

# The Right of Labor to Participate Actively in the Life of Enterprise

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# THE RIGHT OF LABOR TO PARTICIPATE ACTIVELY IN THE LIFE OF ENTERPRISE <sup>1</sup>

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## 1. *The nature of enterprise*

An enterprise is a productive organism which is the result of a harmonious combination of work and capital. The two elements are necessary for its existence and its life; if one or the other is missing the enterprise ceases to exist or produce.

## 2. *The qualities of enterprise*

The existence of enterprise is based on the union of capital and labor, it follows that those who possess capital cannot use it solely for their personal benefit. On the contrary they are bound to permit labor to participate in the direction of the enterprise. Economic liberalism as well as marxism have fallen into the same error on the subject of enterprise; the owners of capital are the exclusive proprietors of the enterprise inasmuch as they are the owners. The difference between the two systems is simply that the first believes that the means of production should rest in the hands of private owners while the other holds the view point that they should belong to the collectivity which is personified in the state. For both these systems labor is simply a means of production and those who concern themselves with the problems of labor admit no other right than labor's claim to a given retribution. For this reason it could be accurately said that Marxism is nothing other than state capitalism. While in theory liberalism exalts free initiative and marxism exalts the dignity of labor, either when transposed into reality becomes a mechanical system which eliminates the personal touch from the activity of the vast majority of workers.

## 3. *The Administration of the enterprise*

For the same reason the owners of capital as well as the workers have a right to participate in the management of the enterprise. The extent to which the workers should participate in management without impairing the unity of direction is a problem which must be decided from case to case with allowances made for the professional development of the workers and the actual situation of the enterprise. In any case its right is based on the nature of things as we have pointed out.

## 4. *Sharing of Profits*

The workers have a right to share in profits in virtue of the work which they furnish to the enterprise. There are different theories as to how profits should be divided between capital and labor. However, labor's right to a fair share subsists and demands just recognition.

## 5. *The enterprise as living community*

For the reasons which we have outlined it is necessary that labor and capital should avoid any feeling of hostility in their dealings one with another and should rather strive to arrive at an accord concerning production and profit sharing. The organic union of capital and labor which constitutes the being of the enterprise must be reflected in the relations of its subjects and must create among them a living community.

## 6. *Autonomy*

The autonomy of an enterprise in its relations with the state can be justified only in so far as it represents the interests of Labor more effectively than those of capital. Liberty is not inherent in capital, rather it is a quality essential to human labor. Capital is inanimate and can be transferred from one subject to another without suffering diminution or destruction; labor on the other hand cannot be transferred from the human being of whom it is the immediate expression. Capital does not and cannot say: I am; whereas labor can and must say: I am and you must recognize me for what I am. The private quality of capital does not explain and justify the liberty of labor in its relations with the state; rather it is the liberty of work which demands and justifies, within certain limits the private nature of capital.

If one persists in maintaining that enterprise is the exclusive property of capitalists, its autonomy can only be retained with difficulty; if in the other hand one admits, as one must, that labor forms an integral part of the whole, its autonomy cannot be ignored or easily destroyed. Work, a human activity which is essentially free, demands in its development a well defined independence. In other words the autonomy of enterprise, in its relations with the state can be validly supported when labor, in affirming itself in it as a subject, defends it as its own.

(1) Note of the Editors: Excerpt from *Politeia*, Vol. 1, fasc. 1, 1948-49, Fribourg, Suisse, pp. 66-68.