CHAPTER IX

Labour and Participation

1. PARTICIPATION IN A COMPANY

An assessment of labour and of entrepreneurship, according to a personalistic economic system, cannot ignore the possibility that besides a productive and informative participation, much benefit may result for everybody through the introduction of more determinant ways of involving workers in company life. In particular there is the participation in the economic result - that is a wage partially proportioned to company profit - and the participation in capital - with the consequent participation in decision-making processes and the possible claiming of dividends from share capital; these two forms are consistent with Catholic social ethics and are able to give a contribution achieving common welfare.

These forms of participation exert a positive influence but also create serious problems for micro and macro-economics. The difficulties may be avoided through the adoption of new mechanisms besides the already existing ones, to make the participating scheme not only possible but also ethically acceptable and economically convenient.

2. SHARING PROFIT AND LOSS OUTCOME AND COMPANY EFFICIENCY

To take part in profit-sharing is an incentive for the workers, since it encourages their creativity and concern, while at the same time it makes their involvement in the company tasks easier, with positive effects on efficiency.

---

1 Cf. Paragraph 3, Chapter VIII.
3 In the literature about a participation economy it is possible to find an important contribution not only by Christian authors, but also by scholars with different cultural bases, such as Martin L. Weitzman and James Meade. Cfr. M.L. WEITZMAN, L'economia della partecipazione, Laterza, Bari 1985 and J. MEADE, Forme diverse di economia della partecipazione, in F. A. GRASSINI (edited by), Salari e partecipazione. Un dibattito sulle tesi del Premio Nobel Meade, Il Mulino, Bologna 1988.
In the usual retributive schemes, income distribution between capital and labour is made before assessing the economic result and apart from it, at least as far as the wage-earners. If workers were not deeply responsible, it would be easy to find an indifference to results (at least as far as it does not influence job security). If income distribution was made after the achievement of a profit and loss result (according to rules established before by the social parties), workers would be encouraged to produce more and better in order to have a higher wage.

For a really effective incentive to work, at least big companies should connect the wage variable not only with total result of the company, but also with the achievement by each productive department of goals previously established according to preliminary plans. So it would even be possible to overcome the difficulty of verifying the company income actually obtained; in fact, it depends on budget manoeuvres, accounts agreements, special events and various necessities. The participation in company results would encourage workers to feel they belonged to the company community; at the same time it promotes an improvement of relations among social parties; above all, it offers an important contribution to the creation of a true community economy, that is a system of private economic organisations aiming to directly meet man's and community needs, thus reducing individualistic behaviours.

In special conditions it may happen that participation in profit and loss outcome does not effect much the efficiency increase. In these cases some workers rely on the fact that their activity influences total productivity within certain limits, while their benefit remains the same and does not depend on the quality and quantity of work done; therefore they are able not to do their best as much as their colleagues with more sense of responsibility. This behaviour is a feature of those people who aim to maximise their benefit with no regards to moral values; it can be limited by controlling the performance of each person. It is however a repressive measure, which is also difficult and expensive to realise. It would be much better for a long-period balance of the company if workers were actually introduced and involved in the productive activity, to make them behave with fairness towards their colleagues and community.

---


6 An ethical and cultural improvement aiming to accept participation would allow to overcome the usual conflictual schemes of the industrial relations. A reduction may occur in the mutual mistrust, that depends from entrepreneurs on the fear of a co-management, while representatives of workers have strengthened the risk of a subordination to the company. Cf. T. TREU, *Democrazia economica e diritti dei lavoratori*, in G. CREPALDI, R. PAPINI (edited by), *Etica e democrazia economica*, Marietti, Genova 1990, pp. 81 ff.


8 Cf. O. CHILLEMI, *Domanda e offerta nella produzione di beni pubblici*, in *Note e Riflessioni* 2 (1989), 4, p. 16.

9 This is the behaviour of the free-rider.