

Kollektive Vermögensbildung in Arbeitnehmerhand als Strategie für Wirtschaftsdemokratie; The cases of Germany and Sweden¹

Economic Democracy has historically been a core issue for the international labour movement. The issue has taken different forms in different socio-historical contexts, countries and traditions, in overarching terms one can say >>Economic democracy comprises two central perspectives: An overarching structural perspective which concerns ownership and control of the productive means, and a strong perspective from below which is about democratic organizing, self-governance and influence.<<²

In order to reach economic democracy the labour movement has historically shown two ways, what one can call the paritätsprinzip and the eigentumsprinzip³, or the co-determination (Mitbestimmung) line and the property (Eigentum) line. The co-determination line has been the dominant within social democracy, in line with the classic reformism to limit the functions and rights emanating from the ownership of capital - without changing the basic capitalist property conditions in itself.

From the left and the socialist labour movement this strategic line has been criticized from a Marxist point of view. It is then argued that if one really wants to achieve economic democracy - where the economy is democratically controlled and the workers have real power and influence, and where the produced returns will be equally distributed - this will not be possible without changing the sacred core of capitalism, the private ownership of productive means and capital.

From time to time the property line has been manifested also within social democracy. Example of such manifestation were (West) Germany and Sweden in the 1970's, in the form of the issue of collective capital formation (Vermögensbildung) and fund building in the hands of the wage earners, as a strategy for economic democracy.

The issue of collective capital formation for economic democracy in Germany...

In the late 1950's theorists related to DGB and SPD first began to talk about collective capital formation in the hand of the wage earners, as a way to change fundamental power & property conditions towards economic democracy. Ideas which in the beginning of the 1970's became subject for concrete decisions by DGB and SPD, and later were elaborated and radicalised in Sweden. The pioneer of collective fund building strategies was Bruno Gleitze, an economist related to the DGB. His ideas have to be put in the historical socio-economical context, the specific West-German post-war conditions. After the war private capital accumulation was being supported by economic policies, which lead to an increasing concentration of capital and wealth on few hands. By beginning of the 1960's 1,7% of the people then owned 70% of the means of production.⁴

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² Vänstern, ägandet och makten: Johan Lönnroth, Stefan Sjöberg, Camilla Sköld Jansson & Lisa Rasmussen, Stockholm 2001, S.10 (Power and Ownership: Swedish Left Party, Stockholm 2002)

³ Niedenhoff, Horst-Udo: Mitbestimmung in der Bundesrepublik Deutschland, Köln 1979, S.60f

⁴ Take, Michael: Die Arbeitnehmersfonds in Schweden, Frankfurt 1988, S.117f

The Gleitze-plan was first presented in 1957.⁵ Gleitze questions the fact that the growth of wealth that emanates from self financing in industry goes to the capital owners. These accumulation and concentration of capital in few private hands hinders the wage earners to build capital and wealth. Gleitze believes that this problem can not be solved solely through active wage and tax policies. He suggests a socializing of the capital accumulation, through the construction of a “social fund”, controlled by trade unions. A certain amount of the big companies profits should be shared and transferred to the social funds. Through these overarching funds the wage earners should get part of the capital accumulation in big industry. Only big companies should be included in the fund system, since the accumulation of capital and power are concentrated to these. The wage earners should get individual shares in the funds, which would not be possible to sell for a longer time, to guarantee the capital would not once again concentrate to the big capital owners.

This proposal was the starting-point for the whole vivid discussion on collective capital formation and fund building in both Germany and later in Sweden. During the 1960's Gleitze's ideas were elaborated e.g. in the “Buttner-plan” by a working group within DGB, and by important DGB theorists like Wilfried Höhnen and Gerhard Leminsky.⁶

By the beginning of the 1970's DGB and SPD began to be ready for decision making. At the DGB congress in Berlin in June 1972 proposals, based on several motions, for collective capital formation was adopted. It is stated that >>Die Arbeitnehmer aller Bereiche sind durch ein überbetriebliches System der Ertragsbeteiligung am Produktionsvermögen angemessen zu beteiligen.<<, and in another motion >>Diese gewerkschaftliche Vermögenspolitik hat zum Ziel, die in der Bundesrepublik herrschende Vermögenskonzentration und die damit verbundenen einseitigen wirtschaftlichen und gesellschaftlichen Machtpositionen zu beseitigen.<<⁷

One motion from the Bundesvorstand passed by the congress, demanded the share of wage earners in the capital growth in the companies. In order to carry this out it is proposed that capital formation funds (Vermögensbildungsfonds) shall be built up with two basic aims: 1. A redistributive aim to complement the wage policy and to correct the unequal distribution of wealth and share of the social products. 2. A socio-political aim to counteract the concentration of power, property and wealth to the big capital owners in enterprise.

A certain share (4-15%) of yearly profits in big companies should be transferred as stocks to funds on a regional basis. It is argued that when the profit shares should be transferred as stocks and not as cash, the liquidity of the companies would not be harmed. The funds should be controlled by the wage earners with representation also from public interest. The fund Delegierten should be appointed by all the fund share holders. The boards should then appoint an Aufsichtsrat, in which one third of the members should be representatives from the public interests.

The owners of the fund should all get certificates corresponding to their shares. The congress points at two alternatives for how to handle the certificates: 1. they should only be possible to redeem in exceptional cases, 2. they should be possible to sell at the stock market after ten years. Although pointing to these two alternatives, the first one is favoured in the arguments: >>Die verteilungs- und die gesellschaftspolitischen Ziele der Vermögenspolitik können nur auf dem Wege über grundsätzlich ewige Sperrfristen erreicht werden.<<

⁵ Gleitze, Bruno: Sozialkapital und Sozialfonds als Mittel der Vermögenspolitik, in WWI-Mitteilungen, nr 1, 1969

⁶ About these discussion see e.g. Jettmar 1980, S.46f, Das Mittbestimmungsgespräch nr 2/3, 1972, Wredén, Åke: Kapital till de anställda, Stockholm 1976, S.80, and Eidem, Rolf & Rolf Skog: Löntagarmakt i Västeuropa, Stockholm 1980

⁷ Deutscher Gewerkschaftsbund, Protokoll, 9. Ordentlicher Bundeskongress Berlin, 1972

DGB now had a principal decision for funds which called for a standpoint from the SPD. At the Parteitag in Saarbrücken 1970, a motion on Vermögensbildung from the Vorstand was taken, that talked about investment funds in decentralised forms under public control, that could be used to give wage earners part of the capital growth and change the unjust capital/property structure.⁸

1971 the parteitag in Bonn decided to elect a Vermögenskommission. The point of departure was that the third Vermögensbildungsgesetz was insufficient and that it was necessary to use other measures to make the wage earners get share of the capital growth. In June 1972 the SPD Vorstand declared: >>Die Verwirklichung der Mitbestimmung beseitigt nicht die ungerechte Vermögensverteilung in unserer Wirtschaft. Sie ersetzt deshalb nicht die Forderung nach einer stärkeren Beteiligung der Arbeitnehmer am Produktivvermögen.<<⁹ Decentralised funds controlled by the wage earners are once again recommended. The Dortmund Parteitag same year meant that the 3rd capital formation law was good for the wage earners, but >>Das Eigentum an Produktionsmitteln ist aber noch immer im Besitz einer kleiner Schicht.<<¹⁰

The ordinary SPD congress in Hannover 1973 then positioned very near the 1972 DGB congress decision.¹¹ An elaborated fund proposal based on a report from the Vermögenskommission was adopted. It is stated that >>Das Eigentum am Produktivvermögen unserer Wirtschaft befindet sich noch immer in relativ wenigen Händen. Zu den Zielen sozialdemokratischer Politik gehört es, die Arbeitnehmer am wachsenden Produktivvermögen der Wirtschaft zu beteiligen und auch auf diese zur Demokratisierung der Wirtschaft beizutragen.<< Big companies should transfer part of the profits to a central fund, which then should give the shares to regional funds. The capital supply should not be in cash, since the aim is not to introduce a new tax but to give wage earners share of the productive capital. The share holders, that is the wage earners, should appoint a Vertreterversammlung, which then elect a Verwaltungsrat where one third should represent public interests. The fund share holders gets certificates possible to change for cash after seven years. The fund capital were thought to be used to stimulate investments in infra-structure.

This decision meant the trade union and the political part of social democracy were now united behind the principals for a collective fund system for capital building in wage earner hands. At the same time, the social democratic actors were divided internally.

Within DGB there was a strong minority against the capital formation funds, and IG Metall was the dominant oppositional voice. The position of IG Metall was that collective capital formation in funds through profit sharing, could harm the struggle for higher wages and increasing co-determination. For IGM active wage and tax policies and struggle for co-determination would better fulfil the aims of the proposals for collective capital formation.¹²

The opposite socialdemocratic opposition can be exemplified by the Jungsozialisten, who at their congress in 1970 declared that: >>Vermögenspolitik, Steuerpolitik und Mitbestimmungspolitik sind untrennbar... Eine Änderung der skandalösen Vermögensverteilung kann nur durch überbetriebliche Gewinnbeteiligung erreicht werden.<<¹³ They therefore propose a collective fund system without individual certificates. The SPD leadership now had the task to handle the different sort of critique within social democracy, and at the same time work in a governmental coalition with the liberal FDP. The

⁸ Materialien zur Vermögensbildung in Arbeitnehmerhand 1973, S.44f

⁹ Ibid, S.108

¹⁰ Ibid, S.146

¹¹ Vermögensbildung: Parteitag Hannover 1973, Vorstand der SPD, Bonn 1973

¹² Fuest, Winfried, Edmund Hemmer & Simon Strasser: Vermögensbildung in Arbeitnehmerhand, eine dokumentation, Köln 1997, S.57

¹³ Ibid, S. 70

FDP position regarding Vermögensbildung was that fund building should be in cash form, and with individual shares possible to sell after three years, and the funds should be included in the financial market. FDP also speaks about security for private property and the old capital owners.¹⁴

Also CDU had proposals for Vermögensbildung, in form of >>persönlich verfügbares Miteigentum am Produktivvermögen und gegen Kollektiveigentum<<¹⁵, which meant *individual* wage earner shares of profits and capital. The Bundesvereinigung der Deutschen Arbeitgeberverbände (BDA) was the most critical actor against collective Vermögensbildung, and meant that it was >>Bestrebungen des DGB zur Syndikalisierung der Wirtschaft...Diese Fonds...wurden durch eine solche Zwangsübertragung...in absehbarer Zeit sogar Mehrheitseigentümer.<<¹⁶

At the time of the DGB and SPD proposals 1972/73, the Vermögensbildungsfonds was then being criticised both from bourgeois actors as well as from actors within social democracy itself. The SPD leadership in government with FDP, had to perform a difficult act of balancing. The coalition government in 1974 decided around a proposition that fundamentally differed from the DGB and SPD proposals, and was more in line with the FDP Freiburg program.¹⁷ This proposal meant the internal DGB opposition driven by IG Metall grew stronger and the new chancellor Helmut Schmidt declared in spring 1974 that it would not be implemented.¹⁸

After that the German discussion on collective Vermögensbildungsfonds for economic democracy faded away. Or perhaps one can say that the issue emigrated to Sweden, where it was brought into the Swedish discussion by a German refugee, Rudolf Meidner, who flew to Sweden after seeing the fire of the Reichstag in 1933, and later became one of the most important theorists in LO, the Swedish DGB.

...and in Sweden

The Swedish society was heavily marked by the wage-earner fund debate for about a decade.¹⁹ The social democratic party, SAP, held governmental power from 1932 to 1976. One of the corner stones of the Swedish welfare model was the social democratic labour market policy, based on active measures for full employment combined with the so called solidaric wage policy. Main architects behind this policy were Gösta Rehn and Rudolf Meidner, both working at the LO.

However, in the end of 1960's it became clear that with the solidaric wage policy also followed negative consequences for the working class force. In high profit branches this meant the capital owners got even higher profit levels, what was to be called "excess profits". One could see that even though the social democratic people's home had meant rapidly increasing living standards for the working class, at the same time the concentration of capital, property and power to big capital owners was increasing. By the time of late 1960's there was also a wave of wild strikes in Sweden, beyond the control of LO, pointing at the

¹⁴ Ibid, S. 47, 91

¹⁵ Ibid, S.32

¹⁶ Materialien zur Vermögensbildung in Arbeitnehmerhand 1973, S.18f

¹⁷ Materialien zur Vermögensbildung in Arbeitnehmerhand; Thesen, Pläne, Gesetze, Vierte Folge: 1973 bis 1977: Gunther Halbach (ed), Bonn 1977, S.43ff

¹⁸ Ibid, S.48

¹⁹ The Swedish wage-earner fund debate is analysed in my doctoral dissertation; Sjöberg, Stefan: Löntagarfondsfrågan – en hegemonisk vändpunkt. En marxistisk analys. (The Wage-earner Fund Debate – a Hegemonic Turning-point. A Marxist Analysis.), Uppsala 2003. For an introduction in German see: Sjöberg, Stefan: Kollektivfonds als eine Strategie für die Wirtschaftsdemokratie; Lehren aus der Geschichte der Schwedischen ‚Arbeitnehmerfonds‘ für die Zukunft, in: Sozialismus, nr 5, 2004

fact that increasing living standards, social welfare etc, had not meant democratisation of the working places, real power and influence, co-determination etc.

The LO had to do something to meet these situation. According to a decision by the LO congress in 1971, the LO board appointed a working group chaired by Rudolf Meidner. The first proposal was presented by the working group in August 1975.²⁰ In this first report there is a direct focus on existing power/property conditions and how to fundamentally change them. In the "Meidner-proposal" it is said that the main purpose of wage-earner funds is to democratise the ownership of Swedish enterprise and that, in time, the majority of shares in large companies will be owned by collective wage-earner funds.

A profit-sharing model was proposed, that would shift the ownership and power structure of companies without influencing their liquidity. One can easily see the influences from the DGB discussion on Vermögensbildung. The Meidner-proposal meant that a certain share of the yearly profits (the working group talks about 20%) from big companies, should be transferred to wage-earner funds as new-issued stocks in the company. Thereby the profits would not leave the company but remain an active capital. By relating the calculated sum to the total stock, the amount of new shares could be established. Individual certificates, like in German proposals, were abandoned with the argument that it would be consumed and then not lead to real change of fundamental power and property relations. The fund system should comprise only big companies, with at least 50-100 employees, since power and property is concentrated to these companies.

The wage-earner funds, it is proposed, should be controlled by the employees through their trade unions and the members of the fund board should be appointed by union representatives. A couple of funds should be built up in different branches and sectors of the economy, comprising all large companies in each branch. The fund representatives in each company/managing board should be jointly appointed by the fund boards and the local trade unions. At the level of the shop floor a far reaching self-determination is suggested, and it is said that the proposal should be seen as complementary rather than contradictory to the co-determination line and law (implemented in 1977). This original wage-earner fund model would mean that the collective fund-share of the big companies would gradually increase in relation to private shares. The working group estimated that in 20-40 years large Swedish companies would be majority owned and controlled by the wage-earner funds.

An elaborated form of this proposal was adopted by the LO-congress in June 1976.²¹ The powerful central trade-union, organising some 90% of the blue collar work force, now stood behind the wage-earner funds aiming at economic democracy.²² The whole organization from bottom to top was very enthusiastic. In the LO trade union press you could read head-lines like "With the funds we take over!", and "This is how we will take power from the owners of capital".²³ In an interview for Swedish radio Meidner stated that, drawing on Marx and Wigforss, it was his conviction that real economic democracy was not possible without changing fundamental ownership/property conditions.

In September 1976, the social democrats lost the parliamentary elections, the SAP retained 0,8% less support than in the previous election. The loss meant that for the first time in 44 years the SAP was removed from the power of government. Inside the social democratic party, there was a large amount of scepticism towards the wage-earner funds, especially when it came to the leadership. The funds were considered as a side-step from the classic

²⁰ Meidner, Rudolf, in collaboration with Anna Hedborg & Gunnar Fond: Löntagarfonder, Stockholm 1975

²¹ Kollektiv kapitalbildning genom löntagarfonder, Rapport till LO-kongressen, Lund 1976

²² The content of these proposals is presented in German in: Meidner, Rudolf: Kollektive Kapitalbildung in Arbeitnehmerhand als Instrument der Gewerkschafts- und Gesellschaftspolitik, Wissenschaftszentrum, Berlin 1981

²³ Sjöberg 2003, S.130ff

reformism. Olof Palme many times seemed to be very ambivalent about the whole idea of wage-earner funds. Many thought the defeat was due to the fund issue. Afterwards it has been shown though, that this was probably more due to the contemporary atomic energy issue than to the wage-earner funds issue.

At the same time the communist party, VPK, in the beginning remained on the sidelines, adding criticism from the left and denied participation by social democracy. The VPK critic was similar to the German IG Metall criticism, proposing direct nationalisation, active wage struggle and radical co-determination. Another important actor was the white collar union TCO, which originally was positive to wage-earner funds, but later became paralyzed by internal conflicts.

The bourgeois actors and the press was chocked by the original 1975/76 LO wage-earner proposals. Head-lines shouted out "Revolution in Sweden!", and "Is this the most dangerous man in Sweden?" (beneath a picture of Rudolf Meidner). The Conservatives (Moderaterna) had said 'no' from the beginning to all forms of collective fund building, and they considered the original proposal a 'socialisation' of Swedish enterprise. The liberal parties (Folkpartiet and the agrarian Centerpartiet) were, at the outset, more open to discussion about funds and their form. After internal mobilization, the employers federation SAF and other organizations put tremendous resources to use in the ideological struggle, resulting in a range of anti-fund campaigns, and by beginning of the 1980's all major bourgeois actors in Sweden were united against the "socialist funds".

After the 1976 parliamentary loss, the LO and the SAP formed joint working groups to re-evaluate the wage-earner fund proposal. In 1983, the SAP back in government, finally presented a governmental bill concerned with wage-earner funds which was then adopted by the parliament.²⁴

However, the implemented wage-earner fund proposal was very different from the original LO-proposals. The issue of economic democracy and the aim of transforming the power and property conditions had faded away. The funds should *not* be aimed at majority ownership of companies, but would only be permitted to reach all in all 40% of the shares in a company. The profit shares should not longer be transferred as stocks but as cash, which should then be invested in industry. The main purpose was now to supply enterprise with risk investment capital. In 1991 when a non-socialist alliance once again took over the government, one of their first acts was to dissolve the wage-earner funds which had accumulated.

The question of Hegemony

While the divided Swedish labour movement failed in forming a hegemonic bloc, the bourgeois bloc (in wide meaning), in time, succeeded in forming a united hegemonic force in Gramsci's meaning of the concept.²⁵ Subjects with different strength and power resources confronted each other in the hegemonic struggle over the wage-earner funds, where the united bourgeois bloc in time succeeded in forcing a divided labour movement on the defensive. As their arguments, statements and positions solidified –also helped by the international Thatcher/Reagan right wave- and the attack on the wage-earner funds intensified, the split labour movement became more and more defensive, and their arguments weaker and weaker. A divided labour movement could not stand up against a united bourgeois force, and this is a fundamental aspect in explaining the gradual transformation of the funds and the final bourgeois victory. The implementation of the original LO-proposals 1975-76 would have meant a transformation of the capitalist social formation in the direction of economic

²⁴ Regeringens proposition 1983/84:50: Löntagarfonder

²⁵ Gramsci, Antonio: Selections From the Prison Notebooks, New York 1975

democracy and socialism, in the meaning of a formation where common ownership dominates and where large companies are commonly owned. The bourgeois class interests were threatened, and a hegemonic bloc was mobilized to put counter pressure on labour.

In understanding the changes and the outcome one also has to take into consideration the changing conditions of Swedish and international economy. Swedish like German post-war economy showed tremendous achievements, enough to both raise working class living standard and to increase capital growth for the owners. This was a common background for the issue of Kollektive Vermögensbildung in Arbeitnehmerhands. However, at the time of the final implementation of the Swedish wage-earner funds, things had changed. World economy, and to large extent the export dependent Swedish one, had been struck by oil crises, it was not longer a situation of increasing “excess profits”. This is also an explanation of how the focus of the wage-earner funds twisted as it did. One can see that economic factors had a crucial impact on the development at the political and ideological level.

It is possible to identify both similarities and differences of the German and Swedish Vermögensbildungs issues. A fundamental difference was that in Germany SPD had to compromise with FDP, while in Sweden SAP “only” had to achieve passive support by the communist party VPK. However, in Germany the SPD took a congress decision on collective capital formation funds, with profit sharing in stocks, which the Swedish SAP also did in a revised form, but with an impression it was more to meet LO to overcome the historically exceptional division between party and union.

In Sweden the SAP did never adopt the original radical wage-earner fund proposal, while in Germany SDP positioned very close to DGB, with the difference that DGB was originally leaning towards a collective solution without individual certificates. In that way it seems DGB/SPD succeeded better in forming a common platform than LO/SAP. Another aspect was the internal split within DGB, with IG Metall strongly opposing collective capital formation funds. In Sweden the situation was the opposite, with Metall being the driving force behind the original wage-earner fund proposals. It seems an important question to ask: how come? IG Metall was in favour of the co-determination line, striving for qualified/paritätisch co-determination, without trying to change the property conditions. Active wage policy and tax policy were also demanded. One can say that IGM at the time was in favour of a sort of function socialism, while the Swedish Metall proposed a Marxist influenced property-line with direct focus on changes of fundamental structures of the ownership of capital and the means of production. One can of course relate this to the fact that Metall realised the original LO proposal, with compulsory profit sharing in stocks and without individual certificates, was system transforming at its core, while IGM could fear the relative weak SPD would never be able to implement proposals like that, and that the whole thing then would harm the active struggle for wages, co-determination etc. One question that raises is also if one aspect of the fundamental different IGM and Metall positions, could be that IG Metall was not as strongly included in a solidaric wage policy as Swedish Metall. If so, this could mean that Metall considered the wage-earner funds as a good for the solidarity of the whole LO collective – this was actually one guideline for the working group- while IG Metall could consider it as damaging the wage struggle for its own members. This of course needs further investigation. From the experiences of collective capital formation funds in Sweden and Germany, one can draw the conclusion that to be able to implement such a system-transforming strategy, the labour movement and the left in a wide sense, has to function as a hegemonic force. As soon as labour raise the question of transforming the fundamental power & property conditions, it will face a united bourgeois hegemonic force. To be able to once again put the issue of collective capital formation and fund building, and the wider scope of economic democracy, on the agenda, it seems the left needs to put real pressure on the social democratic labour movement. In order to do so, the “old” left parties needs to improve and strengthen the

relations with the new social movements, and pose the question of another order. The left parties here have a responsibility to present strategic alternatives to both the new movements and the social democracy. This might be a way to help the left wing of social democracy to radicalize its movement.

A Strategy for the Future? Trade union pension funds and societal funds (Gesellschaftsfonds)

The last decades it has been almost entirely silence around the issue of Wirtschaftsdemokratie, also within the labour movement. Still it seems an issue as relevant today as then. The accumulation of capital and the concentration of power and property to big capital owners is a crucial fact to face for the left today.

In working out new strategies for economic democracy, it is possible to identify elements in the German/Swedish fund strategies that should be useful and important. The strategy of Kollektive Vermögensbildungsfonds is a structural reformism²⁶ that –contrary to classic social democratic reformism- focus on fundamental change of the core of capitalism, the private ownership of capital and means of production. It is a structural reformism that revolutionise the capitalist mode of production, not as a certain immediate break/occasion but as a far reaching process of transformation.²⁷

During recent years a new discussion around collective capital formation funds has emerged, so far mainly among left intellectuals but also to some extent within trade unions. It is the discussion about possibilities to use collective pension funds in a progressive way, where theorists from the UK like Richard Minns²⁸ and Robin Blackburn²⁹, have made particularly important contributions. New pension fund systems built on private and individual basis instead of public and collective, have been implemented in several countries in Europe as well as other parts of the world.

In the huge amount of workers accumulated pension capital, lies a potential for contributing to the development of a fund based strategy for economic democracy. Drawing on Marx one can say capital is getting more and more social in its character - in the sense e.g. pension capital is a capital of millions of pension savers - while the conditions of the ownership of it is still of private character. It seems reasonable that the trade unions themselves create collective pension funds where its members may choose to invest their pension capital, instead of giving it away to privately controlled institutions, investors and stockjobbers. The fund boards could then be democratically elected by the trade union congresses as in the Meidner model. The union funds would invest the collective capital in companies and different parts of trade and industry. As also in Meidner model fund representatives in company boards could be appointed by trade unions and wage earners in each companies. Union funds may use their responsibility as owners and the power and influence that comes with shareholdership, for instance to prevent closing-down of profitable companies or the moving out of production to low-wage countries. As the funds would be democratically managed the trustees could be directed to responsible investments regarding social and ethical aspects.

²⁶ A concept elaborated within the Eurocommunism in the 1970's, e.g. by Togliatti in Italian PCI.

²⁷ A concept elaborated in: Sozialismus als Tagesaufgabe: Brie, Michael, Michael Chrapa and Dieter Klein, Berlin, 2002. See also Brie, Michael & Dieter Klein: Die Wege- Revolution, Reform, Transformation – marxistisch inspirierte Überlegungen, Rio de Janeiro, 2004, and Klein, Dieter: Einstiegsprojekte in einen alternativen Entwicklungspfad, Berlin, 2004

²⁸ Minns, Richard: The Social Ownership of Capital, in :New Left Review, nr 219, 1996

²⁹ Robin Blackburn, *Banking on Death, Or Investing in Life: the history and future of pensions*, Verso, London 2002

The possibility that trade unions created their own pension funds where they offer their members to put the pension capital, would of course mean a tremendous amount of collective capital in the hands of workers through their unions. In this lies an actual potential for real power and influence for labour. If the will existed it could be possible for labour unions to actually take over the ownership of big companies this way, as to say “from within” the capitalist system itself.

It is also important to realize deficiencies and problems with this kind of fund strategy. A major objection is that the funds buy shares and thereby contribute to market speculation as well as company profits. There is also a risk that union funds end up only supplying private business with venture capital, not really aiming at majority ownership and real democratic shop floor power and influence. As an alternative Robin Blackburn launches the argument that the funds could also invest in public bonds. That would of course limit the risks and could significantly contribute to necessary investments in public infrastructure, health, education etc. If one really want the funds to fundamentally change the power and property relations though, it is of course also necessary to change the ownership shares of capital in enterprise. A complementary alternative, is what may be labelled societal funds (Gesellschaftsfonds).³⁰ The societal funds outlined is, apart from Meidner, actually influenced by GDH Cole, the main British Guild-socialist theorist. One can think of societal funds built up on a regional basis, “owned” by the regional or national parliaments democratically elected by the people, with a levelling fund to counteract regional inequalities. The parliamentary bodies could appoint the fund board, and when the funds reached a share that led to representatives in company boards, those could be jointly appointed by the funds and the workers at the company shop floor. The capital supply could be as in Meidners construction, a certain amount of big company profits in the form of new issued shares in the company. A profit-sharing model able to shift the ownership and power structure of companies without influencing their liquidity, since the profits would not leave the company but remain an active capital.

This way it would be inbuilt a strategy for democratically transforming capitalist private power & property, into democratic and common ownership, power and influence (in the middle long term of decades). This could be a fund strategy for economic democracy, combining the balance of guild-socialism between public power and workers power, and between macro focus on property conditions and micro focus of shop floor power and influence. This power-sharing model could also evade group selfishness in successful companies. The fundamental principle of the fund would be one citizen—one vote rather than one union member—one vote.³¹ Some basic structures of the new social system wanted, would already lay in the construction of the fund model. This is a structural reformism where the new system is growing and transforming the capitalist system from within the core, the property of capital it self.

In the globalized economy of today it seems impossible to build such strategies solely on regional/national basis. Transnational companies and financial institutions would, as earlier in history, carry out powerful countermeasures that seriously would obstruct or prevent the societal funds from changing the power/property structures. One can imagine regional and national funds linked together to form an international system, and implemented on some kind of international level. Such a system could be one of many counter powers to global capital, and it would for sure be much more powerful than for instance the so called “Tobin tax”

³⁰ Sjöberg, Stefan: Samhällsfonder, in: Vänstern, ägandet och makten 2001 (Power and Ownership 2002), Sjöberg 2004, S.35f, Sjöberg, Stefan: Kollektivfonds als eine Strategie für Wirtschaftsdemokratie; Lehren aus der Geschichte der Schwedischen ‘Arbeitnehmerfonds’ für die Zukunft, in: Socialismus, nr 5, 2004

³¹ During the Swedish wage-earner funds debate, there were also debaters suggesting some form of “citizen funds”, e.g. Walter Korpi

which has been discussed the last years. Today one must of course look at the facts that these kind of collective fund strategies are far away. But it seems important to at least identify possible concrete elements, and to start the discussion, in order to put these issues on the agenda and to show that the strategy for economic democracy is not only vague utopia.

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