production technologies [that] have led to multitasking using operational clusters in the firms" (p. 26). These are relevant to the context of debates on industrial democracy and can be of relevance to address the questions asked in the article by Ravn et al. (2023).

More recently, Poole et al. point to a decline in trade and state unions over the past decade. They attribute this to "globalization not markets and production, fundamental political changes based on the neo-liberalist agenda, rapid technological advances" that have resulted in the increase in power of management (p. 27). This has been aided by declining economic performance especially in Western countries as production has moved to countries like China and Vietnam.

In the West, flexible specialization in work has given rise to 'responsible autonomy' among work teams (p. 29). This has led management to introduce new modes of participation using schemes that promote such participation.

6. Questions to be addressed

The two case studies with different trajectories demonstrate that industrial democracies have developed differently but there are some similarities as the analysis of these case studies using different perspectives shows. The use of Viable Systems Model to examine the two case studies shows that both streichen possess subsystems that can lead to a viable system, although their purposes may be different.

My analysis also shows that worldviews do guide these systems to cope with changes in the external environment, which led to downsizing in both cases. While changes had to be made for the systems to survive, the worldviews did provide some stability in the midst of change.

Unionized movements and cooperative systems are facing a crisis in the West as pointed out by Poole et al. due to economic conditions, technological advances and the imbalance in the power of management. This will require some adjustments in how these structures adapt to learn from each other and introduce new ways of working. The use of apps in Norwegian Industrial Democracy System is an example of how advances in technology can be used to enhance participation.

The analysis of the two cases using Scott's (2014) three pillars framework of Institutional Theory shows how elements of cultural cognitive pillars are used to adapt to changes.

The two case studies detailed in the article provide rich descriptions of processes, structures and protocols used to support their growth despite economic challenges. They serve as a good example that existing organizations can learn from in setting up industrial democracy designs.

However, changes are afoot and industrial democratic systems should adapt to new flexible ways of working. There is evidence that despite the diminishing union power and deregulatory policies adopted by governments, management could still take steps for increased participation to create high performance organizations (Levine, 1997; Diamond, 2011).

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Comparing organizational democracy in Norway and Mondragon: Lessons learned for other nations and initiatives

Joseph R. Blasi and Douglas Kruse

Abstract: We have been asked to compare and contrast the Norwegian system of industrial democracy with the Mondragon federated corporation of worker cooperatives to arrive at a realistic appraisal of what can be learned from both systems and to discern the lessons to be learned for other nations and other initiatives. In doing so, the kinds of lessons that are needed for the emerging system of broad-based employee share ownership and industrial participation in the United States will be introduced as a part of our analysis. We are hoping that our colleagues and readers can benefit from the books and empirical research sponsored by Rutgers University's Institute for the Study of Employee Ownership and Profit Sharing[1] and our sister Journal of Participation and Employee Ownership[2].

Keywords: employee ownership, ESOP, worker cooperative, Employee Stock Ownership Plan

Comparando la democracia organizacional en Noruega y Mondragón: Lecciones aprendidas de otros países e iniciativas

Resumen: Se nos ha pedido que comparemos y contrastemos el sistema noruego de democracia industrial con la corporación federada de cooperativas de trabajadores de Mondragón para llegar a una evaluación realista de lo que se puede aprender de ambos sistemas y discernir las lecciones que se pueden aprender para otras naciones y otras iniciativas. Al hacerlo, se presentarán como parte de nuestro análisis los tipos de lecciones que se necesitan para el sistema emergente de participación industrial y propiedad accionaria de los empleados de base amplia en los Estados Unidos. Esperamos que nuestros colegas y lectores puedan beneficiarse de los libros y la investigación empírica patrocinados por el Instituto para el Estudio de la Propiedad de los Empleados y el Reparto de Utilidades de la Universidad de Rutgers y nuestra publicación hermana Journal of Participation and Employee Ownership.

Palabras clave: propiedad de los trabajadores, programas/planes de propiedad accionarial de los trabajadores, PPAT, cooperativas de trabajadores

1. Brief overview of each system

Let's begin with our summary appraisal of what each system has achieved and what it constitutes at a very high level.

1 Available at: https://smlr.rutgers.edu/content/institute-study-employee-ownership-and-profit-sharing, www.cleo.rutgers.edu

2 Available at: https://www.emeraldgrouppublishing.com/journal/jpeo

Norway has a population of about 5.5 million people, an economy of approximately ½ trillion in U.S. dollars in size, 2022 estimated per capita Purchasing Power Parity of about $78,000 (sixth highest in the world) and 2022 per capita nominal GDP of about $93,000 (third highest in the world). The entire market value of the Norwegian stock market ranged from about $300 billion to $400 billion in August and September of 2022 ("Norway," n.d.).[3] The Norwegian system of industrial democracy was built on the Main Agreement" in 1935 between the Confederation of Trade Unions (LO) and the Confederation of Norwegian Enterprises (NHO) which was supposed to manage labor-management conflict for employers and democratize economic life for unions and the workers for whom they spoke and hoped to speak. Labor Party governments for approximately three decades after WWII helped strengthen this system. Then Conservative Party governments, alternating Labor and Conservative Party Governments, and a Centre-Left minority government with a Labor prime minister have changed and rebalanced this evolving system.

Five large system changes have affected this system, not necessarily listed in order of importance:

1. The discovery of oil and the large contributions of this revenue to Norway's sovereign wealth funds that supports the social programs and growth of the economy.
2. The fact that only about half of Norway's current workforce is unionized although about three-quarters of workers are estimated to be covered by collective bargaining agreements.
3. The added layer of industrial democracy provided by the application of the European Union's 1994 and succeeding directives on works councils[4] essentially providing for an elected works council when there are at least 150 enterprise employees in at least two member states.
4. Much of the labor-intensive industry in the country has been outsourced
5. Despite the world perception that Norway's vaunted Social Democracy has been weakened with the respective alternating liberal and conservative governments, it is important to note, from the 50,000 feet vantage point, that Norway has one of the most developed welfare states in the world and a large state-owned sector in its economy and is regularly classified by global metric systems as the world's most democratic country, one of the least "failed states", one of the highest standards of living, with workers who are among the most productive in the world.

The Mondragon Corporation is located in the Basque Region of Spain and is a system of workplace democracy based on a federation (in a self-governing corporate conglomerate) of 95 cooperatives, 80,000 workers, 14 R&D research centers, with the top ranking in the Basque region as a corporation and one of the top rankings in all of Spain as a corporation (Mondragon Corporation, n.d.)[5]. It began in 1955–1956 with a vision of a Catholic priest and a few workers. Using the data presented by the Mondragon Corporation on the number of workers and the estimates of their productivity in U.S. dollars, we estimate that the nominal GDP per worker is $181,250 which would put it higher than that of the nominal GDP of Norwegian workers. Unlike Norway, Mondragon is almost totally non-union if not over 95 % non-union.

3 On the value of the stock market in total market capitalization, see: https://www.ceicdata.com/en/indicator/norway/market-capitalization

4 On the European Union's directives on works councils, see: https://ec.europa.eu/social/main.jsp?catId=707&langId=en&intPageId=211

5 For a recent New York Times story, see: https://www.nytimes.com/2020/12/29/business/cooperatives-basque-spain-economy.html

Like Norway, Mondragon has a system of social welfare including private health insurance, unemployment compensation, subsidized higher and professional education, supplemented by wages that at the lowest level are above Spain's minimum wage and an enforced gap of the highest to lowest wage over in the corporation of 1 to 6 although in some cooperatives they reported to be as high as 1 to ten.

Like Norway, there is a percentage of workers in the Mondragon corporation who are hired labor and do not participate in all of the benefits of member-workers.

2. Addressing the Questions

We will now address the five questions that we as reviewers have been asked to consider.

– If industrial democratic systems are not one-size-fits all, how can new efforts in this direction learn from the histories and structures of existing successful systems?

Focusing on Norway

Both the Norwegian industrial democracy national system and the Mondragon cooperative corporation have been successful at involving workers in far-reaching participative and deliberative mechanisms to decide about their fates, to adapt to challenges that come their way, and to control the work itself within their companies. While we observe that the national system of laws and norms of the Norwegian system has had truly stunning staying power since the 1930 s in order to influence businesses owned by private owners and state-owned entities in spite of little or no actual worker ownership of the assets to stabilize worker control of the firms, there does seem to be a set of processes that clearly will steadily and slowly lead to a decline in worker power. Speaking from a truly outside vantage point, and certainly not a subjective one (since we have not been involved in the Norwegian system either as a researcher or as a participant), we see several aspects to this decline.

Here are the main challenges. First, the core business processes of the Norwegian firms are being continually squeezed by the world market system and this is forcing them to use cheaper hired labor such as Polish labor, outsource work to other countries, and apply the traditional Norwegian system to a more coordinating set of managerial and productive processes inside Norway. In short, it seems as if the Norwegian industrial democracy system will be mainly for these managerial coordinators and production coordinators principally going forward, not for average workers.

Second, as front-line workers are downsized, replaced by machines, and farmed out to hired and foreign labor, clearly the basis for strong trade unions will continue to decline, unless there is evidence of a resurgence of specifically white-collar unions in Norway. Third, the fact that Norway has not emphasized actual employee ownership of shares in the businesses will continue to weaken the Norwegian system gradually going forward. Unlike in Mondragon, capital ownership by private non-worker owners will help accelerate all these three processes.

For lessons learned on this question from the Norwegian system, we would say that states or regions beginning now to revise their industrial relations system should consider the

following. At this advanced moment of advanced capitalist economies worldwide, the Norwegian system of national laws and norms in combination with the starkly more aggressive world market for capital, for labor, and for outsourcing production/design/management, may not be a possible model to follow. It would only work to consider the Norwegian approach if they have similar conditions that Norway had in its first decades. We do not think that applying the Norwegian system can achieve the level of advantages that the system achieved for Norway unless applied in similar past circumstances. Having said that, it is clear that it can be relatively potentially easier to reach a consensus at the national level between organizations of employers and organizations of unions rather than sort it all out in millions of individual enterprises, so the "push" for ongoing industrial democracy from this aspect of Norway's system is certainly a solid idea. Imagine, if you will, a Middle Eastern or African or Asian or Latin American nation that is inspired by Norway, attempting to learn from their overall industrial democracy framework, while adding to the system a form of profit sharing or worker share ownership. We doubt that one of these countries would get the level of industrial stability, standard of living, and co-determination that Norway has achieved for a 90-year period, in this time and age, but it could certainly help. On the other hand, we can imagine that a government with the interests of average workers in mind, and hoping for industrial stability as a precursor to national growth, could adopt a Norwegian-type consensus to involve workers in consultative processes.

It is important to emphasize that, by all accounts, education and research and training has played a central role in encouraging participatory processes to emanate from the top into individual firms. It is not simply that powerful groups made national consensus agreements but that Norwegian research institutes, government training funds, and Norwegian education institutions threw themselves behind studying and developing the system and identifying and transferring skills to owners and managers and workers that would help to develop it. Any country seeking to replicate it will need to replicate this.

Obviously, this is not to say that the U.S. economic system or the UK economic system cannot learn from the Norway framework. Clearly, the U.S. and the U.K. are two advanced economies that have managed to keep even basic recommended labor-management consultative processes out of their economies – let alone mandated works councils for decades while the European Union has moved in the other direction. During the 2016 Presidential primaries, Senator Bernie Sanders of Vermont and Senator Elizabeth Warren of Massachusetts tried to introduce these issues by running on a platform of introducing workers on boards of directors in the United States. The resonance with the dominant political parties was clearly minimal.

Focusing on Mondragon

For lessons learned from the Mondragon system, it is important to recognize in a very focused fashion that the time period that Mondragon and Norway attempted to innovate labor-capital relation is basically the same and the world economic pressures that both systems experienced are comparable although not entirely similar. Mondragon, like Norway, could not cut itself off from the world system of shifting cheap production to less richer regions. Mondragon, like Norway, made the choice to outsource some of its production to cheaper workers who were not covered by the protections of either system. In the end, this development could clearly destroy both the hard-won Norwegian and the Mondragon accomplishments since the middle

of the last century. If Mondragon does not confront its system of hired labor it will be eventually destroyed and turn into a form of industrial democratic feudalism with a small number of owners benefitting from a large number of workers.

On the other hand, Mondragon has been more successful in building both financial and organizational participation into the DNA of each individual enterprise. This was accomplished by making workers owners and tying the rights of ownership, namely, financial participation and the decision-making rights that go along with it, within each individual enterprise. However, when one puts a microscope on Mondragon, it becomes absolutely clear that the Mondragon and Norwegian systems share the use of high-level consensus in a federative structure in order to maintain the commitment of the individual enterprises. Norway does it through a national consensus and Mondragon does it through a federation of worker cooperatives. We think that the relatively greater staying power and strength of the Mondragon federation is that it is bottom up and not top down as in Norway. In short, workers own their enterprises and participate in deliberative bodies, but the general assemblies of workers elect expert councils who elect managers and all of these worker cooperatives elect representatives to the Federation bodies who, again, use expert bodies to select top managers. Thus, Mondragon has protected itself from the extremes and risks of direct democracy by groups of individual workers directly electing managers in a kind of popularity or political context. Mondragon has also protected itself from several major criticisms of worker cooperatives, namely:

– -that they cannot react fast because they do not have strong executive management;
– -that they spend too much time deliberating on decisions; and,
– -that they miss critical innovations in products and services.

Mondragon addresses this last issue by having research centers for innovation.

We do think that Mondragon has an important lesson for employee-owned firms and worker cooperatives globally. In the United States we have 400–700 worker cooperatives with anywhere from 7–10,000 workers in them. By contrast, we have about 6,500 Employee Stock Ownership Programs (ESOPs) with 14 million workers. About 6,000 of these firms are closely held, namely, not traded on public stock markets, and several thousand of them are majority to 100% worker-owned. The ESOPs have more traditional management with the trustee of the Employee Stock Ownership Plan (ESOP), which under US law is a retirement pension trust with fiduciary duties selecting the board, with this board selecting managers. In most cases, workers do not have representation on this board although that is now changing. The small sector of worker cooperatives (where firms have a median size of less and ten workers) have continually criticized the ESOP firms as being non-democratic in their decision-making. In fact, the closely held non-stock market listed ESOP firms, while larger in size, most with several hundred to several thousand workers, tend to have flatter organizational structures, more employee involvement, more training, and more profit sharing. We have been observing for a half a century how these two "close cousins" of industrial democracy get along in the U.S. The lesson to be learned for the U.S. and similar models such as the U.K. – where a small worker coop sector now exists alongside a very large sector of Employee Ownership Trusts (EOTs) is clear. The worker cooperative sector will never grow if it stays focused on direct democracy and direct election of managers at companies above the size of five or ten or so employees. The use of the Mondragon example by worker cooperative sectors worldwide often misrepresents the fact that Mondragon uses representative councils to elect and select

managers and that these councils elect management councils that run the firms. This has some similarity to ESOPs. On the other hand, the ESOP sector of majority and 100 % worker-owned firms in the U.S, needs to learn from Mondragon that the representation of workers on boards of directors is doable, practical, and eminently feasible.

– It is clear in the cases that we presented that culture (ethos and worldviews) is an important resource and component in the success of such systems. How do new efforts build a culture that sustains an industrial democratic effort without hobbling its entrepreneurial capabilities and how does this cultural baseline evolve over time in response to changing circumstances?

The lessons to be learned from Norway and Mondragon are quite clear. Both systems clearly value executive management and managerial leadership while creating opportunities for individual workers at many levels to come up with new ideas. Both systems use research on technological innovation to improve the value of their goods and services to customers. These worldviews are easily transferrable. However, the ethos of a worker-centered culture where the work lives of individual workers and groups of workers actually matter to national leaders and to the public at large and to political parties and leaders of both company associations and worker associations (such as unions), is not easily transferrable. In Norway, this worker-centered ethos has deep cultural and national roots. In Mondragon, it was nourished by a combination of the Basque identity and Basque self-determination. For example, one can imagine a fascist regime or dictatorial government trying to implement such a model for various popular reasons, or a newly democratic republic after a popular democratic revolution trying the same. One can imagine a transitional socialist or Communist regime doing the same. Or a democratic nation that has a weak trade union movement. In each of these cases, without a worker-centered ethos, for sure, the introduction of the Norwegian industrial democracy system would fail and the introduction of worker cooperatives would very likely end up devolving into management-dominated fronts. Does this mean that no other countries can try either system? No that is not the case. It does mean that the national leaders and political parties and worker federations and employer federations would have to begin and sustain a strong national message that workers and their work lives and their family economic security are at the center of the new system.

– What do unionized environments and non-unionized cooperative systems have to learn from each other about the balancing of the interests of labor and capital in competitive enterprises?

We think that one clear lesson learned here is that without a doubt a worker-centered ethos in both Norway and Mondragon complemented what is essentially a 50 % union density country in Norway and a close to zero union density in the Mondragon conglomerate. I suspect however that where unions exist and strong shop stewards are involved with the backing of union participation by their members, that the Norwegian consultative processes work best. Mondragon has been able to "approximate" this worker collective power through its "bottoms-up" system of a workers' General Assembly in each firm that elects governing council that selects the management council. The elected Social Council is a voice for all the workers while the Audit Committee is also a worker representative body. Mondragon raises the serious empirical question as to whether these consultative bodies are de facto unions because they are

democratically elected by worker owners or whether they end up being dominated by managers with more organizational power.

We see at least theoretically see both sides of the question. On one hand, if these are real elections and the entire Mondragon system – similar to a national trade union organization – is based on lower-level worker-elected bodies then electing mid-level and higher elected worker bodies, what is not to call a trade union? Must a union only be a group elected by an outside organization independent of the firm? Especially if the firm is owned by all the workers. On the other hand, the world is filled with "phony" unions that are merely fronts for management, created by non-supervised elections. We do not know enough to have a final opinion on this but we would ask this key question: can the worker-elected bodies at Mondragon make strong and powerful demands of management? Do they do this? Are they considered widely to be management dominated or not?

Finally, how are we to understand the complex and dynamic relationship between organizational cultures and socio-technical systems that such organizations are always trying to balance? This question is of particular interest to students of organizational democracy.

First, let's recognize some uncomfortable truths. We think that the reason that the Norwegian industrial democracy system became so well known for socio-technical experiments in redesigning and restructuring "the work itself" was precisely because it was not worker-owned. This is not to insult the Norwegian system, only to state the obvious that, not being owners of the firm itself the Norwegian system had to work on worker power through two routes:

– Department committees, work councils, representation on group boards, and trade unions.
– Redesign of the work itself for more direct worker control over the production process.

It is not insignificant to observe that with 100 % ownership of the firm by workers, there may have been less demand by workers for redesign of the work itself.[6] This has always been a weakness of the Mondragon model, laying over an enormous panoply of worker consultative and democratic elected bodies with more traditionally structured workplaces. But it does illustrate an important point: if workers are able to elect a General Assembly at their firm and it can elect a General Council that names managers, and their management council is a representative body, and the workers also have an elected Social Council and Audit Committee, the workers may not be as focused on the structure of the work itself. What does this say about persons in the 21st Century? To us it says that we were mostly born and raised into non-participatory organizations, schools run without much upward participation and early experiences of work that might have been deeply alienating. It says to us that in hierarchically constructed work where workers have job structure focused on "following orders," they have little say in organization of the work itself, selection, recruitment, training, development, and the "management" of schedules and tasks. This legacy is a separate issue that needs to be addressed by structures and processes. It is not enough to simply replace it with worker ownership.

6 An Employee Ownership Trust is a perpetual trust that holds the ownership of a firm on behalf of workers in perpetuity. Workers do not have separate share or stock accounts but receive annual payouts from the firm's profits. See https://eotlaw.com/ In the U.K., leading lawyer Graeme Nuttall is most responsible for developing this sector. He served as the advisor to the UK government on employee ownership. For the U.S., see his presentation at: https://www.youtube.com/watch?v=z8wwB6F7F-s

– Given the detailed agreements and complex structures to manage the relationships between labor and capital revealed in both cases, how can new startups or transformations of existing organizations learn from these structures of political and socio-technical participation and not have to repeat all the trial and error that led to the consolidation of the systems we have portrayed?

This brings up the question of whether a "Third Way" between Mondragon and the Norwegian industrial democracy system could be designed that would have the strengths of each when considered in historical retrospective. We take the US system of about 6,000 mostly majority or 100 % owned employee-owned firms and the growing UK system of Employee Ownership Trusts (evidently one is being founded every two days at this point in history). What could be done with them to learn deeply from the lessons of Norway and Mondragon? For one idea, these firms could be organized into a federation and the federation could take the leadership in expanding training and education on participation. For another idea, these federations could articulate a worker-centered ethos.

We also ask ourselves if countries that have been inspired or will be inspired by Norway could develop a "Third Way." Most observers outside the United States do not really understand the true basis of how the 6,000 mostly majority and 100 % employee owned ESOP (Employee Stock Ownership Plan) companies were developed. They were not founded from scratch one by one as in Mondragon, albeit with the resources of the Caja Laboral Popular behind it. They were mostly developed by doing leveraged buyouts of existing successful firms. In 1974, the powerful Chairman of the Senate Finance Committee, Senator Russell Long of Louisiana (Democrat) worked with law professor, investment banker, and lawyer, Louis O. Kelso to develop government tax incentives that allow workers of existing firms to convert their firms to employee ownership. Briefly, Federal tax law and pension law was amended to allow an existing company to set up an Employee Stock Ownership Plan that could get a loan from a bank to purchase the shares of a retiring or departing business owner and then pay back the loan out of the future earnings of the firm. U.S. tax law allows the new employee-owned firm to get deductions from corporate income tax for both the amount of the principal and interest of the loan. It also gives selling or retiring business owner a way to reduce or eliminate their capital gains taxes on the sale. The U.S. government allows these employee-owned companies organized as 100 % ESOPs using something called an S corporation model to pay zero Federal corporate taxes. The taxes are deferred and collected decades in the future from individual worker-owners when they retire or leave the firm. Research now shows that these firms have over 70 % of their workers also covered by cash profit sharing. Doing these transactions is described in two books, *Democracy and Economic Power* by Louis O. Kelso and Patricia H. Kelso (1986) and *An Introduction to ESOPs* by the National Center for Employee Ownership (Rodrick, 2020).

This can be adopted to a "Third Way" model to help reduce the problems that the Norwegian system has now. For example, the entire market capitalization of Norway is now at about $300–400 billion US dollars with a nominal Gross National Product of about $500. Billion in U.S. dollars. Using the ESOP tax incentives in the U.S. 6000 closely held companies and about 600 listed stock market companies have done leveraged buyouts of owners stock and put $1.7 trillion dollars in the hands of workers as employee-owned stock in ESOPs. We are sure there are many Norwegian employers close to retirement or interested in worker partners who would like to sell part or all of their firms. Imagine the government of Norway

instituting such ESOP tax incentives and tax incentives for cash profit sharing too and combining this "equity/profit sharing" model with its current industrial relations system. Imagine other countries using an ESOP-inspired "equity/profit sharing model" as part of a new industrial relations system using the best lessons from Mondragon and Norway. It is clear to us that the financial accomplishments of the US ESOP leveraged buyout market compared with the size of the Norwegian economy demonstrate the feasibility of such a plan.

– Are their boundaries or scales beyond which industrial democratic systems cannot survive or to which neoliberal capitalist organizations are better suited or not?

We strongly object to the "neoliberal capitalist organizations" wording. Let's be perfectly clear. In almost everything except their consultative committees, Norway's firms are neoliberal capitalist organizations. In almost everything, except that their shares are owned by the workers and they do representative elections, Mondragon's firms are neoliberal capitalist organizations. In Norway the only exception is that workers have consultative rights as the global capitalist economy interacts with them. In Mondragon, the only exception is that workers can supplement their wages with an ownership interest in their firms as the global capitalist economy interacts with them.

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Varieties of industrial democracy- beyond neoliberalism or not?

The Special Issue Editors' response essay

Johan E. Ravn, Oier Imaz Alias, Trond Sanne Haga and Davydd J. Greenwood

We, the co-editors of this Special Issue, aim to promote the expansion of organizational democracy within the global industrial system as a superior and more humane alternative to a neoliberal model incapable of seeing beyond short-term profit-maximizing no matter what the human or environmental cost. We want to reinforce dialogue and debates about the possibilities of sustaining and expanding industrial democracy and therefore social democratic institutions that are under sustained attack by the current neoliberal domination of the global economy. To support this effort, we asked three well-known experts on industrial democracy and on Action Research to write comment essays in response to our comparative paper. We proposed the following issues as guidance to the respondents and were fortunate in receiving thoughtful and challenging responses from all three.

- These are the prompts we sent to the respondents.
- If industrial democratic systems are not one-size-fits all, how can new efforts in this direction learn from the histories and structures of existing successful systems?
- It is clear in the cases that we presented that culture (ethos and worldviews) is an important resource and component in the success of such systems. How do new efforts build a culture that sustains an industrial democratic effort without hobbling its entrepreneurial capabilities and how does this cultural baseline evolve over time in response to changing circumstances?
- What do unionized environments and non-unionized cooperative systems have to learn from each other about the balancing of the interests of labor and capital in competitive enterprises?
- How are we to understand the complex and dynamic relationship between organizational cultures and socio-technical systems that such organizations are always trying to balance?
- Given the detailed agreements and complex structures to manage the relationships between labor and capital revealed in both cases, how can new startups or transformations of existing organizations learn from these structures of political and socio-technical participation and not have to repeat all the trial and error that led to the consolidation of the systems we have portrayed?
- Are there boundaries or scales beyond which industrial democratic systems cannot survive or to which neoliberal capitalist organizations are better suited or not?
- The responses we received were quite different but complementary in interesting ways. We have ordered our comments on the responses to create a narrative line through them and to offer readers a way to engage in the dialog about these issues.

1. Bob Dick's response essay:

Bob Dick′s essay, in addition to being a model of detail and clarity, focuses on complexity, dynamism and organizational thinking and practices in tension with an increasingly dynamic, even turbulent environment. Dick focuses on the ways organizations can and must adapt and transform to deal with complexity. To support his arguments, he reviews an array of quite different examples to show how it is possible to facilitate coordination within and between groups in a variety of different organizational settings.

We agree with Dick′s claim that the world features ever greater levels of complexity, a complexity refers not only to the quantity of factors to be taken into consideration but to the amount and dynamics of the interactions between them. Coping with complexity is possible but not by following conventional hierarchical and bureaucratic models that can only handle situations of long-term stability and relatively linear problem sequences. Where dynamism and complexity reign, broad acquisition of knowledge and engagement across all levels of an organization is needed along with high tolerance for trial-and-error projects that seek to find and enact adaptive solutions to these challenges.

Dick affirms that "many current organizational decisions are based on assumptions that are a reasonable fit for a less complex world." (p. 11) We agree that many organizations operate in terms of linear planning and use mechanistic and hierarchical models built on outmoded ideas about organizational culture and structure. They particularly remain ensconced in hierarchy and fear the autonomy of people throughout the organization. Staying with his argument on complexity, Dick suggests that greater autonomy and more efforts at direct coordination are better suited to dealing with complexity.

Since mechanistic and hierarchical models persist, Dick examines what keeps us attached to dysfunctional models. Taking up perspectives from the literature on organizational learning, he gives examples of the difficulties many individuals and organizations face when required to respond flexibly and openly to external and internal threats. These defenses and their tendency to mire organizations in maladaptive behavior are well known in the literature on organizational learning.

Dick′s exposition also relies on a presentation of the facilitator-institutional entrepreneur who is key to setting up a participatory process and moving it through the initial stages but who then relinquishes control and places full responsibility for the process on the local stakeholders themselves. We agree that this role is vital and that we have not emphasized it in our own analysis in this special issue, but then again, the organizations we have presented are not newcomers to participation systems. They are in phases well beyond what Elden (1979) described as the "do-it-yourself" phase with devolved and institutionalized systems for participation and adaptation.

The importance of culture (broadly understood to include the elements of concepts about democracy, hierarchy, individual worth, etc.) is highlighted in Dick′s analysis. We agree completely but caution against a pronounced tendency in the literatures on industrial democracy to try to limit the possibility of industrial democracy to locations that are culturally favorable. We will take this up again later in our comments as it is an issue that comes up in all three response essays.

What Dick renders as "trial and error" processes seem to us to be better captured as engaging the ideas, experiences, and motivations of a broad array of stakeholders in developing proposed improvements in exiting practices and adaptations.

The examples Dick gives of "corporate rebels" do raise the question about why these successful organizational practices do not diffuse more broadly and even, in some cases, are eventually overturned in their own organizations. This is indeed a central question to address. We argue that it is not solved by slavish imitation nor necessarily guaranteed by economic success. The diffusion and consolidation of participatory democratic alternatives to Tayloristic neoliberalism remain as a central challenge to face. We are deeply concerned by the inability thus far in the history of capitalism of these documented successful and humane organizations to create a broader social movement that challenges the global hegemony of neoliberalism. In our main essay, we have focused on the combination of political and socio-technical participation, their relationships to larger economic, political, social, and cultural contexts and the path dependent developments that have enabled them to succeed. How to get beyond the individual successful case remains a key issue for us.

2. Shankar Sankaran's response essay:

Sankaran′s ability to bring his combination of an engineering, business, and action research backgrounds offers three quite different and potentially complementary perspectives to bear on our essay. His response combines systems theory, institutional theory, and a look at governance issues. These systems perspectives are compatible with those of Bob Dick as well.

While systems theory has a respected place in a variety of action research approaches, Sankaran′s framing focuses on specific versions of systems theory and extends the arguments in an interesting way. Sankaran deploys the analytic frameworks of the Viable Systems Model (Beer 1984) and Soft System Methodology (Checkland 1989) to compare both cases. The Viable System Model focuses on the creation of sustainable organizations able to survive changes in the external conditions for operations (market, technology, access to qualified personnel, etc.), much as Dick also argues. In this particular model, organizations that accomplish these goals do so by setting up a variety of organizational subsystems in an intentional way. They consist of a metasystem for developing policy and strategy and building a set of daily coordinated organizational activities, and then auditing the results on a regular basis. Applied to a business organization, it means that a set of subsystems are put in motion and then coordinated to create an adaptive and dynamic response to external conditions. The sustainability of an organization depends on its capacity to open its subsystems to interactions with the environment to adapt to ongoing changes.

The VSM model provides an interesting frame for comparing both cases as does its reliance on sustainability. What is less clear and remains to be developed is an understanding of the dynamics of continuous renegotiation through communication and key negotiations about meaning and goals. These are issues that involve negotiations about power within the organizations themselves, issues that are extensively discussed in our case presentations.

As we understand it, the Viable Systems Model is basically intended to be applied to individual companies/business organizations. Applying this perspective to the larger-scale

participation systems with multiple parts and levels is necessary and we recognize that it is not a simple task. For us, this is a key consideration in future work because broad participation in larger-scale multi-level organizations has different dynamics from participation within the confines of an individual organization. Our case presentations try to show something about the way those larger linkages work.

We do think that the intelligence subsystem is quite important. It is amply present both in the Norwegian and Mondragon cases but quite possibly we did not emphasize it systematically enough in our presentation. There is no question that future scanning functions of the metasystem are vital and can enhance or diminish the capacity of the organization's strategic decision-making and policy. We pick up this thread because we think that both of the cases we presented do have elaborately developed intelligence systems for anticipating and addressing the future.

In the case of Mondragon, for example, intelligence subsystems, namely, organizational structures aimed at dealing with cooperative firm's future challenges are not, mainly, structured at the level of the individual cooperatives. Rather, they are heavily emphasized at the level of whole Mondragon system. Mondragon has 14 different I+D centers and a university all collaborating in projects aimed at anticipating future developments affecting the sustainability of the cooperatives of the group[1].

It is true that the connection of these systems to day-to-day activities and coordination might be difficult precisely because anticipation of the future and daily operations are enacted on different organizational levels (the individual cooperatives and the cooperative group). This means that more needs to be said and documented about the way innovations benefit from knowledge and expertise distributed among worker members. We know it moves downward from the larger Mondragon system. We know less about the way it might move upward to inform the larger system.

Institutional theory

Another perspective employed by Sankaran is institutional theory (Scott 2014). Institutional theory (specifically the concept of isomorphisms) is used to study sustainability in the two cases. The institutional perspective contains three pillars: influence from external forces and organizations, imitation of successful organizations, and, and the use of standards/practices to obtain legitimacy. Sankaran concludes that in both systems, cultural and cognitive elements allow for coping with change. Shared core values provide stability and meaning needed to accomplish the necessary transformations. He affirms that several of the processes used in both cases "reflect the care taken to protect workers even during challenging times indicating that these are value-based organizations." (p. 12). This perspective makes sense to us though deploying it properly would require a good deal more effort in institutional ethnography.

Neoliberalism

Sankaran states that both are examples of neoliberal organizations, an argument that came up again in Blasi and Kruse′s contribution. His argument is not straightforwardly stated but we deduce that Sankaran believes that the implementation of measures based on values beyond mere financial benefit to the enterprises, as well as the implementation of measures facilitating worker participation, are insufficient to get us beyond a neoliberal model. Without processes

1 For example, see: https://innovative-thinking.mondragon-corporation.com/?idioma=en

altering governance, he does not think that such organizations qualify as an alternative to the neoliberal model.

We understand the argument, but we disagree. It is true that the rise of "responsible autonomy" among work teams could be interpreted in the context of increased power of management vis-à-vis workers. However, the causality here is not obvious. It is not clear why the opposite argument is not true. Our comparison showed that greater participation and autonomy in the workplace (socio-technical participation) needs to be accompanied by greater participation in strategic decision-making (political participation) and that both are necessarily intertwined in the context of organizational deliberations. To state our disagreement flatly, we do not see why political participation is diminished through socio-technical deliberations empirically or logically.

We do agree that being value-based does not make these organizations different *per se.* After all, neoliberal organizations also have a value base, whether we accept those values or not. The question is which values are central to the different kinds of organizations. In our examples, both companies aim to produce profits. They are not social movements, nor are they NGOs. However, we disagree that the subordination of profit (or returns to capital) to returns to labor as guiding criteria for the business model of a company can be understood as a feature of a neoliberal organization. If the neoliberalism of Milton Friedman and his followers has any core meaning, it is that making profits for capitalists is the only goal that matters, no matter how labor has to be treated to get those profits. We show how the basic principles of respect for and protection of labor provide stability and meaning in the face of change and challenges faced by these organizations, challenges like downsizing in the face of the COVID-19 pandemic. This same point comes up in Blasi and Kruse′s essay and so surely this is a debate worth having in more detail.

3. Joseph Blasi and Douglas Kruse response essay:

Blasi and Kruse offer a variety of perspectives in response to our essay. One focus is on federations and large-scale organizations, a perspective somewhat different from that offered by the other respondents. Given their wealth of experience in such environments, they emphasize the combined importance of both top-down and bottom-up consensus building. In effect, this emphasizes deliberative processes as a key component in such systems. They also emphasize the importance and value of representation in decision-making bodies as a doable, practical, and feasible way of achieving democratic organizational dynamics in large firms.

They emphasize the idea that a too exclusive focus on political participation can discourage attention to the development of participatory work processes within the organizations. This potential weakness exists and needs to be guarded against with care. It is too easy to export production problems to the political structure of an organization rather than making the socio-technical effort of learning how to resolve them *in situ.* While this is a real problem, it is not a law of nature that this will happen. A variety of institutional safeguards have been developed in both of the organizations we present to prevent this dynamic from developing or for curtailing it where it rears its head.

Decision-making efficiency and effectiveness

Blasi and Kruse make the common argument that collaboration/participation takes time and that this can prevent efficient operation. The idea of the inefficiency of democratic decision-making has a long history. It is often used to short-circuit participation in organizational decision-making. However, there is a less extensive but valuable literature that argues the opposite position. To give one example, going back to the early 1980 s, when the Japanese automakers suddenly challenged US carmakers for markets, research on organizational decision-making in Japanese factories became important. Richard Schonberger, in *Japanese Manufacturing Techniques* (1982) pointed to the long consensus-building process in Japanese factories followed by a quick and complete implementation. He contrasted this with the United States dynamic of making and imposing quick decisions followed by very poor implementation or even sabotage. The difference is between the READY, AIM, FIRE school of action and the READY, FIRE, AIM school of management. Obviously, there is more to be said about this but the time spent making good and therefore sustainable decisions may well be more efficient than quick decisions that either are not effectively implemented or are actively resisted within organizations.

Culture and identity issues

As we have commented earlier in this response essay, cultural identity-based arguments about organizational success are very slippery. If a cultural predisposition to collaboration, participation, and solidarity were necessary for industrial democratic organizations, any place thought not to have such a "culture" would be condemned to be neoliberal. This argument does not square with our cases. Mondragon is a very large system but it is still far from being the only or even the dominant form of enterprise in the Basque Country. If Basque culture alone were the explanation for the Mondragon cooperatives, then all Basque enterprises should be industrial democracies. A similar issue arises in Norway where neoliberal politics and enterprises are amply present nationally and constant pressures in the direction of neoliberal policies exist.

Our case presentation shows the slow, incremental and complex socio-technical and political dimensions of the development of the Norwegian industrial system since the 1930s. This long term, highly contextualized set of developmental processes with their path dependencies cannot be handled by the claim that Norway has "a worker-centered ethos with deep cultural and national roots".

We do make the case that organizational culture and ethos matter greatly. We do not, however, argue that they are a precondition for industrial democratic development. These cultural features themselves can be a developmental product of working out patterns of socio-technical and political participation that enhance cultural commitments to solidarity and fairness. This is a complex issue and it merits giving more attention to deeper understanding of the relationships between culture, organizational cultures, industrial organization and policies and the history of particular developments. These arguments are also why we insist that every case has to develop in its own context, with its own resources and conditions, and unique history. Learning from other cases is possible but unselective imitation is not adaptive.

The argument that Blasi and Kruse put forward, that Norwegian industrial democracy will shrink necessarily as mechanization increases does not take into account the richly documented

history of Norwegian industrial democracy initiatives in shipmanning, oil platform design, health services, social services, and other sectors. Socio-technical systems design has demonstrated repeatedly the ability to continue supporting the welfare of labor in the face of capital.

Outsourcing production, an issue in Norway and in Mondragon is a very different organizational problem from mechanization. It does present significant organizational and cultural challenges to participatory systems and they must be addressed. At the same time, we doubt the problems are more easily resolved in neoliberal enterprises that at present cannot even manage to hire the labor they need at any price. The track record of both Norway and Mondragon in addressing such problems suggests that we should not be hasty in judging that their systems cannot be adapted constructively to deal with these challenges too. Both systems are hard at work in seeking constructive solutions to these problems.

4. Complexity and sustainability

Dick's essay resonates well with a lot of AR practice and brings out significant aspects, among them the emphasis on experimentation and local freedom. "Scale is an issue, although it can be sidestepped" he argues, and on this point we differ. When there are tens of thousands of people in the organizational systems we are talking about, there are likely to be consequences of scale that are not easily sidestepped. We think it is necessary to ask if larger organizations/systems have a greater need for structures. If so, then the next question is whether "structure" must mean "hierarchy". As we have analyzed the cases, we see a form of coexistence between local areas of freedom, on the one hand, and experimentation and adaptations to larger systems also through structural couplings, on the other. The viability of this coexistence emerges through the dynamic interaction between socio-technical and political participation. As Adler and Borys argue, bureaucracies may be both "enabling" and "coercive" (Adler & Borys, 1996). Through the interaction between socio-technical and political participation, an agenda of broad-based experimentation and willingness to improve meets an agenda of negotiation, decision-making and governance constantly and on several levels – in an enabling way, we might say. The cases are not perfect, but they show that it is possible to create a form of dynamic alignment between experimentation and choice of direction, between participation and governance.

And just as Dick's reading helps us make a point about size and structure, Sankaran's helps us make a point about agency in dynamic systems. In the two cases, agency is not singularly located in a team, department, company or group (with the others being seen as the "environment"). Rather agency is something that is shifting. It alternates and interacts between system levels, playing itself out in the deliberations, decisions and actions that are created in the dynamic cogeneration between socio-technical and political participation at many levels, all the while attuned to the ethos, custom, historical path dependencies and situatedness within institutions.

What about the reuse of the findings, then? Are they just stories of "star cases" with little ability to convince broad groups of other actors and therefore not enough, as Gustavsen argued (Gustavsen, 2003)? While Gustavsen made a valid point, we argue that our described cases are not "merely cases". They are examples situated in interactions within systems, in living

interaction, right up to the political economy level. This means that they are both individual and overarching cases. And secondly, if it has been possible to create alternative conditions in some cases, then it is illogical to argue that it will not be possible in others.

Bob Dick′s invocation of complexity and turbulence as requiring less hierarchical and mechanistic organizations is surely right. A key implication and value of systems models generally, and of the dynamics and structures of our two cases in particular, is that they emphasize environmental and organizational interactions in dynamic relationships. There are no perfect adaptations, only ongoing responses to changes from within and without. This makes clarity about the regulative and normative ideals that operate in companies crucial in their ongoing adaptive processes. Emphasizing this goes hand in hand with the sustainability perspective that is highlighted in both VSM and institutional theory arguments raised by Sankaran.

Seen in another way, this involves an expansion of systems theory to the planetary ecosystem into which these firms must fit. While the Norwegian social partners and the Mondragon members have standards about the appropriate treatment of people, neither is fully clear about the link between that model of humane work and sustainable business practices and the possible tradeoffs going forward. We think this might be one of the key issues for the sustainability of their models in the years to come.

We have claimed that, within the capitalist regime, we can identify organizations that are so different in their actions and effects in terms of quality of work, degree of democracy and responsibility towards the environment that it is justified to label them as significant and sustainable alternatives to the generalized neoliberal orthodoxy. Not all of our commentators will agree with us on this, but we think this disagreement is worth having and we hope others will join in the discussion.

We thank our colleagues, Bob Dick, Shankar Sankaran, Joseph Blasi and Douglas Kruse, the anonymous reviewer of our core essay, and the International Journal of Action Research editor, Miren Larrea, for their participation and support in this endeavor.

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Interview Davydd Greenwood

The Mid-career Making of an Action Researcher

Davydd J. Greenwood

Danilo and Miren:
Thank you, Davydd, for this interview for the readers of International Journal of Action Research. We are pleased to have your insights in this special issue that you have edited together with colleagues from Norway and the Basque Country in Spain. We think that this can provide the reader with a perspective on your experience and trajectory that will help better understand the contents presented through the different articles.

Let's start giving the reader a perspective on your trajectory. Why and how did you come to AR?

Davydd:
Narrating history backwards tends to rationalize that history, making it more coherent than it was. With that caveat, I will dive in.

I did not set out to become an action researcher. Born in Colorado in the middle of World War II, the grandchild of immigrants from four countries and the child of a psychiatrist and a psychiatric nurse, I grew up in Topeka, Kansas, a city almost divided into thirds: a White third, an African American third, and a Latino (in this case, Mexican) third. The latter two were clearly on the lower end of the socio-economic ladder. The reason for this was that, in first half of the 20th century, United States railroads were still important. Topeka, Kansas, the terminus of the "Santa Fe Trail" had the central offices and shops of the Atchison, Topeka, and Santa Fe Railroad, one of the largest in the country. Most African Americans came to Topeka during World War I to work on the railroad and replace the "Whites" who had gone to war. In World War II, African Americans also went to war and so Mexicans immigrated to Topeka to take the railroad jobs. The city was segregated racially until 1954. I was in grade school when the Supreme Court decision "Brown vs the School Board of Topeka, Kansas" made segregated schools illegal. I remember the first African American children coming into my grade school for the first time.

One peculiarity of Topeka was that, in a town of 100,000 people, it had only one huge urban high school, built during the Depression. As a result, all the high school students in Topeka were there. Though the race-ethnic groups kept to themselves to a degree and there was tracking of students into vocational and higher education, we all met in the marching band, the band, the orchestra, the pep band, and on sports teams and events. One of the local Mexican immigrants became my Spanish language teacher in high school. He was charismatic, humble, and fascinating to me and I became a dedicated learner of Spanish because of my curiosity about him. Growing out of this, my family arranged an exchange with a middle-class family in Mexico City and my international life began.

I mention these experiences because there never was a time that I could be unaware of cultural differences, racism, and class, something I discovered later that many "White" Americans were and are oblivious to. And because I had good experiences with my musical

and sports friends from other groups and my parents supported these relationships, I developed an enduring curiosity about people and cultures different from mine.

When I went to college, I wanted to continue in Spanish and became a Spanish language and literature major, later double majoring in Anthropology and adding Latin American Studies. This took place in a 1200 student liberal arts college in the middle of the Iowa corn and wheatfields, Grinnell College. Grinnell was in its fanatical liberal arts phase, teaching us to respect knowledge from all fields and encouraging us to understand that there was an infinite amount to know and learn. I learned that you can never know enough. They even gave us a third-year liberal arts examination on universal knowledge, together with bibliographies running to thousands of pages. I think the aim was to show us how much more there was to learn than we already knew. Grinnell was also where I met my wife of 57 years, a Spaniard, in a Spanish literature class we took together. Our history together initially was only possible because of those Spanish classes back in Topeka and learning to seek out and learn from cultural differences.

Among the many things the Grinnell experience did for me, it affected my understanding of the importance of learning how to learn and how necessary it is to disregard disciplinary boundaries and rules in search of understanding. By comparison, graduate school in Anthropology, despite some wonderful mentors who took an interest in me, was a disappointingly narrow business and served as my first introduction to the Tayloristic world of academic life.

As an anthropologist and fortunately with the support of my mentors, I decided to do my dissertation research in Spain. In the 1960's, this was generally off limits to anthropology because anthropology had become understood as the social study of people of color outside of the United States, Canada, and Europe. Indeed, Europe was not designated an acceptable research area in professional anthropology in the US until the 1990's. Since I was a good student, my mentors left me alone, but I then had to figure out how to work in Spain. My dissertation advisor was an expert on Japan. At that time there was very little anthropology written about Spain. With a tip from one of my professors, I finally found the books on the Basque Country of the brilliant Spanish anthropologist, linguist, and historian, Julio Caro Baroja. Based on reading them, I wrote a proposal to the National Institute of Mental Health and was funded for 3 years of dissertation research and writing. The inconvenience was that I knew next to nothing about Spanish history, ethnography, or even geography. On arrival in the Basque Country, I went to meet Julio Caro Baroja. Generously, he took me on as an informal student and became a colleague and lifelong friend. His immense knowledge and the incredible library at his home in Navarre showed me again how much there was to learn, how little I knew, and the incalculable value of good mentoring.

I completed a dissertation on the political economic evolution of Basque family farming under the impact of industrialization and tourism and the massive rural exodus that was visible in the late 1960 s. While we were there, the ETA movement broke out and I became a witness to and student of ethnic violence and identity politics in the heart of a fascist regime, a theme that has also played a major role in my own intellectual career.

To foreshorten this history, I then got a professorship in Anthropology at Cornell University where I taught from 1970 to 2014. In that context, I found myself quickly unhappy with the restrictive view of anthropology as the study of the "other". I tried hard to develop an integrated biological-archeological-linguistic-cultural introductory course for anthropology only to meet with resistance from my anthropology colleagues. I had more in common with

the European historians, political scientists, and economists than with the anthropologists. I soon moved out of the department and joined the Program on Science, Technology, and Society. From there I was recruited to direct the Mario Einaudi Center for International Studies. This was a university-wide organization including 24 programs and 500 faculty. I was told to direct and revitalize the center, but the programs all had their own structures, some had their own budgets, and most of the program directors did not report to me or support me. In addition, the relations among the programs were terrible. They competed with each other for space, budget, and respect. They frequently came to me demanding that I stop wasting resources on programs other than theirs. I began realizing that organizational dynamics and structures really matter and that academic institutions are generally example of terrible organizational processes, a topic that has become central to much of my subsequent action research.

At the time, in the Extension Division of the New York State School of Industrial and Labor Relations, there was a program called Program for Workplace and Employment Systems founded by the famous sociologist-anthropologist William Foote Whyte. Bill Whyte was a strong believer in cooperatives and in organizational democracy and had decided that no one had written a book about the Mondragón industrial cooperatives in the Basque Country from which people could draw lessons and learn. He did speak Spanish but did not know anything about the Basque Country. He heard about me and approached me about helping with his (and his wife′s) project. Together we got a grant and went to Mondragón with two missions. First, he wanted to finish and corroborate the views in his book on the cooperatives. In return, we were committed to offering the cooperatives whatever help they wanted from us for their own purposes.

This evolved into a peculiar situation. I found myself thrust into a room with 20 members of the central offices of the cooperatives with pads and pencils at the ready and a two-month mission of studying their fear of the loss of commitment to cooperative values. Because the cooperatives had grown massively to become the biggest industrial group in the Basque Country, they feared the core values were being diluted. With no experience in work in industry and very little knowledge of the cooperatives, I had no plan to offer them. As the reader can imagine, we began with a very uneasy couple of days of tension about a lack of direction, disappointment in me, and fear about looking bad to the General Manager for having begun such a poorly planned activity. What occurred to me was that the world′s leading experts on the cooperatives were right in the room and I knew that they had access to the whole system, its archives, and financial information. My only expertise was speaking Spanish and facilitating learning processes, particularly teaching people how to do research. So, in shared desperation, my Mondragón counterpart, José Luis González Santos (head of HR) and I began the creation of a learning community with the 20 cooperative members.

We began with roundtable discussions about what they believed to be the most pressing problems of the cooperatives. It became apparent that their worry was that too many new members were joining simply because the cooperatives offered good paying jobs with good benefits. It was assumed that they had no interest in the values underlying the cooperative system. I encouraged them to begin an inquiry process by challenging them to examine this proposition empirically. After debating among themselves for some time, they decided that they needed to branch out, collect data, and interview people. This led quickly into a study of the history of the system, the one strike they had in their history, and a set of efforts to support their claims about the loss of cooperative values.

During the process, I helped them to learn how to do structured and unstructured interviews, content analysis of documents, focus groups and ethnographic observations. I was careful not to do the work myself but to serve as a teacher and supporter both because I did not know enough to do anything else and because they had the access and interest to carry this forward to keep the cooperative movement on track.

The other contribution I made was to press them to support their inferences about the processes and behaviors they observed. I particularly emphasized that they should entertain seriously the possibility that their inferences might be wrong. This forced them to gather evidence that could persuade others. Ultimately this created an unexpected benefit and learning. They discovered that many of the new recruits had joined the cooperatives for entirely pragmatic reasons, just as they feared. But they also discovered that many of these same recruits became strongly committed to cooperative values because of the experience of working in the system. They also found out that many of these new members were harshly critical of aspects of cooperative management, including the HR group carrying out this study. In the view of many members, these managers did not live up to cooperative values. This surprise caused the managers to work hard to change some of the negative features of cooperative management that the new members had identified, specifically processes carried out by their own central HR department. Together we wrote two books about this experience. One was used for years as required reading for new cooperative members (Greenwood, González-Santos, et al.,1989, 1992).

In the meantime, two other things happened. Back at Cornell, given the experience I was having in Mondragón, I decided to open up the budget, office space planning, and decision processes of the Center for International Studies to the program directors themselves. I wanted them to experience the problems I had firsthand and to see if they could come up with better solutions. After an initial period of consternation about this idea and after testing my resolve, they did indeed become a collaborative group. Later, together they organized to demand more resources from the university administration, something that did not endear us to an administration that was happy to have a group of faculty engaged in their own turf wars and not bothering the administration.

Bill Whyte then told me that what I had done in Mondragón was “action research”, the first time I heard the term. He invited me to write a chapter about it in a book he was publishing (Whyte, ed., 1990). Since then, I have identified myself as an action researcher. I have co-authored two editions of the Introduction to Action Research with Morten Levin (1998, 2006), a score of articles with him and other publications on my own and with other colleagues. In the end, I came to focus on trying to use action research to reform higher education.

The work in Mondragón brought the participants to the attention of key actors in the Norwegian Industrial Democracy movement. One member of that movement, Morten Levin, had already spent a year at Cornell with Whyte′s group. We then reconnected at the memorial conference for the founder of the Norwegian Industrial Democracy movement, Einar Thorsrud. There I met a fascinating group of international action researchers (among them Björn Gustavsen, Eric Trist, Donald Schön, Dan Bar-On, Werner Fricke and many others). Soon after, I ended up teaching with Morten Levin in 3 action research PhD programs he designed at the Norwegian University of Science and Technology and participating in a number of the Norwegian national action research programs.

Danilo and Miren:
What life experiences and authors have been important reference in your work? Could you tell us how they have impacted your trajectory?

Davydd:
My first book, on Basque agriculture, is a comprehensive micro- and macro-economic and socio-cultural study of family farming. It is one of the most carefully documented quantitative studies of family farming the anthropological literature (Greenwood, 1976). It showed that these farmers were perfectly capable entrepreneurs but that the younger generation could not tolerate being identified as low-class farmers in direct contradistinction to previous generations. They preferred to risk insecure and poorly paid factory work to continuing the practices of their parents. Despite the extent of the documentation and quantitative backup in that study, compared to the Mondragon research, I have a great deal more confidence in the conclusions of the Mondragón study. It passed the test of convincing knowledgeable actors, and the results were put into practice. By comparison, my Basque farming book is a very well-documented interpretation of a process from a "spectator" position. I have come to prefer action research because it is more scientifically meaningful and is tested in action. As a result, I have lost respect for spectator social science and find myself unable to engage in social research from an outsider perspective.

The other dimension of AR is the teamwork it involves. In the Mondragón project and the many others that came after, the most memorable and exciting feature of the process was the joint learning community and the pleasure of collegial interactions among very differently situated people, along with the enduring friendships created in the process. The solo scholar operating as an authoritative free agent is a kind of academic I gladly stopped being.

The circumstantial coincidence of my duties as Director of the Einaudi Center for International Studies and in the Mondragón project gave me a perspective on the organizational pathologies of universities as Tayloristic siloed battlefields of political and economic power. They are organizations dedicated mainly to themselves and very little interested in studying problems that matter to non-university people unless those problems result in external budget subsidies for research. The contrast between this and the values and practices of Mondragón are stark. This has been reinforced by subsequent visits to the Mondragón University which is run as a cooperative, uses a participatory pedagogy, and links to the surrounding community and region as a value commitment. That university shows that universities do not have to be neoliberal, authoritarian money pits (Wright, Greenwood, and Boden, 2011).

Regarding authors, I have already mentioned William Foote Whyte and Julio Caro Baroja whose complete works I had soon read. I have also been strongly influenced by the reading of Kurt Lewin, Stephen Toulmin, Paul Feyerabend, Myles Horton, John Gaventa, Mary Belenky, Helen Lewis, Budd Hall, Rajesh Tandon, R. David Brown, Chris Argyiris, Donald Schön, Paolo Freire, Orlando Fals Borda, Augusto Boal, William Torbert, Mary Brydon-Miller, Patricia Maguire, Carmelo Lisón Tolosana, Bruno Latour, and Tomás Rodríguez Villasante, among many others. The heterogeneity of this list illustrates the enduring value of that Grinnell liberal arts perspective throughout my life.

Danilo and Miren:

From influential authors, we move to influential colleagues. You have extensively written with action researchers from different parts of the world. What have you learnt from these collaborations?

Davydd:
These collaborative writing projects have been addictive as learning processes. Because writing is one of the most disciplined forms of thinking, figuring out how to write something together is truly challenging. It requires a synthesis of diverse experiences, extensive negotiations about contents, priorities and exposition, and the development of a shared language. The process of arriving at a mutually acceptable manuscript is a direct analogy for me of the kind of mutual learning that action research is built on. In addition, the point of collaborative writing is that all the participants have a piece of the puzzle, unique experiences and perspectives, and variable energies. When one is stuck, another comes and adds perspective and energy to the mix and puts the process back in motion. In addition, while there are some compromises involved in shared writing, the learning trajectory these efforts have created remains so exciting that I am currently engaged in 4 more collaborative writing projects. It is also an indictment of universities and ministries of education that collaborative research and writing is actually discouraged or even punished by the stupid quantitative reference system imposed now on most neoliberal institutions.

Danilo and Miren:
Let us now focus on one specific colleague. You have relevant publications with Morten Levin, and your "Introduction to Action Research" has been a basic reading for many action researchers. How did you meet each other? What would you underline as the most relevant outcome of this collaboration?

Davydd:
As indicated earlier, Morten and I met first at Cornell when he was on a sabbatical but got to know each other better at the Thorsrud Memorial Conference in Oslo. He was a regular visitor to Cornell and participated in my action research seminar. He invited me to lecture at a Ph.D. seminar in Norway for his first cohort of action research PhD. Students and he sent a graduate student to Cornell for a year and brough others and colleagues for short visits. The student who stayed for a year was Johan E. Ravn, a co-author of this special issue and also a participant in the first action research seminar I ever taught (badly) at Cornell. Subsequently, Morten invited me to join a number of Norwegian nationally funded industrial democracy programs and to participate in 2 more PhD programs as a full faculty member. Trond Haga, another co-author of this special issue, was one of those Ph.D. students.

Another dimension of our relationship is our differences. Morten′s first degree was in engineering and then a Ph.D. in sociology. My training was in the humanities and anthropology. We have quite different worldviews. I was always impressed that almost any technical matter that came up seemed transparent to Morten′s engineering mind while contradictory socio-cultural processes seemed quite understandable to me and more opaque to him. A synthesis of such perspectives is, in fact, the essence of socio-technical systems design.

Morten and I developed a wonderful collaboration both as co-authors and as friends. We outlined together but always wrote drafts independently and then edited each other′s work. Over time, we both concluded that the lessons of action research are absolutely fundamental to

the reform of higher education away from the neoliberal Tayloristic model that dominates the university, truncates education, limits community relations, and undercuts socially meaningful research. The sad reality now is that we can no longer write together because of Morten′s health.

Danilo and Miren:
One of the issues you have addressed together with Morten Levin is the transformation of universities. What is your perspective on this nowadays?

Davydd:
Throughout our writing on universities, Morten and I have been intensely critical of the organizational design of universities in hermetic disciplinary units. The organizational development of the contemporary university at the end of the 19th century resulted in carving the world of research and teaching into disciplinary mini cartels, a model borrowed directly from F.W. Taylor′s "scientific management". It divides a process into its smallest units (designed and orchestrated by engineering experts) and creates restrictive and repetitive work routines. All of this is integrated from above by managers who do not in fact do the work and often do not know how to. The workers′ job is to do as they are told, not to think for themselves.

This is the exact opposite of what action research processes produce. The knowledge, experiences, and skills of all the members of the organization are considered essential components in a good and sustainable organizational system. And when organizational redesign is required, it is the full set of stakeholders who actually produce the "value" in the organization who have the capacity to participate in designing and then implementing the re-design.

Siloed knowledge and teaching create isolated experts, confuses vocational training with teaching and feeds into an accountability system that treats teaching and research as quantifiable forms of commodity production with students viewed as "customers" and faculty as "fee-for-service providers". Fools with spreadsheets pretend to judge the quality of research and teaching work they neither understand nor care about. Their staffs increase constantly and most are paid considerably better than the faculty or the middle and lower-level staff for perpetrating this fictional world of meaningless but profitable rankings.

These problems are widely known and ultimately make the system unsustainable. Increasingly business leaders have stopped requiring a university degree for job seekers. They have learned that university graduates tend not to have the training to work across boundaries, to learn how to learn, to collaborate on teams, and generally create value for their companies. The disconnect between the kind of education needed and the "training" provided and between the research being done and the research that is needed is shocking. All the while, this is being done at an ever higher financial cost to both students and governments. Senior academic administrators with large salaries flourish while many faculty positions and many indebted students have been made part of the "precariat".

Action research would create very differently structured universities whose mission is avowedly pro-social. That this can be done is demonstrated by successful universities like the Mondragón University and a variety of alternative higher education institutions like Berea College (Wright and Greenwood, 2018). In a world in which the planetary ecology is breaking down, authoritarianism and conspiracy theories abound, the neoliberal university is not part of the solution; it is part of the problem.

Danilo and Miren:
We continue reflecting about universities. Together with Morten Levin you launched and developed PhD programs based on action research. Do you keep in touch with those students? Is their work impacting the action research community nowadays? And are there similar experiences around the world that can strengthen action research in university environments?

Davydd:
We do stay in touch with some of the students. Many of the students in those cohorts remain in touch with each other. In addition to the co-authoring already mentioned, I routinely hear from former students about their ongoing work. In one case, a subgroup of students from one of my action research seminars still meets somewhere in the world each year after 20 years since that class took place. I believe that more than a few of Morten Levin′s Ph.D. students also remain in touch with each other and collaborate from time to time.

We do not believe we are unique. I know that the students around Tomás Rodríguez Villasante have extensive networks in Europe and Latin America. This is the case with Budd Hall, Mary Brydon-Miller, and many others. AR+ (https://actionresearchplus.com/) also networks students and colleagues as does ALARA (https://www.alarassociation.org/). The kind of collaborative teaching and learning that AR promotes does create lasting relationships and networks.

Danilo and Miren:
In this issue you publish an in-depth analysis of two cases, one is Norwegian, the other related to the Mondragon cooperatives in the Basque Country, Spain. Both Norway and Mondragon have been relevant in your action research trajectory. Could you tell us about what they mean for you and their connection with how you understand action research?

Davydd:
As I wrote earlier, going to Mondragón initially was the result of a combination of my curiosity and serendipity. Once I got involved, I found a renewed sense of the value of democratic practices and learned to value the scientific potential of action research when compared to positivism and other forms of "inaction research" and the "inhumanities". At the time, I knew next to nothing about Norway and Norwegian industrial democracy, but the Norwegians were interested in Mondragón and generally tried to track those developments. The combination of Morten Levin′s presence at Cornell and the Norwegian interest in Mondragón provided a bridge that I crossed into engagement with the Norwegians.

Over the years, I learned a great deal more about action research approaches from the Norwegians, particularly socio-technical systems design as developed by Thorsrud, Phillip Herbst, Fred and Merrelyn Emery, and Eric Trist. The socio-technical systems design model actually gave me a lot to think about when looking back at Mondragón. It seemed relatively clear to me that Mondragón has created an impressive system of political participation and worker ownership but that, compared with the Norwegian companies at the level of the shopfloor, many of the cooperatives seem to continue operating within a Tayloristic organizational framework. As a result, I thought that Mondragón had lessons to learn from Norwegian industrial democracy about work processes involving participation.

By the same token, I felt that the Norwegians could gain something from seeing participatory processes in an environment where unions are prohibited, and member needs are

attended to through other systems giving them both voice and power. I thought this might be particularly relevant to the problems in Norway where the lack of a labor force of sufficient scale which has meant the recruitment of large numbers of temporary foreign workers who are imperfectly integrated into their systems.

I have pursued this comparison for years and then had the opportunity to organize a "summit" search conference in Mondragón to which Norwegians and some US participants were invited. That summit increased Mondragón′s curiosity about the Norwegian practices. To build on that, I proposed we engage in a systematic comparative study of the Norwegian and Mondragón systems with a group of participants from both systems. This collaboration has lasted 3 years and resulted in the special issue published here. Going forward it will involve mutual visits between Norway and Mondragón, further comparative research and writing, and a collaborative attempt to address the challenges both systems face in the current global neoliberal environment, so hostile to democracy and participation.

Danilo and Miren:
Many readers might connect your name to Cornell University and English speaking (and publishing) research communities. However, you are also fluent in Spanish and relate to Spanish speaking research communities in Spain and Latin America. The dialogue between these two communities is not always easy. What is your experience with it?

Davydd:
In my experience, this dialogue has been difficult, often unproductive, and occasionally reduced to mutual stereotyping. I learned about this very quickly. The first international action research meeting I organized (with Ira Harkavy of the Netter Center for Community Partnerships at the University of Pennsylvania) brought together significant senior people from Norwegian industrial democracy, some leaders of organizational learning and reflective practice, and practitioners from Participatory Research both in the global South and the global North. Very early in that process, one of the "Southern" participatory researchers felt so offended by the organizational learning-reflective practice facilitator that he left the meeting and went home without further ado. That day, I learned about the tripwires and the depth of the differences separating different views of action research.

Because I had done 3 months of field work in a Mexican village in Oaxaca, a place without running water or electricity and assailed by gun violence, alcohol abuse, and a coercive and dangerous national police force, I had direct experience of some of the conditions of poverty, inequality, violence, and resilience found in such settings. The contrast between doing action research in such settings and in a Norwegian factory seemed unbridgeable. I remember well a visit by Orlando Fals Borda to Cornell in which he invited William Foote Whyte and me to his Convergence conference in Cartagena, Colombia in 1997, offering Foote Whyte a "treaty" because he felt Whyte had improperly appropriated the term "participatory action research" from the global South. This gesture dramatized the gulf but also was an invitation to get past it. We took a large delegation from Cornell and from Norway to Cartagena and eventually helped create an archive of the conference materials that we made available through Cornell for about a decade after that. I also met Tomás Rodriguez Villasante there along with a major group of Latin American action researchers.

Given these experiences, I found myself dissatisfied with the relative blindness to power relations that characterized much of the "Northern" AR literature. Some of the practices struck

me as both paternalistic and therapeutic in a coercive sense. While I was working through this, I also began reading the Participatory Research literature arising from the global North. The work of Myles Horton, John Gaventa, Mary Belenky, Patricia Maguire, Helen Lewis and others made it clear to me, as I knew growing up around farming communities in Kansas, that there was a significant "South" in the "North" and that the North-South division among action researchers served no one′s interest and inhibited learning.

By the same token, I felt that more than a few of the "Southern" action researchers had something to learn from the techniques and processes of socio-technical systems design and reflective practice. I felt that both sides had something significant to offer to each other that together we could strengthen and diversify the practices of action research. This conviction is what led Morten Levin and me to frame our book, Introduction to Action Research: Social Research for Social Change (1998, 2006) as a review of major variants of action research. We tried to do justice to the differences, strengths, and weaknesses of the different approaches.

More recently, I participated in the SAGE Handbook of Participatory Research and Inquiry (Burns, Howard, and Ospina, eds., 2022) and out of that, as a follow-up, a Spanish-speaking group of chapter authors has begun a set of dialogues with Latin American practitioners of participatory research in hopes of creating both a joint learning community and improving each other′s practices. All of this is a work in progress as political and ethical differences continue to exist and, under current world conditions, are unlikely to go away.

Danilo and Miren:
Considering the previous and other experiences, what would you highlight (positive and/or negative) from your lifelong AR practices?

Davydd:
Action Research transformed my professional and personal life from the moment I began to discover its dimensions. It linked my academic abilities and training to engagement in the world beyond the university. It tested my ability to contribute to enhancing liberating and democratic outcomes for the engaged stakeholders. The demands of action research, beyond time and effort, also fit my desire to keep learning and expanding my horizons. Every case raises issues of knowledge, learning, methodological improvements, and ethical challenges that keep stretching me. The ideal action researcher would be an expert in all disciplines, a fabulous facilitator, an ethical person, and a good friend. Since none of us masters all of these dimensions, being a good action researcher is an endlessly aspirational goal.

In addition, Mondragón and Norway made it evident to me that action research produces more reliable, detailed, and meaningful knowledge than any other form of research. It is far closer to the experimental scientific method than is positivism and other forms of "spectator" research. So, I also practice action research because it is "better" research than the alternatives.

Finally, action research deepened my commitment to democratization, the welfare state, and liberating human potential. Some of the very best human experiences I have ever had grow directly out of action research projects. By the same token, every step I took in the direction of action research has alienated me from the neoliberal academy with its silos, egotisms, and turf wars. An action researcher can only feel like an "outsider" in such institutions.

Danilo and Miren:

Considering today's multifaceted crises (economic, political, cultural, environmental, among others) does action research have a special role? How can action research become (more) relevant?

Davydd:
This question is very much on my mind and elides directly with the next question. My growing sense of despair at the resurgence of authoritarianism and at the political incompetence and cynicism of so many actors around the world leads me close to the edge. Since at least the time of John Dewey, Kurt Lewin, Myles Horton, Paolo Freire, Eric Trist, and many others, and certainly much earlier, we have known how to organize collaborative and participatory systems that are more beneficial to all the stakeholders and more sustainable. And yet, most institutions and political systems are engaged in doing the opposite. They enhance authoritarian, paternalistic and maladaptive approaches to problems and, quite predictably, fail, becoming part of the problem rather than the solution. Radical individualism, global economic elites, and pitiless exploitation of both the poor and world resources remain the tonic of our age. Even the clear evidence that neither the planetary ecology nor world politics can survive this behavior fails to dissuade cynical and egotistical elites from their selfish courses of action.

I have been stuck in this view for some time, continuing to work to promote action research but without much hope of success. And then, I began interacting with the next generation of action researchers on a new project.

Danilo and Miren:
When reviewing your latest writing projects, we see that you collaborate with young co-authors. We have also heard you refer to them as the next generation of action researchers. How do you feel about this? Do you perceive there is a relay in the action research community? Are you optimistic about the future of action research?

Davydd:
While Sage Publications finds the sales of Greenwood and Levin, Introduction to Action Research, 2nd edition too low to merit a third edition, every single day I receive notifications from Academia.edu and ResearchGate about people reading both the first and second editions. Clearly the book and its perspectives have some audience. A great many of these readers are international. This led me to think that there should be a third edition that would have to be taken to a new publisher.

Because of Morten Levin′s illness, I decided to recruit two younger action researchers, Johan E. Ravn and Koen Bartels for the effort. I had gotten to know each in quite different contexts. These younger scholars with relatively young families and lots of research experience are committed action researchers with very different backgrounds and perspectives. As happens with any good project, the incorporation of new partners has led to a complete rethinking of the project.

Rather than a third edition, a new approach to introducing action research has emerged from our conversations. Following Koen′s lead, supported by Johan′s action research on the de-carbonization of Norwegian industry, the question of ecological and political sustainability has become the central theme of the new book project. We no longer simply make intellectual and empirical arguments for action research, though they are broadly present in the planned

book. Rather we say that if we want to salvage the planetary ecology and social peace, the only possible approach is through a robust commitment to action research. Conventional research and conventional academic divisions of labor has not made a dent in these urgent problems as the current crises and the failure to meet carbon reduction targets show.

The book has a publisher and will be developed over the next year. I have gone into detail because I have experienced the vitality of the generational transition toward a broader and more ambitious practice of action research. My younger colleagues have convinced me that this is the only way forward and I urge my senior colleagues to find opportunities to enjoy this new dynamism.

Danilo and Miren:
To close the interview, we would like to ask you about International Journal of Action Research (IJAR). What do you see as the distinctive role of IJAR?

Davydd:
I have been involved with the journal since its founding as Concepts and Transformation many years ago and followed its development into the International Journal of Action Research. When the editorship passed to Danilo Streck, a significant opportunity for bridging the South-North gap in action research practices and relationships was opened up. I clearly applaud this editorial direction, one that I know Miren Larrea will maintain since her own work builds on these relations. This gives IJAR a unique and valuable voice in the future global development of Action Research.

Danilo and Miren:
Which are your ideas, which your wishes regarding IJAR's future development?

Davydd:
I don′t believe IJAR needs my advice at this point as the journal has embarked on a productive path that is both unique to it and fits the needs of the international action research stakeholders. Perhaps a strategy of convoking a set of specific topics – sustainability, north-south dialogue, action research training, etc. – for special issues over a couple of years would advance these goals. The special issues should not drive out spontaneous contributions since that would lose the opportunities to hear other voices and learn about new projects. Still an interaction between such special issues and open issues could enhance the IJAR project going forward.

Danilo and Miren:
Thanks very much, Davydd, for your insights.

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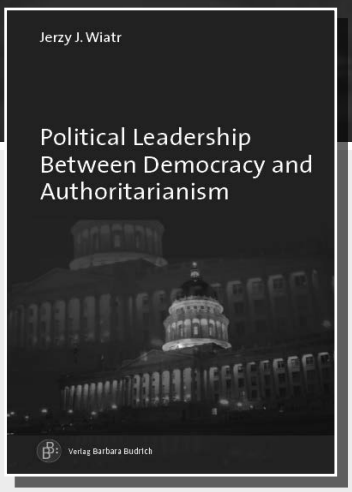

Jerzy J. Wiatr

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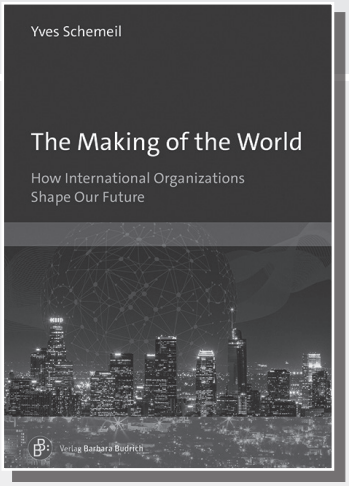

Yves Schemeil

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