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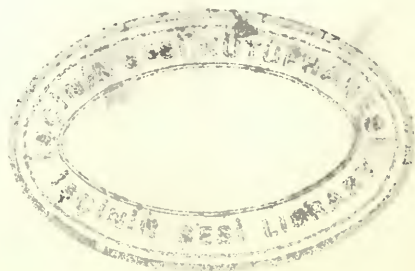
PARTICIPATION AND SELF-MANAGEMENT

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VOL. 6

**YUGOSLAV EXPERIMENT
IN SELF-MANAGEMENT**

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DIRECT INDUSTRIAL DEMOCRACY AND THE SOURCES OF YUGOSLAV DECENTRALIZATION

In attempting to understand the sources and origins of Yugoslav decentralization and its operational vehicle, the workers' council system, one is led on a far-ranging path. We are familiar with the historic model offered by the Paris Commune and the idea that there were a number of laws and decrees which were promulgated in the weeks following the successful capture of the reigns of power in Paris by the workers, but the law most relevant to the present concern was the decree that all factories and workshops abandoned or shut down by their owners were to be turned over to associations of workers to resume production.

And, apparently in an effort to make clear its democratic, proletarian thrust, the commune decreed that the salaries of the highest paid governmental and administrative officials should not exceed that of the average wage of the average worker and under no circumstances could it be more than 6,000 francs a year. (Approximately 61,000 n. d. at today's exchange rate. However, the relative purchasing power of the currencies in 1871 would, of course, be different.)

It should be made clear that it is quite one thing to have an antecedent form available for the councils and yet another thing to find that model historically acceptable to the general population. What were the conditions present in the Yugoslav situation allowing an equalitarian model to fit?

Pre-World War II Yugoslavia was overwhelmingly a peasant culture with some 80% of the population so classified. As a result, the kind of peasant populism found in traditional societies was found in Yugoslavia. Given this style of local community organization, one can draw several conclusions with regard to the contours of local social relations. There was little class differentiation and great intra-village similarity as well as strong kinship ties as evidenced by the Zadruga system which only recently has begun to decline.

The general historical backdrop of contemporary Yugoslavia contributed importantly to the development of strong parochial bonds. Largely as a result of foreign domination and/or exploitation by central authorities the Yugoslav peasant population developed a deep distrust of external power. Additionally, South Slav political instability and a lack of a developed communication network contributed to the growth of a sense of self-sufficiency on the part of the peasantry. These effects have carried forward into modern history and have led one observer to comment:

In terms of the peasant culture of Yugoslavia, the partisans formed part of a tradition of resistance to a mistrusted central authority. They also promised land reform and education, the latter traditionally seen

as a means of peasant advancement. Thus many peasants joined the movement.

... the very nature of the struggle, consisting largely of dispersed harassing actions on a local basis, with poor overall communications increases the autonomy of small groups, so that local leaders emerge.¹

All of these conditions resulted in the formation in 1955 of the present local autonomous governmental unit or opština and marked the inauguration of its full-scale development. Professor John Rawin, in an insightful piece, has elaborated the notion that the opština »has its roots in the traditional village autonomy that historically predates Yugoslav statehood; in its modern form, it became the basic territorial-administrative unit, without, however, losing its original autonomous character.«²

Prior to the Yugoslav-Soviet split, the tendency had been for the Yugoslavs to frequently bypass the opština and focus many of their governmental concerns at the federal level. Following the break, and up to the present time, that trend has noticeably slowed with the concomitant strengthening of local autonomy, the chief function of which is to supervise and coordinate all economic activity and social services in its territory.

There are clear cut links between the local factory and the opština such that the opština is directly involved in the selection of the factory manager as well as insuring that certain financial responsibilities will be met even if the factory becomes financially incapable of meeting its obligations. Additionally, the commune government regulates planning, internal trade, and investment as well as oversees the development of such utilities as water, electricity, sewerage and streets.

The official Yugoslav position as stated in the 1958 League of Communist program is that the opština »represents the outstanding institution of direct socialist democracy. The commune is not only primarily a school of democracy but democracy itself — the basic cell of self-management of citizens in common affairs.«³

Without the precondition of the opština, nothing approximating the Workers' Council system as we know it today, would have evolved. And so decentralization and local autonomy in administrative and governmental affairs have roots in the historical experience of the Yugoslav people. In fact, in an unpublished paper, Zaninovich and Bertsch, argue that

The failure of the interwar monarchial Yugoslav regime was indeed in large part due to its refusal to recognize these historically determined regional and local rights; ultimately, it was sheer delusion to assume that a modern, unitarist model of the nation-state could be administratively superimposed upon an environment with the cultural complexity that existed in the past World War I Kingdom of Serbs, Croats and Slovenes. The cultural particularism of »my region« or »my locale« set in contrast to an impersonal political-administrative center was deeply inscribed upon the populace.⁴

¹ David S. Riddell, »Social Self-Government : The Background of Theory and Practice in Yugoslav Socialism«, *British Journal of Sociology* 19, p. 49.

² John Rawin, »Social Values and the Managerial Structure: The Case of Yugoslavia and Poland«, *Journal of Comparative Administration*, August 1970, Volume 2, Number 2, p. 136.

³ George W. Hoffman & Fred W. Neal, *Yugoslavia and The New Communism*, New York: Twentieth Century Fund, 1962, p. 170.

⁴ Gary K. Bertsch and M. George Zaninovich, »Centralization vs. Decentralization in Yugoslav Society«, prepared for delivery at the Annual Meeting of the American Political Science Association Chicago, Illinois, September 7-11, 1971. p. 36.

This leads us to our second point which is that one of the generating forces for decentralization and its instrument, the Works' Council system, has been ethnic diversity within a Yugoslav context. Certainly Tito was well aware, if not painfully aware, of the diversity present in his country, however, it was not until the break with the Soviets that the centralist model was re-evaluated and found lacking. As a result, several schemes were devised giving expression for greater local autonomy. For example, the Council of Nationalities, the regional balance in terms of party leadership as well as the Workers' Councils, were all devised with at least an awareness of their effects on sectional concerns. The roots of national conflict in Yugoslavia lie for the most part in historical experiences which have left their legacy of bitterness to the present day. Largely because of the suspicion created by this legacy the centrifugal forces at work in the country have responded favorably to the nation of decentralization.

Of course, the creation of the Workers' Council system was not simply an attempt to decentralize the economy or give more voice to regional forces but it was also a declaration of the Yugoslav interpretation of Marxist theory. This then becomes a further source for Yugoslav decentralization.

One of the effects of the events of 1948 was to strengthen the resolve of the Yugoslavs that their society should, while remaining communist resemble in as few ways as possible, that of Stalinist Russia. By rejecting Stalin and Stalinism, they felt a need to indicate to the world that they were not only still communists, but that they were among the purists of communists and so they returned to Lenin and Marx for a rereading to their theories.

As a result of the need to find a separate road to socialism, Tito claimed:

From now on state ownership of the means of production is gradually passing on to a higher form of social ownership. State ownership is the lowest form of social ownership and not the highest as the leaders of the U. S. S. R. consider it to be⁵

or:

Tito declared that in the very act of placing the management of enterprises in the hands of the workers, the state had taken the first and greatest step leading to its own withering away.⁶

The point at which to begin the withering away is, in actuality, a very critical decision — critical in the sense that the shape and structure of the state hinges upon that decision. This is so because the longer the decision to eliminate the state apparatus can be delayed, the greater the likelihood the opposite process will occur, namely the growth and development of the state mechanism. The Yugoslav answer to this problem has been that the state should begin »phasing itself out« as soon as it is firmly established. They have chosen the Workers' Council as one of the major techniques to bring this about.

In the rush of decentralizing the economy, the federal government has played a diminishing role in planning and directing the economy to such a point that inefficiency is sometimes the result. In fact, it is quite difficult to tell to what degree economic concerns were involved in the decision to decentralize and to what degree ideological concerns were influential. Nor is it clear whet-

⁵ Josip Broz Tito, *Workers Manage the Factories in Yugoslavia*, Belgrade: Yugostampa, 1950, p. 41.

⁶ Wayne Vucinich (ed.), *Contemporary Yugoslavia: Twenty Years of Socialist Experiment*, Berkeley: University of California Press, 1969, p. 134.

her or not decentralization was economically rational for Yugoslavia at the time the process began. As one economist has noted:

If the shortcomings in the economy were primarily due to supply bottlenecks (as would follow from the Cominform blockade and the agricultural failures), then centralization of an appropriate type could assure that the high priority sectors acquired the scarce resources necessary to fulfill critical output targets.⁷

Thus, in a necessarily brief introduction, we have suggested how the 1948 split, ethnic diversity, the Paris Commune, Marxist theory dealing with the withering away of the state, and the antecedent condition of the opština have all contributed to the rise of the Workers' Council system in a Yugoslav context. Precisely how »exportable« this system might be to other countries remains to be seen but while the above listed conditions may not be present universally, with some modification for local conditions the basic form could well be viable in another national context.

All of this is not to say that the system functions exactly as some politicians and managers would have us believe, but nevertheless the concept of workers' control focuses on a major source of alienation in contemporary society and as such is deserving of intense future sociological investigation.

⁷ Deborah Milenkovitch, *Plan and Market in Yugoslav Economic Thought*, New Haven: Yale University Press, 1971, p. 73.

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NOTES ON THE RELEVANCE OF YUGOSLAV SELF-MANAGEMENT

Yugoslav self-management has been studied both by Yugoslav and foreign scholars for over two decades. The study of Yugoslav self-management, initially begun because of the uniqueness of this institution which the Yugoslavs themselves were aware moving them into a hitherto uncharted area, was of particular interest to three groups of Western social scientists. First were those very few Western social scientists who come from a socialist tradition. They sought to find in the system of self-management a solution for problems of alienation with the work process and disenchantment with the authority structure in nationalized industry in the West under social democratic governments; problems which they were all too aware were also present in Eastern Europe and particularly in the Soviet Union. Simply stated, they looked for *social relations* in the economy appropriate to a non-reformist working model of socialism.¹

The second group studied self-management from a narrower perspective, that of industrial relations and managerial techniques. This group approached the problem of self-management attempting to isolate it from its general political and ideological framework, seeking to discover in self-management that which they thought was applicable to other industrial systems. What they were attracted to particularly was the notion of self-management as a form of co-determination or of workers' participation which would be transferrable to industries remaining in private ownership or in ownership which was diffused or mixed. For this group what is particularly interesting about self-management is primarily the question of participation as a method of avoiding conflicts and providing »job enrichment«. They are also interested in productivity and the ticklish and complex problem of the role of technical cadres and management itself within a framework of self-managed industry.²

The third group studied self-management in a more general framework, particularly the economists from the United States and Great Britain who studied self-management as an *aspect* of a socialist *market* economy. For them self-management primarily is conceived as *plant or enterprise autonomy* from the centralized plan: while Yugoslavia is most interesting as a unique experiment with socialist market economy. For them the political mobilizing aspect of self-management in industry or democratization of industrial authority patterns is secondary. Self-management is primarily seen as a necessary *instrument* to break down the previous *centralized planning system* which had pro-

¹ A good example of this approach can be found in the two books by Albert Meister: *Socialisme et Autogestion — L'Experience Yougoslave*, Seuil, 1964 and *Où Va L'Autogestion Yougoslave*, Anthropos 1970, and the *Journal Autogestion* (Anthropos).

² I believe this is characteristic of the work of Jiri Kolaja and of Adolf Strumthal's *Workers Councils*, Harvard, 1964.

ven all too inefficient and to establish an economy based on the market and therefore free from the vagaries of political pressure or individual whims.³

The same three emphases can be found in the work of Yugoslav sociologists and social scientists who have devoted themselves to the study of self-management. It should at once be stated that the bulk of relevant literature on self-management is in Serbo-Croatian or Slovenian, and very little is therefore accessible to the scholars who do not command these languages. The few works that are available in English, and French particularly, tend to be dated or based on partial studies with the possible exceptions of Horvat's *Essay on Yugoslav Society*⁴ and the collective papers of the conference on self-management in Amsterdam organized by Mr. Broekmeyer.⁵ Political scientists such as Robert Dahl from Yale have also addressed themselves to some of the social and political implications of self-management⁶ but it is clear from Dahl's own writing that his acquaintance with the system itself is very limited and comes primarily from secondary sources.

I begin with the assumption that self-management in Yugoslavia cannot be isolated from those other aspects of the Yugoslav socialist system which make it unique. Five main characteristics of Yugoslav socialism can be roughly summarized as follows:

1. *In international affairs*, independence and non-alignment;
2. *In the field of economy*, socialist market economy with indicative planning;
3. *Politically*, a multi-national state with no dominant nationality, decentralization, and an unique party system;
4. *Historically*, a case of a successful war of national liberation, that is, of guerrilla communism legitimized over three decades of power;
5. *Sociologically*, a new political culture based on self-management in the form of workers' council, self-managing bodies in institutions and in the communes.

These characteristics exist within a society — and this factor has been of growing importance — marked by a high rate of social and political modernization which has been inexorably slowing down as Yugoslavia has emerged from the mobilization phase dictated by the backwardness of the destroyed traditional society.

It is clear when one considers Yugoslavia that self-management can only be taken as one part of what is an integrated whole, or rather an integrating whole since the system as yet is in the process of evolution. Self-management itself can be broken down into three component parts: workers' councils or self-management in industry proper; self-managing bodies in social institutions such as schools, quasi-governmental bodies and the rest, and finally self-management on the level of the commune. All three elements should be considered jointly as it is all but impossible to treat workers' councils as an isolated phenomenon in Yugoslavia. The workers' councils are perhaps the most interesting aspect of the Yugoslav experiment and the one which may appear easiest to transfer to other situation, but as the experience of Algeria, India

³ The best example of this line of approach is in Benjamin Ward's paper, «Political Power and Economic Change in Yugoslavia», in *American Economic Review*, Vol. LVIII, No. 2, May 1968.

⁴ Arts & Science Press, White Plains, 1969. This is a translation of a book originally published in Serbo-Croatian.

⁵ *Yugoslav Worker's Self-Management*, ed. by M. J. Broekmeyer, 1970, D. Reidel Dordrecht, Holland.

⁶ Robert Dahl, *After the Revolution*, N. Y. 1972.

and other countries has shown,⁷ attempts to establish workers' councils in isolation without an accompanying change in the fabric of society itself are likely to lead to a failure and a cumulative inefficiency in the economy and society.

A HISTORICAL NOTE

One of the most puzzling things about the establishment of self-management in Yugoslavia is that it appears to have had no previous roots in the historical experience of Yugoslavia or of the Communist Party which led the revolution and directed the post-war developments. The Communist Party of Yugoslavia became, in the process of the war and revolution, a mass party. However, the predominantly peasant masses which entered the Party from 1941 to 1945 joined a party which remained one of the most orthodox of the parties in the Communist International even after the dissolution of the International. A party which consciously, perhaps all too consciously, held the Russian model as the only desirable one; and while the party had come to power independently, it sought to copy political, economic and military structures from the already existing Russian model wholesale. Political literature which most of the party cadre had been brought up on would have to be examined in great detail to discover any references to self-management or works' councils. One need only remember that perhaps the most important text in Party courses even in the war years had been Stalin's *History of the Bolshevik Party U.S.S.R.* It was the first book set in the printing shops of the first Partisan Republic in Uzice in the fall of 1941 and the unused plates were painfully transported in the retreat that winter.

In the socialist tradition itself the theme of participation and workers' control weaves through much of the classic literature — from Fourier through Marx, Lenin, the Guild socialists and the various left opposition groups in the Social Democratic and Communist Parties. Lenin himself in *The State and the Revolution* presented a model which was based on directly elected councils, and the very slogan »All Power to the Soviets«, before their atrophy, represented an attempt to institute forms of direct democracy as a substitute for traditional state power. The most fully developed theories of workers' control were found in the writings of the Workers' Opposition in the early 20's in Russia,⁸ but it would be difficult to trace the influence of the destroyed and vilified Workers' Opposition or its program on the leaders of the Communist Party of Yugoslavia in the early 1950's. Furthermore, the grim tasks of the period following the second World War, particularly in an underdeveloped society facing the hostility of the Soviet bloc were hardly the most conducive period to introduce social experiments which had no previous record of success. Therefore, self-management's evolution should be considered as the specific form that Yugoslav socialism took in counterposition to the familiar Stalinist model of development.

This lack of historical roots did not apply to *one* form of self-management, communal self-management. It had been developed during the revolu-

⁷ See: articles in *Autogestion* re: Algeria and Z. Tanić's study of participation in India.

⁸ Robert Daniel: *The Conscience of the Revolution*, Simon & Schuster, NY, 1960. particularly chapters 4, 5 and 6, for a summary of the views of the Worker's Opposition.

tion itself, at least in a nascent form in the National Liberation Councils (N.O.O.) which held wide-ranging authority in the Partisan-held areas and even in the occupied areas. These communal councils harken back to a very active tradition of communal self-management, particularly developed in those parts of Yugoslavia which had been exposed to Turkish influence.

Given the discontinuity with the practice and the immediately preceding organizational tradition that the introduction of self-management represented, it is no wonder that it took over a decade to develop, and that it created a series of stresses and contradictions which are still present in the society. For the classic advocates of workers' control, workers' councils were not a parallel form but the *only* form of organizational power which would exist in a socialist society. In Yugoslavia the workers' councils were initially introduced into an economy still highly centralized with fully developed state administrative organs and a monolithic party structure, all of which had a great deal more real power than the councils themselves. This was the case *even* in those matters which would have been assumed to be under the jurisdiction of the councils.

It was not until the introduction of the market economy that the councils began to assert at least a minimal enterprise autonomy and it was not until the councils began to dispose of the major part of their income that real economic power began to shift. This »shift« represents a major source of tension since of course it implies decentralization in economic decision-making hardly consistent with a remaining powerful centralized state apparatus. In turn this has created continuing pressures to alter the political and party structures in such a way that they would reflect the new social relations and modes of political behavior developing through self-management. These pressures of course do not always succeed if for no other reason than that they are not consciously directed.

Historically, the introduction of workers' self-management within a market economy must therefore be viewed as having the primary role of dismantling the old state apparatus and of shifting the bulk of economic decision-making into non-state bodies. This is why much of the debate about the socialist market economy in reality is a debate about the workers' self-management in Yugoslavia today. The criticisms directed at the real enterprise-egoism which has developed in certain branches here misses the point. In a self-managed society, the workers inside their self-managing institutions would have to be *convinced* to make the required sacrifices for the community as a whole. Here of course the role of the League of Communists in developing the needed socialist consciousness would be central. Well-meaning critics find themselves in a posture which often implicitly assumes that societal priorities are better determined by experts, governmental bodies, or for that matter »disinterested« intellectuals than by voluntary participation of the workers themselves. To put it more simply, *they do not trust the workers to self manage in the interests of the wider community*. Implicit in that is the continual existence of dual power and therefore of a limitation on self-management.

The development of workers' self-management within the framework of a market economy has generated a whole set of real and potential social conflicts. These can be roughly divided between those occurring *within* the workplace and those between the workplace and institutions and forces outside of it. Within the workplace, two contradictory pressures exist; maximization

of production and social organization of work. Efficiency versus humanness. A workers' council is at the same time the organizational apex of a sometimes increasingly complex organizational pyramid and a town meeting. An obvious conflict exists between the attempts by technocratically oriented managerial strata to stress efficiency and productivity and the natural resistance of the workers toward any attempts to increase the pace of work or alienate them from direct control over the process of production. Increased availability of consumer goods and luxuries has created pressures on the part of the professional strata for greater income differentials. Hiring university graduates from the outside rather than systematically training workers, perhaps by sending them to universities, for professional jobs increases the gap between the »experts« and blue collar workers.

The conflicts between the enterprise and society as a whole are also systemic. The more obvious ones are the ones posed by narrow self-interests of an enterprise; the scandalous pollution of rivers and parts of the seacoast, production of goods whose social value is dubious, irresponsible pricing, the tendency to regard the enterprise as a form of collective private property, and the like. On the other hand, there are the attempts »from the outside« to interfere with the normal prerogatives of self-management in hiring and firing, demands for favors, and the desire of poorer communities to milk the more successful enterprises for general development.

The general reluctance of political structures — local, regional or national — to permit the development of full autonomy to the self-managing bodies in the economy are always ultimately justified by the need to defend general societal interests. This leaves open, of course, the question of just how »disinterested« are the defenders of general interests.

THE DIMENSIONS OF SELF-MANAGEMENT TODAY

Before discussing the relevance of Yugoslav self-management to other polities, it is useful to examine the extent of popular participation which it involves at this time. There are three areas of self-management: enterprise, including cooperatives, communal councils and bodies, and social services and institutions. In the economy where self-management is most widely developed, the numbers of persons that are involved on various levels are huge. Four specific groups of participants in self-managing bodies can be distinguished in the economy:

- 1) Workers' councils elected in enterprises large enough to have councils and managing boards: there are 145,488 members of councils in this category.
- 2) The second group are managing boards of smaller enterprises which are too small to have a council and a board: there are 10016 members of such boards.
- 3) The third and largest group consists of members of self-managing bodies in *parts* of enterprises. This is a group which can be expected to grow for a number of reasons, one of which is the growth of large complex enterprises in Yugoslavia. There are a total of 303,328 persons participating in self-managing bodies on this level.
- 4) The fourth group consists of self-managing bodies in agricultur co-ops: there are 35,469 persons in these councils.

The grand total for the economy therefore comes close to half a million persons in this area alone, participating in various self-managing bodies.

In the field of communal self-government, the communal assemblies (there are 500 communes in Yugoslavia) include 40,791 persons, roughly one-half of whom are elected at large, the other half being elected by the working communities. In addition, there are local community bodies on a lower level which include 92,725 persons, a total of 133,516 persons.

The third area officially defined as »Social Self-Government in Institutions of Social Services« includes: primary and secondary schools; higher schools and universities, scientific institutions; cultural, educational, art and entertainment institutions; health institutions, and social welfare institutions. The self-managing councils include 210,384 people, of whom roughly one-half come from the primary and secondary schools.⁹

The point of all these figures is to show the enormous numbers of people involved in one way or another in the institutions of self-management participating with various degrees of intensity and effectiveness in *managing some aspect of their social existence*.^{*} It is important to note that while the largest number are in the enterprises, massive numbers are found in the other two fields. This wide involvement of non-professionals in managing major institutions in their society, no matter how limited, obviously affects the entire political culture of the polity over time. *Self-management becomes thus not an instrument of the society but the very fabric of the society*. This is not to say that abuses do not exist, that participation is not sometimes only nominal and that the general political climate of the society at a given moment does not also have an effect on the workings of these bodies. *All that I am asserting is that the norm of participation is now firmly rooted and given the system of rotation which is used in electing representatives to self-managing bodies, this means that a major part of the working population at one point or another participates in running its own institutions*. This however also underlies my earlier point that self-management is not a *partially* transferrable system.

Accompanying self-management itself has been a process of decentralization from the federal to the republic and provincial governments down to the communes. This process began relatively early in Yugoslavia and can be seen in the shift of the personnel in the federal administration from 47,300 persons in 1948 to 10,326 persons by 1956, with the process continuing to this day.¹⁰ There are two underlying theoretical approaches to this process of decentralization. The first emphasizes the sovereignty of the republics and regards the decentralization as primarily a reflection of the multi-national character of Yugoslavia. The second stresses *structural* decentralization and thus stresses decentralization to the level of the self-managing bodies in the communes and the enterprises. While the two processes are simultaneous, they are in my opinion ultimately contradictory and it is the second process which seems most naturally to flow from the basic needs of a self-managed society.^{*} It can

⁹ Statistički Godišnjak Jugoslavije 1970, pp. 66, 67, 68, 69. The figures are somewhat dated (1969—70) but adequate.

^{*} 838,201 persons participate in some type of self-management out of employed population of approximately four million!

¹⁰Dušan Bilandić: *Borba za samoupravni socijalizam u Jugoslaviji 1945—1969*, Zagreb 1969, p. 73.

^{*} The emphasis on Republics is rooted in the *specific* historical needs of a *multinational* Yugoslavia, not in self-management as a system.

however be argued that the first stage of decentralization necessarily required an emphasis on the Republics in order to dismantle the central federal structure. I believe that the future will show a greater emphasis on the second process accompanied in all likelihood by attempts to solidify nation-wide institutions such as the League of Communists, the unions, and the unified market.

The two decades of development of self-management have had a profound and long-range effect on the political culture of Yugoslavia. Findings from surveys of workers and the public at large confirm the fact that although there are criticisms of specific practices and abuses in self-management, it is taken at least as the desirable norm and the most characteristic feature of Yugoslav socialism. This was also confirmed in 1968—69 in the study of *Yugoslav Opinion-Makers*,¹¹ where the leading opinion-makers of the major institutional areas of Yugoslav life were asked, among many other things, what they thought were the major achievements of Yugoslav socialism. The question was broken down into three parts: What were the major achievements of Yugoslav socialism — for Yugoslavia proper — as an example to developing countries — and as a contribution to socialist theory. In all three cases, self-management, either in the economy or in the polity, came convincingly the first. For Yugoslavia proper, self-management as the first choice ranged from 72.3% for the Legislative Leaders, to 53.8% for Intellectuals, with the second and third choices being not unrelated, i. e., freedom and socialist democracy, and the solution of the national question.

In contrast, they did not view self-management *in industry* as an exportable item for underdeveloped countries. There the answers ranged from 27.3% for economic leaders to 16.8% for journalists and mass communicators. For underdeveloped countries, it was *political* self-management and economic development which were considered to be the Yugoslav contribution for emulation.

In the field of theory, again self-management was regarded as the major Yugoslav contribution, 58.2% emphasizing industrial self-management and 27.1% communal self-management. Interestingly enough, again intellectuals were the least enthusiastic although a substantial majority did pick self-management.

This is a finding which should be taken in its proper context. There is, after all, in most societies a gap between normative descriptions of the system and its performance. However, what is clear is that the leaders of Yugoslav society agreed that the major innovation of Yugoslav socialism was self-management. All major economic, political and social reforms since that period have basically concentrated on working out the kinks and details of a system to which they are generally committed.

DIFFERENT APPROACHES TO SELF-MANAGEMENT

Self-management means very different things to different groups. *Managers* and *technical experts* stress plant and enterprise autonomy and *their* right to manage without interference of the government or central economic

¹¹ Reports on the study are found in: *Stvaraooci Javnog Mnenja u Jugoslaviji*, Vols. 1—4, Firdus Džinić, ed., Institut Društvenih Nauka, Beograd, 1969. A version in English of the major papers in: *Yugoslav Opinion Leaders*, Barton, Denitch, Kadushin, eds., Praeger Special Series, 1973.

bodies. *Politically conscious workers* regard self-management as their right to control the managerial staffs and to make the significant day-to-day decisions affecting their lives. *Socialist intellectuals* regard self-management as an alternative to a highly structured Party-dominated political system which will create new norms and therefore hopefully a new socialist man. These themes of course represent ideal types, but what is clear is that although self-management was an unexplored possibility when introduced, it has at least as a slogan become attractive to wide publics in both Western and Eastern Europe. What should be stressed is that slogan is transferred with all of the ambiguities implicit in the different approaches named.

In Hungary and Poland in the mid-50's, and among the Czech reformers in 1968, very different approaches to self-management were present. In the first two cases, the demand for self-management came primarily *from the workers themselves*. This demand was made more urgent by the fact that they felt that they did not control or were represented by their parties and trade unions. In the case of Czechoslovakia, however, a more ambiguous approach was present among the reformers, many of whom were hesitant about self-management because they wanted to move towards a greater income differentiation and a society in which managers and experts would be autonomous of the political structure.¹² They rightly assumed that in any industrial situation where genuine power resides in the elected workers' councils, the pressure will be towards greater wage equality and against special privileges for the managerial and technical cadres.¹³ This is why *partial* self-management in the form of *co-determination* or *joint consultation* is far more attractive to managers and industrial relations experts who usually reflect the interests of enlightened management among liberal or social-democratic reformers.

A further problem which the discussions about self-management tend to obscure lies in the relationship of the other representative workers' institutions to self-management. I refer primarily to the trade unions. Self-management can be related to the trade unions in three typical ways:

- 1) In some forms of co-consultation, the union itself represents the interests of the workers on a joint body with managers and technicians. While this implies conflictual interests between the management and workers, the practice all too often turns out to be that the trade union representatives on such bodies become more »reasonable« than the rank and file which they represent. They become sensitized to the problems of management and production which often clash with their normative role as the advocates of the *direct* interests of the workers.
- 2) A second type of relationship is one in which the trade union or rather the shop stewards *are* the workers' council. This is the syndicalist model and at least it has the virtue of simplicity. Managerial and technical staffs at that point work for the workers' council and the problem of representation is solved because of a single line of representation.
- 3) A third model is one where the trade union is rightly or wrongly perceived as unrepresentative and the workers' council as being more directly repre-

¹² See: Ivan Svitak: *The Czechoslovak Experiment 1968—1969*, Columbia U. Press, particularly pp. 52—99. An excellent discussion of the views of Czech reformers on the question of equality is in: Ernest Gellner's »The Pluralist Anti-Levelers of Prague«, *Dissent*, Summer 1972, pp. 417—483.

¹³ See interesting discussion by Kiro Gligorov at the Session of the Presidium of the SKJ Oct. 30 — Nov. 1, 1972, on economic differences. As reported in *Politika*, No. 1, The point I want to stress is that income differences *within* specific branches of the economy are becoming *smaller*. This is also seen in the work of Dr. Berislav Šefer.

sentative. This can occur either in situations where a fragmented trade union movement exists divided between politically competing unions *or* in cases where the trade union leadership asserts no independent role from the rest of the hierarchy of the society. In those cases the trade union is not regarded as the instrumentality through which grievances and personnel questions are settled, and often appears on the management side of the table in the managing board. This describes the limited councils in Poland and Hungary, and the early stage of the Yugoslav development.

When the trade unions begin to assert greater independence as representatives of generalized interests of the workers, their relationship to the self-governing structure is one where they defend the societal interests of the workers as a quasi-political lobby while the councils themselves assume the functions which are in part carried out by the shop stewards' committees in some of the unions in Western Europe and the United States. While conflicts exist in the situations, they need not be endemic.

Industrial self-management in Yugoslavia must be distinguished from the classic workers' councils in that it includes the managerial and technical experts as well as a majority of workers. However, self-management *or* workers' control is an increasingly attractive slogan in many different countries and social situations. The content given to that slogan will vary widely. It ranges from those who view the councils as a way of getting participation for workers for the purpose of mediating conflicts, improving productivity and support for an »incomes policy,« to those who view the workers' councils as proto-Soviets, that is, instruments of revolutionary transformation of a capitalist society (or, for that matter, statist socialism) to a socialist society. It is therefore important to specify very carefully what one means by participation and self-management since those slogans are by now used at least as widely as »democracy.« The slogans become most popular in situations where the workers do not feel that their parties and trade unions are sufficiently militant in transforming the conditions and the social organization of work. In these cases economic demands are rare, and one can assume that when wage settlements are determined on a higher level without a direct confrontation of the workers and the employers, the demands for some form of workers' participation or workers' councils will increase. This trend in advanced industrial countries will be undoubtedly strengthened by the increasingly better educated working class and the increasing complexity of work. The old division between the experts on the side of management and the relatively uneducated workers is breaking down and an intermediary group, sometimes designated as the *new working class*¹⁴ has arisen. The existence of this stratum in the working class will make the demand for some form of self-management more and more general in advanced industrial societies.

In developing societies, on the other hand, the function of self-management or workers' control is different. To begin with, it represents a major attempt to *mobilize* and involve the newly industrialized peasants in the norms of factory life. It is also an instrument for *recruiting* new managerial strata in societies which are without adequate cadres and, finally, it is *ideologically useful* — even in situations where the power of managers is almost unaffected

¹⁴ The best development of the implication of this development is in: Serge Mallet, *La Nouvelle Classe Ouvriere*, Seuil, Paris 1963. Also see: Bogdan Denitch, »Is There a New Working Class«, in *Dissent*, Summer 1970, and Michael Harrington's essay on the same question in the special *Dissent* issue: *The World of the Blue Collar Worker*, which appears as a Quadrangle Book, 1972.

by the existence of councils — because it justifies, or seeks to justify, the transformation of revolutionary political activists into managers. That transformation is ideologically more acceptable if at least the *form* of participation is maintained. However, forms which do not reflect social reality can prove to be a dangerous luxury. When workers are told that they own the factories and that they are to manage them, they sometimes seek to act as if this were so. *Under these circumstances, conflict can develop between workers operating within the official ideology of the system and the system itself.*

PROSPECTS FOR SELF-MANAGEMENT

The development of self-management in Yugoslavia has had the effect of reviving the entire discussion of possibilities of workers' control in contemporary society. The previous programs, even when they appeared to be spelled out in considerable detail by the anarcho-syndicalists, guild socialists and the Workers' Opposition in Russia, were after all abstract models. All assumed, at least implicitly, that the workers' councils themselves would be the focus of governmental power. One could, after observing the Yugoslav experience, outline three possible approaches which flow from the application of self-management to complex polities.

- 1) The first model would assume a revision of the traditional marxist definition of the working class, and its replacement by the concept *working people*. In this case the self-managing bodies in the economy and society represent the entire working population; therefore also the managerial, white collar and technical strata as well as blue collar workers. Implicit in this model is the assumption that organic changes in the composition of the working force are occurring which will substantially reduce the proportion of blue collar workers in the economy. Therefore, a self-managing system, and a political structure based on it, has to be based on these broad strata in addition to the working class. Implicit in this as well is the notion that there are no major social conflicts within the category »working people« and that harmonious self-managing bodies can represent the group as a whole within a given sector.
- 2) The second model which seems to be closer to the classic model is now popular in section of the French and Italian working class, conceives of workers' councils as organs of dual power in a class society where the working class parties do not necessarily rule. That is, workers' councils or shop committees are instruments of struggle for that power and are primarily conceived of as substitutes for the traditional trade union structure. They bargain and speak in the name of the blue collar workers and their allies and do not necessarily have any connection with the state structure itself.
- 3) The third model conceives of workers' councils representing the blue collar working class and its immediate allies running the industry and the economy in a framework where the society itself is ruled by a party of the working class. In this situation the workers' council would hire the experts, managers, technicians and the rest. It also »hires« the secondary services, i.e., banking, finance, etc. Here the assumption would be presumably that the party of the working class which rules the society bases itself on the

blue collar workers in self-managing institutions. The Party is, simply stated, the society-wide expression of the *conscious will* of the more advanced sectors of the working class with its allies.

The troubling question in all three cases is of course the relationship of the workers' councils and other self-managing bodies to the state. In the first case a model exists which can either be developed within a single or a multi-party structure. What is crucial for it is the conception that there are no specific working class interests as distinct from those of the other working strata. Therefore, implicit in that model is consultation, coordination, and consensus. The second and the third models imply class conflict and resolve it on different levels. In the case of workers' councils existing as an organ of dual power, the councils themselves are one of the contenders for power and such a situation, particularly if the ownership of the economy is mixed, leads either to the atrophy of the workers' councils and their reduction to mere consulting bodies or to an offensive by the councils for state power. In the third case, while the councils would clearly dominate and control the economy and the party which rules would be the reflection of their interests, it is not excluded that other strata, managers, technicians, private farmers, etc. would be represented in the *political* structure, i.e., through their own organizations or even parties.

The Yugoslav model seems to be someplace between the first and the third types. It is therefore, I believe, a model in the process of transition which can either move in the direction of stressing greater enterprise autonomy and the unity of managerial, technocratic strata with the working class, or it can move towards the third category, a possibility which did not exist at the time when the workers' councils were created. It did not exist for the simple reason that there were not enough workers to base industrial and state power on them *as the primary group*.

What is lost sight of in the discussions about the future structure of the working force in modern industrial societies is that although technical strata and white collar workers have been expanding at a rapid pace, the blue collar workers *have not* in any advanced industrial society declined to any statistically significant extent over the past five decades.¹⁵ The percentage of blue

¹⁵ Taking only the U.S. statistics - - and presumably the trend towards the elimination of the traditional working class would be *most* developed here, we get:

	For Both Sexes (in percentages)					
	1900	1920	1940	1950	1960	1970
Managers, officials, proprietors, farm owners, etc.	25.6	21.9	17.7	16.1	15.5	12.7
Professionals & Technicians	4.3	5.4	7.5	8.6	11.1	14.4
Clerical & Sales	7.5	12.9	16.3	19.3	21.2	23.6
Service Workers	9.1	7.9	11.8	10.5	12.5	12.4
Manual, all	35.8	40.2	39.8	41.1	36.1	34.9
Farm Workers	17.7	11.7	7.0	4.3	3.1	1.8

Three points should be made here:

1) The increased proportion of women in the work force - - primarily in the Clerical & Sales category probably means that the proportion of families where the major breadwinner is a blue collar worker has not diminished at all.

For male workers only, the figures for manual workers are:

	1900	1920	1940	1950	1960	1970
	37.8	44.5	45.5	48.3	46.3	46.8

2) Unionization - - because of the increasingly factory-like work conditions - - is now directed at Clerical & Sales, Service and a part of the Professional Technicians, and

collar workers, even after the massive introduction of labor-saving devices and automation, has remained constant at around 40% in most advanced industrial polities. What has diminished has been the percentage of people involved in agriculture, while the increases have been in a growing secondary sector. A change which was not anticipated, however, has been in the sector of technicians and white collar workers where massive groups have become proletarianized at least in the organization of work process and the development of a trade union consciousness.

The point of the seeming digression is that the Yugoslav model, if applied to advanced industrial polities, would more probably be a reflection of a radical working class program rather than of proposals supported by the economic techno-structure. An instrument of class conflict rather than class conciliation. To put it differently, the aspect of self-management which interests the techno-structures, represents a struggle between the classic owners and the managers in private and sometimes state-owned industry which attempt to buy off the working class by giving it the illusion of participation through consultation while the power stays in the hands of the technically better trained strata. The Yugoslav model, with all of its imperfections and contradictions, is on a different plane. It represents the major historical attempt to create a *society* based on self-management. The success or failure of this effort may reshape the coming strategy of the working class parties throughout the world.

CONCLUSIONS

1. Self-management in Yugoslavia represents an experiment over a sufficient period of time for it to begin to answer some of the basic questions raised primarily within the workers' movements about the possibilities of workers' control in modern society. These possibilities in Yugoslavia, however, were limited by underdevelopment, the complex political problems of the post-war state, and the large sector of the population which remained in private agriculture. Thus the experiment was successful since even under conditions which were far from optimal, a working system of self-management developed, producing a dynamic economy and a degree of participation hitherto unknown in industrial society.

2. Yugoslav self-management applies to the socialist sector which means that it affects roughly one half of the working population. Out of the system are three major groups: private farmers, numbering approximately four million, people in the private sector numbering some 90,000, and the large number of workers temporarily working abroad (almost one million). Of course, pensioners, housewives, and those not employed are also excluded. Even with these limits, as I have shown, close to a quarter of the relevant population

3) The category »Professionals and Technicians« is really *two* categories:

	1900	1920	1940	1950	1960	1970
Prof. & Tech., Independent	1.1	1.0	1.1	1.1	1.3	1.5
Prof. & Tech., workers	3.1	4.4	6.4	7.5	9.9	12.9(1)

In this category are found some groups which are sometimes designated as the new working class.

All figures are from: *Historical Statistics of the United States*, 1970, page 225.

Also see: A. Szymanski, »Trends in the American Working Class«, in *Socialist Revolution*, No. 10, 1972.

participates at any given time in the institutions of self-management. Since a system of rotation is used, this means that a major portion of the population in the modern sector is involved at one time or another. The other strata of course participate through political process.

3. There is considerable evidence that self-management has entered into the basic value nexus of Yugoslavia and is generally accepted as the desirable social goal even with the imperfections which exist. The processes of self-management have created new pressures in the society which will in all probability continue to alter the political cultures of Yugoslavia in basic ways. Hostility to Yugoslav socialism — expressed as hostility to self-management — can be expected from a number of sources. In addition to the traditional ones, there will be two major new ones. One will come from the new middle class, seeking to enjoy a living standard close to that of Western Europe, whose values are increasingly technocratic and managerial. For them what is wrong with self-management is precisely that it *does* involve workers who are viewed as having insufficient *culture* and *expertise* to make major decisions. The second group includes those who identify socialism with centralized planning and a unitary state. They object to the workers making major decisions because they view them as lacking *political* expertise. Both groups of would-be tutors will frame their attacks *within* a nominal support for self-management — only of a reasonable and limited form.

4. As the society continues to develop, the values implicit in the new set of social relations in the economy will increasingly clash with traditionalist values. These traditionalist values are most often expressed in the form of either nationalism or centralism (or rather statist socialism). This is because the processes of self-management tend to minimize the role of charisma and the special prerogatives of the traditional gate-keepers of societal values. Thus self-management will be viewed with suspicion *both* by traditionalist political cadres *and* the humanistic or traditional intelligentsia. The crucial determinant in the future development of self-management, therefore, will be the role and power of the increasingly massive industrial working class of Yugoslavia. It represents the major social group in whose unambiguous interest is the *extension* of self-management.

5. The social differences which have arisen in Yugoslavia are not the product of the system of self-management and a socialist market economy; rather they are the result of the violations of legal and political norms of the society. A major campaign against these abuses is essential to prevent the corrosive effect which illegitimate privilege and wealth has on the morale of the society and thus on the self-management itself. These privileges represent a threat not because they are widespread but because they underline an absence of social control and the fact that new socialist norms, appropriate to the present stage of Yugoslav development, have not yet developed. They are also a threat because of the widespread cynicism which results and in turn creates a political vacuum, itself a fertile ground for nationalism and other platforms inimical to the whole Yugoslav experiment.

6. Self-management has launched processes in the base of the society which have not yet produced an appropriate political superstructure. This is, if for no other reason, because the *political structure* has a history and tradition while the *social system* is new. It has, however, begun to shape that

superstructure. One of the results is the form of pluralism of institutions now found in Yugoslavia. The continued process of change may take decades, but is in my opinion irreversible without outside intervention, and will basically alter the state and the political institutions. The result can be a model of a democratic socialist society — a model with no real precedent.

7. Self-management has been too often defended and argued for in terms of efficiency and economic rationality rather than socialist principle. This is in part because the spokesmen for it have tended to be »experts« and the result has been that the natural allies of the Yugoslav experiment have not been reached. Much of the discussion about self-management outside of Yugoslavia has been addressed to the wrong audience; the statesmen, technocrats and economic experts and the »impartial« social scientists, rather than to the workers' movements. This is a mistake since Yugoslavia may well need the sympathy and support of these potential allies who need a successful model of workers' control and self-management. The continued development of that model requires the survival of an independent Yugoslav socialist state.

Note: This article is limited to a discussion of self-management as the major force shaping contemporary Yugoslav society and the most distinct characteristic of the Yugoslav socialism. However, one must always insist that although basic it is only *one* of the major forces in that society. A fuller discussion of the other forces and institutions — both contemporary and traditional — would require a far more extensive presentation.

CITIZEN PARTICIPATION IN FOUR YUGOSLAV REPUBLICS

What is the extent to which and what are the forms of the socio-political life in which people participate, are, no doubt, the first questions asked by a student of a given socio-political system or a given political ideology. We shall, therefore, confine ourselves in the present analysis, firstly, to the study of the extent of participation, that is, the extent of its single forms and, secondly, to a survey of the distribution of socio-political participation in the male and the female populations of four Yugoslav republics.

Sex was chosen for the criterion by which the entire investigated population was divided in two sub-populations because, in spite of the fact that by the Yugoslav Constitution, women are guaranteed the same rights as men, there is a growing »feeling« that women do not fully participate in the socio-political life and that they are not offered the same opportunities as men.

According to the concept of the investigation¹ from which the data for the present analysis have been taken, participation may be defined as referring to acts by those not formally empowered to make decisions — the acts being intended to influence the behavior of those who have such decision power². Participation plays an especially important role in democratic societies because an individual, who has no chance to participate, is in some sense, not a full member or citizen. Participation represents a goal par se, but it also has an important role as a means to other ends³.

We can speak about the participation of citizens only when we are concerned with democratic societies and these are becoming increasingly more »participatory democracies«. According to Cook and Morgan the latter terms applies to »those decision-making structures that adhere to basic democratic procedural norms, such as equality and majority rule, yet tend to extend equality by some sort of ‚grass-roots‘ decision-making of an authoritative nature. In other words, participatory democracy connotes decentralization of power for direct involvement of amateurs in authoritative decision-making.⁴

A special case of participatory democracy is Yugoslav social order based on socialist principles and principles of self-management. In a local commu-

¹ The data are taken from the study »Socio-political participation of citizens« which is being carried out under the auspices of the Institute of Sociology and Philosophy at the University of Ljubljana by a Yugoslav team of research workers in Croatia, Macedonia, Slovenia and Serbia. The study is a part of Cross-National Program on Political and Social Change, a comparative study of political participation and political change. The project, which includes the USA, Japan, India, Tanzania, the Netherlands, Austria and Yugoslavia, is directed by Prof. Sidney Verba, Department of Political Science, University of Chicago.

² Verba Sidney. »Democratic Participation«. *The Annals of the American Academy of political and social science*, Philadelphia, Vol. 373, Sept. 1967, p. 55.

³ *Ibid.*, 57.

⁴ Terrence E. Cook, Patrick M. Morgan (eds.). *Participatory Democracy*, San Francisco: Confield Press, 1971. p. 4.

nity as the basic social entity the citizens, applying the principles of self-management, participate in activities designed to satisfy some needs of the working people and their families.

The statute of a commune may authorize the local community to take care of public, social and other services and may define the way in which they are to be financed. The local community is a juristic entity which, however, is not economically independent. The funds, necessary for its functioning, come to the local community from the communal budget, local taxes, approved by referendum, and the income taxes.⁵

By participating in socio-political activities and in the decision-making process the citizens of a commune gain new insights and experiences, which in turn effect changes in their way of thinking. The profoundest change in a participant's way of thinking as a result of his direct participation in the decision-making process is in all probability, in that he becomes aware of his »political efficiency« or, in other words, he realized that an individual is capable of organizing his environment through political participation.

THE DISTRIBUTION OF THE PARTICIPATORY ACTS IN FOUR YUGOSLAV REPUBLICS⁶

In order to obtain an as complete as possible picture of the socio-political participation of the citizens of four Yugoslav republics the greatest possible number of its forms were included in the study. With regard to the total number of the residents of all the four republics the acts of socio-political participation are distributed as follows:

1.	regular participation in elections	80%
2.	participation in communal actions	57%
3.	member of the Socialist Alliance of Working People	51%
4.—5.	electioneering (attendance at electional meeting at which candidates are nominated)	45%
4.—5.	attendance at electoral meetings of a general character	45%
6.	participation in small-scale actions within the local community	22%
7.—8.	contacts with fonctionnaries on all levels in connection with personal or family problems	20%
7.—8.	member of self-management bodies of the working organization (workers council, board of directors or its commissions)	20%
9.	member of the League of Communists	14%
10.	contacts with fonctionnaries in connection with problems involving a larger number of people or the entire local community	11%

⁵ The Constitution of the Act No. 104, Socialist Federative Republic of Yugoslavia, year 1963, pp. 64—65.

⁶ The population of the study are the citizen of four Yugoslav republics: Croatia, Macedonia, Slovenia and Serbia. Multistage stratified sampling was used for the selection, in each republic, of a certain number of communes in each of which in turn three local communities were chosen and in each of the latter eight citizen were selected by random sampling so that a total of 2995 citizen were interviewed.

11.	member of the board for the nomination of candidates	9%
12.	member of the local community council or of its commissions	7%
13.	member of the tenants council	6%
14.	member of the council or commissions of the communal assembly	4%

Participatory democracy is not a peculiarity of the Yugoslav socialist system but is the predominant ideology also in the democratic systems of the West. In Yugoslavia the ideology of self-management is only the framework within which according to Adolf Bibič⁷, the participatory character of socialist democracy is being actualized and realized.

Let us assume that theoretically the model of self-management offers the citizens a maximum of opportunities to participate in the satisfaction of collectively relevant needs, that is, needs which a citizen can satisfy only with the aid of collective action, collective means of a collective organization.⁸ Let us further assume that theoretically men and women are given equal opportunity to participate at all levels of socio-political life, from their working organization to the federal agencies.

A comparison of data compiled in Yugoslavia and the USA on the number of citizens who participate or do not participate in the socio-political life of their respective countries seems to tell in favor of the thesis which claims that citizens participation is greater within the framework of the self-management model than it is within the framework of the democratic model of Western societies.

Even though in Yugoslavia the acts of participation are somewhat different from those in the USA, participation in elections is in both countries an act by which the citizens elect their representatives who for a certain time will make decisions also in their behalf. In both countries this form of political participation is by far the most frequent. »Approximately 72% of those who were old enough to vote in both the 1960 and 1964 presidential elections claim to do so.«⁹ On the other hand, there are 80 percent of adults among the citizens of four Yugoslav republics who claim to participate regularly in the elections. Even though there is a somewhat greater number of regular voters among the Yugoslavs than there is among the citizens of the USA, one can assume that there is no significant difference in the number of regular voters in the two countries. From this, however, it does not necessarily follow that also the other acts of socio-political participation are equally distributed in the two countries.

Since the single acts of political or socio-political participation in the two countries are not directly comparable, we shall compare here the percentages of citizens who do not or who participate in from one to ten aspects of socio-political life.¹⁰

⁷ Bibič, Adolf. »Samoupravljanje in ideologija« (Self-management and Ideology), *Komunist*, Ljubljana, 28 February, 1971.

⁸ Mlinar, Zdravko. »Sociološki aspekti alienacije v mestu in na vasi« (Sociological Aspects of Alienation in Cities and in the Countryside), *Problemi*, Ljubljana. No. 16—17, pp. 523—524.

⁹ Verba/Nie. *Participation in American Political Life*. October, 1971 (mimeographed). Chapter 2, p. 8.

¹⁰ For Yugoslavia we shall take into consideration all fourteen acts of socio-political participation already mentioned. For the USA the following acts will be considered:

— Regular voter at presidential elections	72%
— Regular voter at local elections	47%

If we disregard the participation in elections, then we find that in the four Yugoslav republics there is a considerably smaller number of citizens who do not participate in the sociopolitical life (22 percent or every 5th citizen) than there is in the USA (31 percent or every 3rd citizen).

At the same time we see, however, that in comparison with the USA there is in Yugoslavia, on the one hand, a smaller number of citizens who participate in only one or only two acts of political participation, and, on the other hand, a larger number of citizens who participate in from three to ten acts of political participation. The total participation of Yugoslav citizens is by 49 percent higher than that of citizens in the USA. (See Figure 1.)

Figure 1. Number of political acts other than voting



- Active in at least one organization which is involved in community problems 32%
- Worked with others in trying to solve some community problems 30%
- Attempt to persuade others to vote as they were 28%
- Have ever actively worked for a party or candidates during an election 26%
- Have ever contacted a local government official about some issue or problem 20%
- Attended at least one political meeting or rally in last three years 19%
- Have ever contacted a state or national government official about some issue or problem 18%
- Have ever formed a group or organization to attempt to solve some local community problem 14%
- Have ever given money to a party or candidate during an election campaign 13%
- Member of a political club or organization 8%

Number of Cases . . . 2,595

Irrespective of the fact that in Yugoslavia some people participate in more than ten forms of the socio-political life, the comparison will be confined to only ten forms.

The relatively high participation of Yugoslavs in the sociopolitical life, however, does not mean that the results of the ideology of self-management are entirely satisfactory. On the contrary, the percentage of citizens who still do not participate in the socio-political life and the percentage of those who are still forced to solve urgent personal problems by themselves but which should be solved by the community, tells no doubt in favor of Bibič's thesis that »the ideology of self-management should concern itself less with institutional solutions — even though they too are important — and should concentrate on what we might call the everyday life of man. Its goal should not be only social growth or, to put it differently, social growth should be synonymous with the growth of man as a being of complex need and highly developed abilities«¹¹.

PARTICIPATION OF MEN AND WOMEN IN FOUR YUGOSLAV REPUBLICS

Data about the relationship between the single forms of sociopolitical participation and sex show not only that in all four Yugoslav republics sociopolitical participation of men is higher than that of women but also that in all forms of socio-political life the participation of men is significantly higher than that of women, a fact which refutes the thesis that in Yugoslavia men and women are given equal opportunity to participate in the socio-political life of the country. What about the participation of women alone? Is there a relationship between the »level of development« of a republic and the sociopolitical participation of its female citizens?

Here we shall refrain from defining term »level of development« as such but shall accept the fact that the People's Republic of Slovenia is considered to be the most advanced republic of Yugoslavia and will, therefore, compare the socio-political participation of Slovene women with that of the women of other republics.

For the sake of clarity we shall bump together the single forms of sociopolitical participation in the following groups:

Electoral activities — involving electioneering (attendance of electoral meetings where candidates are discussed and nominated), membership in candidacy commissions and participation in elections.

Participation in the solution of citizens' problems involving participation in actions of the entire local community and taking the initiative in such actions as well as participation in small-scale actions of the local community by which the problems of a small group of people are solved and taking the initiative in such actions. Among the forms of participation in the solution of the citizens' problems belong also the participation in electoral meetings of a general character and contacts with functionaries at all levels in connection with the problems involving a large number of people or the entire local community.

Participation in self-management bodies involves former and present membership in the workers council, the board of directors and its commissions, the house council, the local community council and its commissions, and in the council of the communal assembly and its commissions.

¹¹ See note 71

Membership and activities in the *League of Communists* and in the *Socialist Alliance of the Working People*.

Private contacts with functionaries at all levels in connection with personal or family problems.

1. *Electoral activities*

Pattern 1: Correlation between sex and electoral activities of citizens in the single republics.

electoral activities	Croatia	Macedonia	Slovenia	Serbia
electioneering	x	xx	x	x
membership in candidacy commissions	0	0	0	0
elections	0	0	0	0

0 means no correlation

x means weak correlation

xx means strong correlation

Of the three electoral activities only regular participation in election is not dependent on sex. Participation in electoral commissions and especially in electoral meetings at which candidates are discussed and nominated is domain of men, especially in Macedonia.

It might have been expected that the difference in the number of regular female voters among four republics was the smallest not only because voting is one of the most widely spread act of political participation but also because in none of the four republics voting is dependent on sex.

Our findings, however, do not bear out this expectation because the number of the Slovene female voters exceeds by far that of the female voters in the remaining three republics. While in Slovenia almost all women entitled to vote regularly participate in the elections (95%), in Macedonia and Serbia only 75% and 73% respectively, regularly go to the polls.

The differences in the participation of women in electoral meetings at which candidates are discussed and nominated are still greater from one republic to another.

Table 1. **Electioneering of women: participation in electoral meetings at which candidates are discussed and nominated in the four republics**

electioneering	Croatia %	Macedonia %	Slovenia %	Serbia %
does not participate	67	85	70	76
participate but has never proposed a candidate	29	12	24	18
participates and has also proposed candidates	4	3	6	6
	100%	100%	100%	100%
N	343	151	322	612

The advantage the Slovene women have of the women of other republics in poll-going, is lost when it comes to the first more demanding electoral activity, that is, participation in electoral meetings at which candidates are discussed and nominated. It has been found, namely, that the women of Croatia, those of Slovenia and those of Serbia participate in such electoral meetings in approximately equal numbers. It is only the women of Macedonia who significantly lag behind them.

The difference between the women of the different republics, however, is almost blotted out when participation in candidacy commissions is involved. Of the women of Croatia 2 percent had been members of candidacy commissions, of the women of Macedonia likewise 2 percent, of the women of Serbia 3 percent, and of the women of Slovenia altogether 5 percent.

2. Participation in the solution of citizens' problems

Pattern 2: Correlation between sex and participation in the solution of citizens' problems

participation in the solution of the citizens' problems	Croatia	Macedonia	Slovenia	Serbia
actions of the entire local community	x	x	x	x
small-scale actions in the local community	x	x	0	0
participation in electoral meetings of a general character	x	xx	x	xx
contacts with functionaries in connection with problem of the local community	x	x	0	x

a) Actions of the local community

In all four republics men have been found to play a more important role than women in all actions organized by a local community for the solution of citizens' problems. From this, however, it does not necessarily follow that women of all the four republics participate in equal numbers in all major actions of their respective local communities.

Table 2. Participation of women in major actions of local communities

Participation and initiative in actions of the local community	Croatia %	Macedonia %	Slovenia %	Serbia %
never participated	60	68	41	49
participated but took no initiative	34	27	51	45

participated and once took the initiative	2	3	2	2
participated and often took the initiative	4	1	6	4
	100%	100%	100%	100%
N	385	151	322	613

The percentage of women participating in the actions of local communities is highest in Slovenia (59%), somewhat lower in Serbia (51%), still lower in Croatia (40%) and the lowest in Macedonia (32%).

b) Small-scale actions of local communities

With regard to the participation of women in small-scale actions of local communities, the republics follow each other in the same order as above but the participation of women in this kind of actions is on the whole lower than is their participation in large-scale actions. Thus, the participation of women in small-scale actions within the local communities was as follows: Slovenia 17 percent (initiative took 5 percent), Serbia 14 percent (initiative took 4 percent), Croatia 14 percent (initiative took 3 percent), and Macedonia 13 percent (initiative took 3 percent).

The differences between the participation of women of the single republics in small-scale actions within the local communities and the differences in the number of women who in the single republics took the initiative in such actions, are so small that in all probability they are not significant. We can, therefore, speak only of a slight trend which indicates that, in Slovenia, there is a larger number of women who participate and take the initiative in primarily large-scale actions than there is in the remaining three republics. This trend, however, is less discernible when it comes to the participation of women in small-scale actions within the local communities.

c) Electoral meetings of general character

In all four republics the participation of men is higher than that of women not only in electoral meetings at which candidates are discussed and nominated but also at electoral meetings of general character. The difference between the participation of men and of women is especially significant for Macedonia and Serbia.

As to the participation in electoral meetings of general character the Slovene women (participation 29%) lag behind the women of Croatia (participation 37%) whereas they lead before the women of Serbia and Macedonia. In Serbia the participation of women in electoral meetings is 22 percent, and in Macedonia 16 percent.

In Croatia also the participation of men in electoral meetings is higher than it is in the remaining three republics. The participation of men in electoral meetings of general character is in Croatia 62 percent, and in Slovenia 57 percent, which shows that the participation of male Slovenes in electoral meetings is lower than that of Croat males and higher than that of Serbian and Macedonian males.

- d) Contacts with functionaries in connection with problems involving a larger number of citizens or an entire local community.

This model of solving common problems is the least favored one in all the four republics and is usually more frequently resorted to by men than it is by women. Slovenia is the only of the four republics where men and women equally frequently contact functionaries in connection with problems to all the citizens of a local community.

3. Participation in self-management bodies

Pattern 3: Correlation between sex and participation in self-management bodies

present or past membership in self-management bodies	Croatia	Macedonia	Slovenia	Serbia
workers council, board of directors and its commissions	x	x	x	x
council of the local community and its commissions	0	0	x	0
council of the communal assembly and its commissions				
membership in the communal assembly	0	0	x	0
house council	0	0	0	0

That in all the four republics a larger number of men than of women participate in self-management bodies is at least in part due to the fact that among the employed there is a larger number of men than of women.

According to the 1971 Statistical Year-book the average annual employment role in 1970 was as follows:

percentage of employed by sex	Croatia	Macedonia	Slovenia	Serbia
males	65%	75%	59%	71%
females	35%	25%	41%	29%
total of employed	2,243.234	796.306	873.531	4,253.546

The larger number of men than of women among the employed, however, does not seem to be the only reason of the significantly higher participation of men in self-management bodies. There are at least two other reasons which might be responsible for such a situation. Primarily in less advanced areas the view is still held that decision-making is men's business, whereas in the advanced areas the employed women in all probability refuse to participate in self-management bodies because they feel that they could engage in such activities only at the cost of the family life.

Table 3. Participation of the women of the four republics in self-management bodies

membership in self-management bodies	Croatia %	Macedonia %	Slovenia %	Serbia %
membership in workers self-management bodies	10	4	14	10
membership in house councils	4	3	4	3
membership in the council of the local community or its commissions	1	1	2	2
membership in the council of the communal assembly or its commissions, or membership in the council assembly	1	1	1	1

The picture of the participation of women in self-management bodies is everything but encouraging especially if compared with the participation of men in such bodies.

Table 4. Participation of men of the four republics in self-management bodies

membership in self-management bodies	Croatia %	Macedonia %	Slovenia %	Serbia %
membership in workers self-management bodies	26	30	36	30
membership in house councils	5	8	12	8
membership in the councils of the local community or its commissions	10	11	15	12
membership in the councils of the communal assembly or its commissions, or memberships in the communal assembly	9	7	10	7

A comparison of tables 3 and 4 shows that the participation of women is highest in the workers self-management bodies.

4. *Membership in the socialist alliance of working people and in the league of Yugoslav communists*

Pattern 4: Correlation between sex and membership in the Socialist Alliance of the Working People and in the League of Communists

membership in political organizations	Croatia	Macedonia	Slovenia	Serbia
Socialist Alliance	x	x	0	x
League of Communists	0	x	0	x

Even in the two most important socio-political organizations the participation of men is higher than that of women. It is only in Slovenia that men »permit« women to join socio-political organizations whereas in Croatia woman can join only Socialist Alliance.

In Slovenia and in Croatia the participation of women in the Socialist Alliance is much higher (55 and 54 percent, respectively) than in Serbia and Macedonia (44 and 23 percent, respectively).

The difference between the female members of the Socialist Alliance in Slovenia and those in Croatia is in that in Slovenia there is a greater number of active members (12 percent) than in Croatia (7 percent). The number of female members of the League of Communists and especially of active female members is in all the four republics so small that the differences between the republics cannot be discerned, for the highest figure is 8 percent and the lowest 6 percent. It is obvious that men strongly predominate in the League of Communists!

5. *Private contacts with functionaries*

As »private« those calls on functionaries are considered here the purpose of which it is to reach the solution of a personal or family problems, such as for example, scholarship for a child, housing problems, pansion.

It is interesting to note that in none of the four republics a correlation between such contacts and sex can be observed. When it comes to the solution of personal or family problems women are as active as men in trying to find ways and means for their solution. There are, of course, differences between the four republics not only with regard to the total number of citizens who adopt this method for the solution of their problems but also with regard to the number of women who turn to functionaries for help in their attempts to solve their personal or family problems. Personal contacts were resorted to at least one time by 25 percent of Slovenes, 22 percent of Serbians, 21 percent of Macedonians and 15 percent of Croatians.

It is the Slovene women who most frequently seek the help of functionaries, for it has been found that in Slovenia there is a larger number of women (24 percent) than in the other republics who contact one or another functionary in order to ask for help in the solution of a personal or family problem.

SUMMARY AND CONCLUSIONS

The study designed to throw light on the relationship between 14 forms of socio-political participation in four Yugoslav republics revealed that in Slovenia and Croatia there is a correlation between seven forms of socio-political participation and sex in favor of men, whereas the correlation between the remaining seven forms and sex in the two republics is nonsignificant.

In Serbia and Macedonia the correlation between sex and the single forms of socio-political participation is higher than it is in Slovenia and Croatia. In Macedonia six, and in Serbia seven, forms of political participation are sex-dependent. In Macedonia two and in Serbia one form of socio-political participation are especially highly sex-dependent. It seems that in Serbia and Macedonia women have it especially difficult to find their way into citizens' meetings, or, in other words to find their way into public life which in these two republics still remains the domain of men.

It would be erroneous to expect that in Slovenia the participation of women in the socio-political life was higher than that of the women in the remaining three republics. The data on the participation of women of the four republics in 14 forms of socio-political life show that this is not so. It is true that in some forms of participation the women of Slovenia have the first place, but there are other forms again in which they do not excel the women of other republics, especially of Croatia. On the contrary, in some forms of the socio-political life the participation of the women of Slovenia is even lower than that of the women of the other three republics. The high participation of women in Slovenia in elections seems to be due to the political culture in Slovenia rather than to the zeal of the women themselves. Regular participation in elections, therefore, is not to be attributed to a special activity of Slovenian women in this field. With regard to the participation in electoral meetings at which candidates are discussed and nominated the Slovene women drop to the second place. According to our findings there is a larger number of women in Croatia (33 percent) who participate in meetings of this kind than there is in Slovenia (30 percent). The women of these two republics, however, have a considerable start of the women of Serbia and especially of those of Macedonia.

There is also a smaller number of Slovene than Croat women who participate in electoral meetings of a general character. It should be pointed out, however, that when it comes to the participation of electoral meetings the number of women of these two republics is still larger than that of the women of Serbia and especially Macedonia.

In comparison with the women of the other three republics those of Slovenia are considerably more active in both the actions of the entire local community and actions by which the problems of a limited number of people are solved. There is among the Slovene women a somewhat larger number of such who took the initiative in actions involving one or the other of the above forms of socio-political participation.

The larger number of female initiators in Slovenia must be attributed to the larger number of female participants in these two kinds of actions rather than to their greater initiative.

There are no differences between the women of the single republics concerning those forms of socio-political participation which are the least

frequent among the entire population and which are predominantly the domain of men, such as: participation in candidacy commissions, contacts with functionaries in connection with common problems, membership and activity in the League of Communists, and membership in self-management bodies.

Special mention should be made of the presence of women in workers' councils and boards of directors in the single republics. Except in Macedonia, where only 4 percent of women have ever been member of self-management bodies, the participation of women in these bodies is almost equal in the remaining three republics. The seemingly higher percentage of Slovene women who are or were members of workers' councils or boards of directors is considered objectively even lower, for there are in Slovenia 47 percent women who are employed whereas in other republics this percentage is considerably lower. It would seem that the Slovene women are given greater opportunity to work but not for decision-making than are the women in other republics. In most cases it is still the men who make decision also on behalf of the women.

It might be concluded that in those forms of socio-political life involving decision-making or power-wielding the participation of men is higher than that of women. At the same time it can be seen that the initiative in actions for the general weal is more frequently taken by men than women. There is no doubt that such distribution is due, on the one hand, to the historical determination (the traditional view that public life is primarily the domain of men, prejudice against successful women, etc.) and, on the other hand, to the objective social situation in which household duties and children still fetter women to their homes and prevent them from participating in public life.

Let us, for the sake of illustration of the historical determination of the lower participation of women as compared with that of men, use Durkheim's argument according to which »... desires have to depend upon resources to some extent; actual possessions are partly the criterion of those aspired to. So the less one has the less he is tempted to extend the range of his needs indefinitely«.¹²

With the women being offered, at least formally, the same opportunities as men to participate in the socio-political life, the above argument has lost its force but there emerged another one, namely, the scepticism of women that the theoretical opportunities could become reality. Such attitude to participation has no doubt been fostered by the higher formal education of women, especially in Slovenia. To relieve women of household duties and child rearing is not enough to make them participate in public life to the same extent as men.

Society — also the Yugoslav society — does not demand of women to become more active or to seek new functions which they could discharge for the general weal as competently as men.¹³

In conclusion, let us have a look at the attitude of both men and women towards the claim that »also in the Yugoslav society women are discriminated against«¹⁴. This claim is refuted by 60 percent of men only 45 percent of

¹² Durkheim, Emil., »Three Types of Suicide«, in: Wolf, Robert Paul (ed.) *Political Man and Social Man*, Random House, Inc., 339.

¹³ See. Rose, Arnold M., *The Power Structure, USA*; Oxford University Press, 1967.

¹⁴ The data are taken from the project »Social Stratification in the Self-management Society and Social Mobility in Slovenia« which is being carried out by the Institute of Sociology and Philosophy at the University of Ljubljana on 2.240 adult citizens of the Socialist Republic of Slovenia.

women. Does this finding not indicate that a considerable population of men hold that nothing need to be done to change the socio-political status of women? What about women? Does the fact that 38 percent of women hold that also in our society women are discriminated against (16 percent of women voiced no opinion) not tell in favor of the assumption that at least the enlightened women are frustrated because they feel that they do not have the same rights as men to participate in the socio-political life of their country?

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PUBLIC DECISION-MAKING AND SELF-MANAGEMENT IN AN INDUSTRIALIZING RURAL COMMUNE

Scope and Organization of the Research

The material contained in this paper by no means allows for drawing any definite conclusion on the processes of public-decision-making and self-management in the area studied, let alone Yugoslavia as a whole. It is merely a summary of impressions obtained from part of the data collected during a field-survey, recently carried out to explore in one locality the main aspects and issues with respects to these processes, as perceived by the people at the place where they live and work, and where they themselves are supposed to participate in them.

Though data from 60 interviews of villagers living in three local communities can never meet criteria of statistical representativity, their »real-life« character made the author decide to summarize them in a paper to be offered to the Conference.

The rural commune in which the exploratory field survey was done is located somewhere in the hilly central region of Yugoslavia, which extends between the rivers Bosna and Morava. In order to warrant the anonymity not only of the respondents — some of whom are quoted in the text —, but comments and opinions, no names of persons, factories, etc. are mentioned and the names the paper gives for the villages and the commune in which the research was carried out, are fictitious.

The research project was undertaken under the academic supervision and responsibility of the Institute of Social Studies in The Hague, and in cooperation with the Sociological Institute and the Institute for Urbanization and Regional Planning of Belgrade University. The interview team consisted of two students who had completed their studies at the I. S. S., three post-graduates in the social sciences, studying at Belgrade University, and two interpreters.

The commune Podgorje, where the research was carried out, has around 40.000 inhabitants, half of whom are living in the town Podgorje, the other half in some 15 surrounding villages. Almost all

the interviews were held in the villages Kameno (\pm 3500 inh.), Ladanje (\pm 1500 inh.) and Zaselak (\pm 1000 inh.). Zaselak belongs to the local community of Ladanje. In Ladanje and Zaselak about 80% of the male working population still is full-time occupied in agriculture, while in Kameno this percentage has decreased to less than 35, over 65% being employed in industry, mining, transport, crafts and services, though in most cases in agriculture as well. Many workers in Kameno commute to Podgorje-town, which has developed over the past 20 years into a fully urbanized local centre.

1. SELF—MANAGEMENT AND PARTICIPATION AT THE VILLAGE LEVEL (LOCAL COMMUNITIES)

a. Voters' meeting and the referendum

The general impression from the interviews is, that the voters' meetings, usually organized by the Local Community on its own initiative or on request of the Socialist Alliance or the Commune are a widely valued institution. Also the other meetings for public debate of issues of common interest are much appreciated. So as for instance the »conferences« of the Socialist Alliance on which no decisions are taken but where plans for projects are discussed in an early stage of preparation, to hear the people's opinions and collect suggestions. Several respondents emphasized with obvious satisfaction that nowadays everybody can say what he wants, and that not only the proposals made by the different organs of authorities, but also these organs and authorities themselves are at times sharply and openly criticized in the presence of everybody.

Sometimes it is added, that in this respect the situation in the past was different until five or six years ago, which is why still some people are afraid to express their views in public.

Criticism was of course also heard, often from the same respondents who on the whole were positive about the local self-management institutions. It concentrated mainly on the following four points:

- that the voting procedure is often far from satisfactory: chairmen sometimes force through decisions by cutting short discussions before people feel they have had a chance to fully understand the implications of certain proposals. In this connection one complaint was, that on more difficult matters, especially those proposed by specialized councils or experts from the commune, the technical language used in the discussions often stood in the way of a good participation in the decision-making by comrades with less formal education. Then the voting by hand-raising is often carelessly done, or the chairman considers a proposal approved though the majority has kept silent on it;
- that it is always the same people, not only those who are politically active but also, for instance, directors of local industries or the cooperative who do most of the talking and whose opinion is allowed to carry the greatest weight;

- that often decisions taken are not implemented; that promises made by Commune, the Local Community Council or the voters themselves are not always followed up, or only with great delay and much pushing by the parties most interested in the implementation;
- on the part of council members and other functionaries complaints were made about the difficulties to motivate people to come to meetings and take an active part in discussions.

May three quotations from interviews illustrate some of the above issues.

»After a proposal is explained, the Chairman asks if everybody is for it, then from different corners some people shout »yes, we are« and the proposal is carried«.

(Kameno, farmer, 65 years old).

»Though the atmosphere at the meetings is usually very good, the decision-making is most strongly influenced by functionaries of the Socialist Alliance and the Communist Party, and especially by directors and other higher employees of local industrial enterprises, since these have so much prestige. This is not always a good thing«.

(Kameno, pensioned factory worker, 60 years old)

»On the voters meetings we can say what we want now, but it does not change anything — the management knows how to have its way, any-way«.

(Zaselak, farmer/carpenter, 30 years old).

Though it was said to be not always easy to get sufficient people to the meetings to form a quorum for taking decisions (50% for certain important types of issues, e. g. the approval of the budget and 10% on other matters), this was not a major difficulty. A way out is also the circulation of voting-lists to all the houses of the villages — through the »neighbourhood deputies« in the Local Community Council — on which those who did not attend the meeting (old people, women and those who live in the most isolated hamlets) can get the opportunity to sign for or against a particular proposal (voting by signature). For referendums which are legally required for deciding on certain important issues, e. g. self-contributions, a similar procedure is used, or also »polling-stations« are set up in different places in the village.

With respect to the referendum and the »voting by signature« not any criticism was expressed, probably because these procedures are more formalised and legally protected against careless handling.

b. The role of the local branches of the political organizations, the Socialist Alliance of Working People and the League of Communists.

The political organizations in Yugoslavia at the village and communal level play only a role in decision-making as platforms for public debate. They cannot themselves decide on concrete projects or measures, but their function is to promote the formation of public opinion on matters of common interest and, finally, give positive guidance to this process whenever this is thought desirable, by creating the ideological motivation to support plans

and proposals that are considered to contribute to the establishment of a socialist society. at the local level as well as in the republic or Yugoslavia as a whole.

For this function the local conferences of the Socialist Alliance which all adult citizens can attend, are an important channel. The meetings can make recommendations to the local Community to be decided upon in voters' meetings, or also the Communal Assembly. Important issues are usually discussed in meetings of the League of Communists. The conclusions are then brought up for debate in the Socialist Alliance and voted upon in voters' meetings or in a referendum. It often happens, that a meeting of citizens first discusses a proposal as a conference of the S. A., and subsequently votes on it as a voters meeting, since both kinds of meetings concern the same people.

The opinions of respondents about the meetings of the Socialist Alliance — which they did not always clearly distinguish from voters' meetings, have already been summarized.

Here it may be added, that in Kameno the Socialist Alliance as a formal organization had almost ceased to function until a few weeks before the research was held. A new board of the Alliance had just been elected, after the old board whose term of office had already expired some time ago had more or less »withered away«.

One specific function of the Socialist Alliance at the village level is the putting up of candidates for the election of deputies to the Communal Assembly. The most common procedure is, like also in other elections for self-management bodies, to select about twice as many candidates as there are vacancies to be filled. Their candidature is voted for, in the meeting of the Alliance, by hand-raising. The final election by the voters' meeting is secret, through the ballot-box system.

The membership of the League of Communists was not large in either Kameno or Ladanje-Zaselak, namely ± 100 and $50 - 60$ respectively. It counted, according to several respondents, only very few farmers, though in Ladanje the number of farmers was said to be increasing, because recently more young farmers are joining the League than was the case before.

Both communists and non-communists agreed, that the members of the League are the most active citizens in all local social and political affairs, although some respondents in Ladanje, who apparently carried a high prestige in the village and had been very active in the work of the Local Community stressed that though they are no members of the League, they had done more for the common good of the people than many people who are.

After matters of local importance, such as proposals to voters meetings or meetings of the Socialist Alliance or the Local Community, have been discussed by the membership of the League, and some agreement is reached, members are supposed to speak in line with that agreement when those issues are again discussed in the respective organs or meetings for the public at large.

Because members of the League are involved in the work of practically all the boards and organs of self-management (of the Local Community, the Socialist Alliance, the various working organizations) they also have a direct influence on the public decision making process through these. In this way the League of Communists can operate as a vanguard of citizens, aware of

everything which goes on and because of the limited number of its members, which facilitates mutual contact, it is able to guide and coordinate the decisionmaking in different bodies and institutions. From this it is clear that if on controversial issues some group of people opposes a particular course of action, proposed by a public body, it must organize well if it wishes to have it voted down or important amendments adopted.

At this point it should, however, be noted, that all the meetings of the League are public; any non-member who wishes so can attend them. Experience with meetings in which nonmembers participated was described by some respondents as very positive.

In section 4 of this paper some aspects of the functioning in the local decision-making structure of the politically active, many of whom belong to the League of Communists, are elaborated further.

2. SELF-MANAGEMENT AND PARTICIPATION IN THE WORKING ORGANIZATION

On self-management in working organizations the data of the research are rather haphazard, because no particular casestudy of any enterprise, cooperative or other working organization was envisaged to be made. But interviews with respondents working in enterprises, agricultural cooperatives, socialized trade organizations, schools, a bank, etc. contain enough interesting data and comments to summarise them here.

Generally, the remarks made by respondents who themselves are actively involved in workers councils are positive; it is not exaggerated to say that they often show pride in the Yugoslavian workers-self-management system, while on the other hand not being blind for its shortcomings and difficulties. The following quotation from a comment by a peasant-member (manual labourer) of the workers council of a large enterprise in Podgorje points for instance to a problem which seems difficult to overcome in the short run:

»self-management is a wonderful thing, but to the workers' councils are nowadays usually elected technicians, engineers and foremen, and only a few labourers. Because everybody believes that we are a bit stupid. Not even labourers choose labourers, because they believe that technicians and engineers have a greater competence. What can I do, what can I say when one of them stands up and makes a sweeping speech — I am not able to express myself in the right way, I am only a peasant«.
(Ladanje, farmer/industrial labourer, 41 years old).

Other remarks made by workers in enterprises contained the complaint, that in spite of the self-management organs still the director and his close associates in the top-management were running the affair, so as the following:

»The Workers Council is the highest body of self-government within the factory. But everything is usually prepared so carefully by the management that we don't have a chance to change anything«. (id.)

». . . one of the problems to handle at the council is the great number of illiterate working people at the factory. Most of them don't pay attention when things are being explained to them, they don't understand«.
(Kameno, industrial worker, 35 years old).

This is such a well-known theme, so widely discussed in Yugoslavia as well as other countries which try to introduce participation of workers in the decision-making in enterprises, that it need not be further elaborated here.

Only one more aspect of the problem deserves mentioning in this report, that several respondents were very well aware of the vulnerable position of the common worker in the labour market, due to the existing shortage of jobs in the region of Podgorje. This was a major cause of his insecurity within the enterprise and of his lack of influence in its management as well. The slightest hint at a worker who likes to keep his job, that he might have to look for another one if he continues to ask awkward questions or make critical remarks in a meeting, is usually sufficient to keep him quiet. In this perspective fits the observation that the self-management organs of two schools which were described by respondents at length, seemed on the whole to operate well: teachers for village schools are very hard to obtain!

Moreover, at least one respondent made it explicitly clear that according to him it was very difficult for a worker in an enterprise who loses his job through unfair treatment by the management, to make an effective use of the legal protection he has a right to in such cases:

»How could anybody who goes against the director face him afterwards? He will soon have to find a job elsewhere.

One time a worker protested against his firing to a Communal Committee of Appeal. When the director said — 'who knows better than me how to run a factory and who is more suitable for this than me', everybody kept quiet and the man did not get his job back«.

(Kameno, truck-driver, 40 years old).

Though the matter of income-distribution within working organizations was in some cases a source of dissatisfaction among workers, it was also indicated — albeit by higher employees — that common workers who made more hours sometimes got as much as an engineer. Criticism by higher personnel was only recorded on the high salaries of top-management, especially directors of large enterprises, and also on the different sectors of employment. Especially on the high income earned in certain industrial sectors.

It was, finally, observed, that in spite of the existence of self-management, the identification with their enterprise among manual workers in industry is often low.

This was found to be the case especially with those people who also have a farm to look after. The following quotations illustrate this point:

»Take for instance myself, I work 7 hours in the mine, but only 3 or 4 hours effectively; so for my farm plenty of time remains«.

(Ladanje, farmer/industrial labourer, 45 years old).

»with regard to his work in the factory he told that he likes most to work in the third shift, during the night, because no managers are hanging around at that time. If he is lucky he does not have to work effectively for more than a couple of hours in the night«.

(Zaselak, industrial labourer, farmer's son, 21 years old).

3. SELF-MANAGEMENT AT THE COMMUNAL LEVEL

The issue in this section is mainly: how strong is the influence of the villages on the decision-making process at the communal level. On this point opinions differed, but in general gave evidence of a great deal of scepticism, especially of respondents in Ladanje. With a few exceptions the opinion about the elected deputies was positive, people are convinced they do their best, they spend much time on their work, they are willing to discuss everything with the villagers, etc., and they cannot be blamed. But it is obvious that in an Assembly where some 20 villages are represented, deputies from one village cannot be expected to carry much weight. In the words of one peasant worker (Ladanje, 38 years old)

»The deputies have only little influence. The commune is big and there are many villages and there is pulling from this side and from that side and nothing is really happening«.

The other problem which hampers effective participation of members of any representative council — as e.g. also the workers' council in enterprises, discussed in the previous section — is the technical nature of many issues to be decided upon. It creates ample opportunity for specialists and experts to have their way, whatever opponents may bring forward against it. As one respondent formulated it:

»The deputies cannot penetrate the Assembly with their proposals. For every proposal made or question raised by the deputies in the Communal Assembly, experts and the competent persons prepare answers and explanations very technically, in such a way that the deputies find themselves in a position that they can only say »Amen«.
(Ladanje, farmer/mill-owner, 45 years old).

On the other hand it cannot be said that criticism on these points is severe, perhaps because it is difficult to imagine a better solution than the one instituted through the Communal Assembly in its present form.

Two more points have to be taken into account. Many proposals for facilities in the town Podgorje or in certain villages are obviously in the interest of all the citizens of the commune, such as for instance a new hospital, the construction of water-mains, or a road such as the one between Kameno and Ladanje which also improves the connections between other villages with the town. And then it also happens that a proposal for a project which is apparently in the interest of one particular village only, is supported by deputies from other villages, who know that a next time they may have to count on the support of others as well.

But only on rare occasions the villages form a common front against a proposal which is considered to unduly benefit the towns. They formally can do so, since most proposals require the independent approval by both chambers of the Assembly to become accepted, while in the Communal Chamber of Podgorje the villages have a majority. In case it would reject a proposal which is accepted by the Chamber of Working Communities — in which the village-deputies are in the minority — some compromise will have to be found.

A more delicate problem is not so much the formal decision-making procedure, but the attention particular deputies are able to secure from communal authorities and executives as a result of good informal relations, as this is said to be the case by some respondents: the problem of favouritism which in no political system anywhere in the world is entirely absent.

Others, though not denying that there is indeed always a danger that informal relations may play some doubtful role in certain cases, said that in the Yugoslav system the institutional safeguards are relatively well developed, so that real abuse of power cannot occur.

4. FUNCTIONARIES AND NON-FUNCTIONARIES: THE PROBLEM OF LOCAL ELITE FORMATION

This section covers an issue which has frequently been commented upon in the interview, but which does not fall under any particular sphere of operation of self-management organs.

It is a problem which seems very difficult to solve and at the same time poses one of the greatest dilemmas to any socio-political system wishing to create the conditions for a rapid rise in production while not wishing to compromise with ideological principles of social justice and democracy. Namely the following: how to prevent that those people who combine a relatively good educational background, and for a modernizing society very valuable technical and organizational capacities with an ambition for playing a role in public life, become a privileged group in society.

Again, it is not here the place to discuss the issue as such, but only to set the frame for interpreting the important finding, that several respondents, of different income-groups and different political orientations, in Kameno as well as Ladanje and Zaselak, showed themselves aware of the existence of the problem in their villages and their commune: those fellowcitizens who are more active in socio-political life, who occupy public functions in self-management organs, boards and committees are, on the whole, relatively well-off in socio-economic terms.

The phrases used to describe this observation ranged from »for having so much time for meetings one should not have financial worries« to »politics is only for the rich«.

Two respondents may be cited here. The first one bagatellizes the fact, even considers it a symptom of the generally improved standard of living:

»The functionaries of this organization (League of Communists) are usually relatively wealthy, but this is not bad. One must realize that in Kameno there are no poor people«.

(Kameno, female office worker, 36 years old).

The other respondent is highly accusing and obviously very angry that it is so difficult to catch those who according to him misuse their position:

»Those who hold the power (the elected deputies) look how rich they are . . . they know how to do, they have friends, they have their connections and so nobody can touch them«.

(Ladanje, farmer, 37 years old).

Since this is one of the most emotional comments recorded on the issue, it should not be taken as a very precise statement of fact.

There are, moreover, indications that the situation differs in Kameno and Ladanje/Zaselak. There are in Ladanje and Zaselak still remnants of a relatively wealthy farming community which has, on the whole, withdrawn from socio-political life, as a consequence of its ideological orientation. The leading persons in the social and political organs, the membership of the League of Communists and in general all those with a leftist orientation seem to originate for the greater part from those groups who, in sociological terms, always have been »marginal« to the peasant-community as a whole: the poor tenants, and those not in farming occupations. Because of the absence of industry in Ladanje, they still cannot be said to belong to the economically »better off«.

But the entirely different course of political events in Kameno during the crucial years of the war, has led to a kind of alliance of at least part of the more wealthy elite of the pre-war period — which also in Kameno consisted of the bigger farmers and landowners — with the leftist political vanguard which, naturally, plays an important role in the socio-political life of the village.

The following quotation of a statement made by a leading member of the Communist League in Ladanje is very illuminating. When he was asked to compare his village with Kameno, after mentioning that Kameno had many factories which created the opportunity for the people to have »double incomes«, from industry and agriculture, he said:

»A second important matter is the fact that the inhabitants of Kameno participated in the war very intensively. So they have some benefit of that.

The reason that the people in Kameno were more active than those in Ladanje and Zaselak, was the higher number of educated people they had before the war«.

(Ladanje, administrator, 50 years old).

In other words, in Kameno also families from the more wealthy groups — who else could send their children to universities or other schools for further education? — supported the Partisans and fought with them. If the impression of a fusion, in Kameno, of the traditional wealthy farming elite with the politically active leftist vanguard is correct, this fusion may well have its roots in the war years. The hypothesis is supported by the fact that some of the persons who play a leading role in the socio-political and self-management organs in Kameno and who come from very poor families, have after the war married into families of the richest pre-war landowners. A very interesting case of break-down of traditional class-barriers!

What matters most for an appraisal of the present-day situation by the »ordinary people« in the area, that is, those who are not in any public functions and do not participate very actively in the work of socio-political bodies, are the following questions.

- (1) In how far is the relatively good average social position of their leaders indeed due, as some of them say, to their own activity and devotion in the fight for establishing the society of to-day (which, by the way, everybody admitted to be much better than the one they had before)?

On this point very few respondents made categorical and generalizing negative remarks: the hard work and capacities of most fellow-citizens with functions were generally recognised and appreciated. Especially since it is known that practically all the work in boards and committees of self-management organs and political organizations is unpaid.

- (2) Given the fact that there is in Yugoslavia still a scarcity of certain important facilities such as education, as well as a scarcity of better-paid jobs — as in any other society — a very important and also delicate question arises whether those who have more control over those »resources« — again those with functions in various organs — can be sufficiently checked, so that they do not fall victim to the temptation, to ease access to good jobs and training facilities to persons whom they favour on nonobjective grounds.

The matter is partly linked-up with the overall relationship between village-people and towns-people, but tendencies of favouritism may also become manifest in the formation of a new, albeit rather open, »pseudo-class« of managers, bureaucrats and functionaries in socio-political organizations in towns as well as in villages.

From the interviews evidence was obtained that at least a minority of the people, especially those who are in the socially, economically and politically weaker corners of society, harbour some suspicion that for them the struggle for a better life in the future is more difficult than for other citizens, as a result of discriminatory social tendencies of the kind just described.

It was, of course, far beyond the possibilities of the researchers to collect objective data to prove or disprove whether there is any real ground for such suspicion. But it is relevant for understanding the social and political situation that the suspicion was found to exist.

May this section be closed with a quotation of a respondent, who pointed at an undoubtedly crucial factor which should account for the fact, that the creation of in themselves good institutions has not yet always yielded the results hoped for.

He is a peasant-member of the church-board in Ladanje:

»The idea of self-management is very positive and humanistic, but we are not sufficiently mature for it. We must first understand what self-management in fact is. The main thing that should make self-management succesful is man himself. If someone having some position in society wishes to use it for his own interest, then we cannot speak of self-management. It is impossible to make a society on Marx' theory when only 1% of the people understand what Marx said.

It is a kind of society in which one is willing to work for everybody and vice-versa, and we did not yet succeed to create that type of man«.

(Ladanje, farmer/millowner, 45 years old).

5. THE STILL PRESENT REALITY OF WAR TIME EVENTS

The situation with regard to local self-government and social, political and economic self-management in the commune Podgorje, the central issue

of the research, cannot be understood without referring to the dramatic events of the years 1941—1944 and the period immediately thereafter.

Though now gradually a generation is taking over which does not itself have conscious experience of the war years, the others still form at least half of those active in social and political life. It would not be very realistic to assume that in small rural districts where everybody knows each other to some degree, the bitter events of that turbulent past can ever be forgiven or forgotten by those who were personally involved, in spite of determined efforts and declared intentions not to let them interfere with the building of the future.

This was demonstrated by the frequent spontaneous references respondents made to the war years and in other cases by the reactions to, for instance, questions pertaining to the present-day relations between Kameno, Ladanje and Podgorje, or concerning the position of the farmers in the Yugoslavia of to-day. References which would hardly be misinterpreted.

The matter is delicate and loaded with emotions. It makes an objective appraisal of the situation both by insiders or outsiders extremely difficult.

The main question is the following: whether the groups who see themselves as those who were defeated in the civil war, still feel that they meet with more difficulties in effectively participating in the social and political self-management organs than others.

If those feelings exist, let it be made very clear that they may be entirely subjective, especially in view of the fact, that in all political systems it is difficult to make one-self heard because so many people and groups compete in making themselves heard.

Suspicion that one may be discriminated against makes a person ascribe objectively normal negative experiences with self-management processes or institutions to such discrimination. On the other hand, functionaries in key-positions in the decision-making process may be tempted not to take serious the criticism or wishes expressed by persons or groups who, according to them, have never been very loyal to the post-war socio-political system.

Where mutual trust is lacking, errors made are easily interpreted as proofs of ill will; on the other hand, lack of trust may lead to a lack of attention for well-meant and constructive contributions to the work of self-management organs, which then should not just be called an error!

It is entirely impossible to draw from the material collected in the research, conclusions on the cooperation or lack of cooperation of war-time opponents, in the many organs for self-management in the commune Podgorje and the villages studied.

It only could be observed, that there still is suspicion on the part of some of the bigger farmers, that they, as a group, cannot play the role on which they have a right in socio-political life, as a result of the presumed lack of support they gave to the leftist forces at the time of the war and the revolution. Similarly, on the part of the people from Ladanje, that for the same reason Ladanje, as a village, is less influential than villages like Kameno, of which nobody will contest the patriotic role it played during the war years. The following quotations demonstrate this:

»It is still almost a rule that the farmer is never asked what he thinks about it when some decision is to be taken«.

(Ladanje, farmer, 62 years old).

»There is no real difference between elder and younger people, richer or poorer, their influence is neither greater nor smaller, but usually people who fought much during the war have a greater say«.

(Ladanje, farmer/industrial labourer, 41 years old).

»... it must be acknowledged that the prestige of people from Kameno is higher. Higher than of people from Ladanje, for instance«.

(Kameno, skilled labourer, 22 years old).

»... what bothers us: here from this village we are toiling to fulfill all our duties towards the Commune and towards the state, but nothing are we getting back«.

(Zaselak, farmer/carpenter, 30 years old).

»Especially farmers occupy themselves extremely little with politics. It is the real farmers, whose work doesn't allow them to occupy themselves so much with those political things. And what is more, they don't allow them to«.

(Zaselak, farmer, 35 years old).

It may be added that several functionaries in self-management organs were found to be aware of the existence of such suspicion among a minority in the commune, but they also were convinced that it now lacks any objective ground.

6. VILLAGE PEOPLE IN AN URBANIZING SOCIETY COMMITTED TO ESTABLISH SOCIALISM AND DEMOCRACY. SOME CONCLUDING REMARKS

It has been one of the main aims of the research to get a clearer picture of the role of the common citizens, more specifically, the village people in one particular region, in the process of building a new Yugoslavian society. Amongst other things, to find some indications of their perception of and commitment to the ideals of socialism and democracy through self-management.

A few general observations on this question may be made in this final section of the paper.

When we look at what we just called the »common citizens«, the »village people« of the area in which the research was undertaken, the distinction between those villagers with functions in self-management bodies or administrative organs, and those without such functions proved extremely useful. Coming back to the question just posed: the impression was, that in both groups the commitment for making efforts to establish socialism and democracy in their local society undoubtedly was dominant over orientations negating these ideals, such as defeatism, cynicism and opportunism.

But the way this commitment expressed itself was very different. The former group, the »functionaries«, were clearly identifying themselves more with the existing situation, with the things already achieved. They were, on the whole, showing quite a concern to perform their representative or ma-

naging function well. Many of them worked hard and consciously tried not to let themselves be discouraged by unpleasant experiences, lack of understanding for what they did, unfair criticism or gossip about their personal motives.

No doubt because, as a group, they experience so much the difficulties in concretizing the mentioned social ideals, it was found that they tend to be more lenient towards still existing defects and shortcomings. Also towards human shortcomings among themselves.

Though certainly not all »functionaries« show as self-confident an attitude towards criticism on the existing state of socialism and democracy as manifested in the comment by a farmer from Kameno cited here, several of them seem to share some of its easy optimism:

»The small group which grumbles, you have it everywhere in the world. Also they forget that they have it now much better than at any time in the past«.

(Kameno, farmer and musician, about 40 years old).

With respect to the villagers without any functions in socio-political institutions: their often strongly critical attitudes and comments have to be taken, according to our impressions, in the majority of cases, as just another way of expressing a genuine concern with the establishment of a society, in which everybody has equal chances for taking part in decisionmaking and enjoying the economic surpluses the people produce. No less genuine than that of their fellow-citizens who are more formally involved in self-management institutions and socio-political organizations.

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PARTICIPATION IN NON-INDUSTRIAL SETTINGS

From its beginning Yugoslavia has tended to be strongly innovative in government and political organization in accordance with its social and political values. In this process two main periods could be identified.

From the end of the World War II to 1950, government in Yugoslavia was a tightly organized hierarchy within which lower levels of government and economic enterprises and other institutions were essentially administrative arms of central authorities.

Under the general economic and political circumstances prevailing in the post war period, it was considered essential to achieve a substantial concentration of power and administrative leadership in the hands of federal bodies. In this situation there was even no possibility for the problem of participation to be posed.

Phase II in the development of Yugoslav government and administration was characterized by the gradual introduction of a decentralized system of government.

1. THE PARTICIPATION OF CONSUMERS

The basic idea of this new decentralization was workers' self-management. Already on June 26, 1950 workers' self-management was introduced in all nationalized enterprises based on the right of the workers to elect a workers' council responsible for all the major decision on production, sales, profit distribution, and personnel in the organization.

The next decade or so saw the expansion of this principle within the enterprise (appointment and dismissal of directors, power over capital assets etc.) as well as its extension to other fields of public activity. Institutional self-management was applied to the management of agencies and institutions in the field of public utilities, education, health, welfare, social security, culture, research and housing. However this extension showed some divergent characteristics. Those institutions were organized and managed according to the principles of social (not workers') self-management. This meant that the participation of consumers and other interested persons and organizations was introduced. For instance schools were managed directly by the following bodies: the school board, the teachers' council and the director. The school board consisted of members elected by citizens at meetings of voters on the territory on which the school was situated, members nominated by the competent People's Committee, members elected by the teachers' council from the ranks of the teachers, and members representing economic and social organizations (in vocational schools) and members representing pupils

(in secondary vocational schools). Similar arrangement appeared in the other field of public services. In one case (social insurance agencies) management was in the hands of consumers. The insured managed these agencies through their representatives elected to the assemblies of social insurance agencies as the highest body of self-management. The executive board was elected by the assembly from among its ranks.

With the 1963 Constitution the mentioned system of management show convergence. This Constitution introduces the concept of work organization, which encompasses economic and public service institutions in any field. That means that the principle of worker self-management is now expanded in its full scope from the field of economic activity to all other sectors of general government: general government functions merely as a clearing-house for the exchange of information and for cooperative planning on territorial basis. The Constitution starts from the standpoint that the working people in Yugoslavia have the same socio-economic position irrespective of whether they work in economic organizations or in public services, government agencies, or elsewhere. However, in order to bring into line the work of certain work organizations with general social needs, interested citizens, representatives of the organizations concerned and of the community may also take part in the management of work organizations engaged in activities of particular social interest.

Under the new circumstances institutional arrangements of participation have changed. There is no category of working people that can be excluded from participation in self-management any more. So, for example, quite a particular solution has appeared in the field of social insurance. It is organized on the basis of Social Insurance Associations and Agencies of Social Insurance, which have each clearly defined competences and duties. Associations as territorial self-government organizations of the insured embody functions of policy making and self-government, while Agencies are in charge of the operational side of social insurance. The two are organically interconnected: Agencies and their management bodies are established by Associations which also secure the necessary funds for their work, give them directives and determine tasks which are not provided for by the law. But at the same time agencies are independent organizations based on the principles of self-management, they have their Statutes and Rules which they themselves enact, and have the status of a juridical person. The fundamental tasks and competence of agencies are regulated by law: they collect and manage the funds of associations; they are their legal rights; they may make contracts in connection with the execution of social insurance service; and they carry out decisions reached by associations.

A further step in this development is connected with the new system of financing education. A decisive change in the new system is seen in the fact that the financing of education is no longer dependent on budget appropriations. As a new form of self-management in this sector, education unions have been set up to enhance the social role of education with a view of establishing closer links between educational institutions and the requirements of the economy and public services. Education unions can be established: for a specified area making a functional entity in the network of educational institutions («school areas»); for the territory of a constituent republic; or for one or more sectors of the economy of social service, i.e. for the satisfaction

of personnel requirements of several related work organizations. Educational unions are made up of educational institutions in specified areas, economic organizations and social services, other organizations concerned and citizens. By coordinating the interests of all social factors, directly or indirectly concerned with education, education unions intend to integrate all socio-political and educational factors which ought to exercise an essential influence on the development of education within the framework of the general development plans of the socio-political communities concerned. The supreme organ of an educational union for a specified area is composed of representatives of all its constituent elements. They consider all matters relating to education and operate educational funds.

In the new Amendments to the Constitution (1971) fresh efforts are made for the integration of the so-called manufacturing and non-manufacturing spheres of social labour. It is considered that the actual economic base for such integration can be provided only by means of a direct exchange of labour, i.e. of the results of labour, through appropriate self managing relations and consultations and corresponding self-managed communities of interest. The constitutional provisions which guarantee to the working people engaged in organizations of associated labour in the fields of education, science, culture, health, social insurance and other similar spheres — on the basis of a free and equal economic exchange of labour — the same socio-economic status as the one enjoyed by working people in the economic organizations of associated labour, intend to open even more bravely and decisively, a process of emancipation of the aforementioned spheres of associated labour from the state intervention and the corresponding system of budgetary financing.

2. THE PARTICIPATION OF GOVERNMENT EMPLOYEES

The 1963 Constitution proceeds from the standpoint that the working people in Yugoslavia have the same socio-economic position irrespective of whether they work in economic organization or in public services, governmental agencies, or elsewhere. The Constitution lists the right to self-management in one's place of work among the basic rights of man and citizen. This includes people working for government.

Self-management in government agencies was introduced generally by the General law on the self-management of workers in administrative organs from the year 1964. Self-management in government agencies is limited by law to »internal relationships« including: decisions about the internal organization of the agency, creating the conditions for professional development, improving the working conditions, regulating mutual relationships at work, deciding about personal income. To translate these broad formulas into more concrete responsibilities is left to internal general regulation, also within the jurisdiction of self-management.

There is, however, differentiation in the responsibilities as listed. Some of the decisions can be taken by the employees alone, others jointly with the head of the agency. In case of disagreement the Government as body arbitrates the conflict, subject only to judicial review of the legality of procedures as applied. The first category includes: the allocation of resources for personal

income i.e. wages and salaries, the use of funds allocated for »Common purposes of the working collective«, education and training, the establishment of the Council of Workers Collectivity. Everything else is a matter to be decided jointly by employees and head of department.

Wherever possible self-management prerogatives are exercised by all employees of an agency collectivity, the workers' collectivity. Where this body is too large, a committee is elected, called the Council of the Workers' Collectivity, for a period of two years, with at least five members, of whom no one can be elected for a second term.

CONCLUSIONS

This sketch of the historical development of self-management, i.e. of the participation in Yugoslavia can serve as background information. The »conclusions« presented here were chosen for their expected value as discussions-stimulants.

This development poses a number of questions which will probably become some of the most pressing items on the agenda of social sciences.

The self-managing system in Yugoslavia is one of the first examples of an attempt to invent and introduce societywide arrangements and institutions of functional society, the society where structures follow functional lines, i.e. the logic of the function which is being performed and where power becomes increasingly irrelevant for the expanding areas of organizations. The activity being performed within the system of self-management is aimed at the realization of interests of people. All institutional arrangements in Yugoslavia should be tested against the criteria of how far do they contribute to the aforementioned goals and to the limitation and replacement of existing-institutions.

Ad 1)

Owing to Marxist tradition in the development of the self-management system all attention is paid to the protection of interests of producers, while the protection of »consumers« is neglected at the same time. As work organizations gradually become more independent from general government the problem of participation ought to be solved not through the participation of consumers at the different levels of general government (local, regional, national), but through their participation in the management of work organization.

»Participation« as the way of protecting interests supposes that the divergence of interests exists. Participation means primarily a consciously built and rebuilt equality of chances of interest satisfaction by excluding systematically possibilities of interest-domination through maximizing occasions for individual intervention in any social decision-making process. The most important thing is: are there institutional arrangements that permit the expression of divergent consumers interests and is there a possibility of not formal but real influence?

Until the recent development of self-management in Yugoslavia, »consumers« represented a less organized factor in the process of self-management. The possibility for better organizing on their part is introduced by the concept of communities of interest. The balance of power between »producers« and »consumers« is feasible. Through organizing consumers become relevant

instead of irrelevant elements of the task environment for work organizations and vice versa; each side seeking to minimize the power of the other side. As far as this relation is conceptualized on one hand as primarily economic (financial) relation, and as on the other hand these communities of interest are managed by organs composed of representatives of all interested factors a revival of the new power structure (economic) is very probable. The case of education unions shows it clearly. Namely the question of political control and responsibility of these organs has even been posed until now.

Methods of direct decision-making by the interested subjects themselves are often technically impracticable. Control through elected representatives becomes less effective with increasing distances and the technical character of the decision. On the other side, »consumers« are sometimes not an easily identifiable group; it is not easy to determine a group which constitutes the public or the potential public of a service. The participation is here, in most cases, out of question. On the other hand, to identify consumers-interests with the »general interest« is too hazy and leads in practice to revival of power structures. Where it is possible interested subjects should be represented in the decision-making bodies but only as a temporary expedient on the way toward a technically more advanced systems of »balanced objective situation«, i. e. automatic regulative market-like mechanisms, which seem to be the most promising control mechanism of the future. As long as the participation of »consumers« exists, and even later, a system of self-management jurisdiction ought to be devised so that decisions are always removed from the preponderant influence of those groups whose short-range interests conflict with the goal inherent, technically, in the function itself and accepted as the starting platform for the whole coalition of interests around it.

Ad 2)

The structure of collective action and the methods of its coordination are determined by the nature of specialization i. e. division of labor in society. Modern bureaucratic organizations (in Weber's sense) are organized on the principle of hierarchy. Weber implied that the professional authority rooted in expert technical knowledge and the bureaucratic authority rooted in a hierarchy of offices with legitimate claims to disciplined compliance tend to occur together. This thinking was correct under conditions of a technology simple enough to be within the grasp of an individual i. e. where the specialization of tasks exists. Under the conditions of specialization of tasks, division of labor moves in the direction of the ever more specific narrowing of activities to simple, repetitive routines. On the other hand, complex technology, which represents the main characteristic of modern organizations, requires the administration of professionals, i. e. the specialization of people. A technology is incorporated into an organization through individuals. To incorporate it through overspecification or task specialization requires enormous coordination. Furthermore, coordinating the elements of a technology is part of the technology itself. In this situation long periods of preentry, professional training, and wide diffusion of ideas within the organization, including a wide diffusion of problems and suggested solutions, will provide the variety and richness of experience required. Old hierarchical methods of coordination are becoming less suitable and more burdensome for all concerned. The professional authority rooted in expert technical know-

ledge and the bureaucratic authority rooted in a hierarchy of offices with legitimate claims to disciplined compliance do not coincide any more. There is an imbalance between authority and ability, that is to say, the right to be consulted is greater than the ability to make a contribution. In this new situation, a new structure of collective action has emerged i. e. the participation of professionals in technical decisions. But the new position of experts in deciding technical questions has actuated the problem of their position in decision-making process about their personal interests.

So, as the control of uncertainty, i. e. the apperception and storage of informations relevant for organizational decision-making, tends to be deconcentrated among all members of coalition, the possibility for their real participation has appeared. And this is the possibility determined by the nature of specialization regardless of the organizational type: industrial, non-industrial, governmental. Of course, ideas of employee participation were slower to emerge and, particularly, slower to be put into practice in the public services in comparison with similar tendencies in non-governmental organizations. The peculiar position of the government bureaucracy as instrument and, at the same time, part of the State's monopoly of organized violence, its responsibilities to the political bodies, seemed for a long time to preclude any attempts to associate government employees to the decisions about government programs and methods. On the contrary, a number of countries found it necessary to curtail the rights of public employees to trade-union organization and activity as well as their freedom to participate in forms of political activism open to all other citizens, in order to guarantee the continuity of the public services and to shield public servants even from the appearance of partisanship.

The actual improvement in the position of the government worker, took place as a factual development without significant formal changes. As governmental organizations were expanding their functions toward the whole scope of services that are understood by the concept of Welfare State — growing expertness of people employed by government is needed. So the whole movement for greater autonomy of the worker at his workplace could not completely bypass the public sector. All this is still at some distance from real participation.

Presenting here the Yugoslav example we are aware of discussing an atypical case. However we hope that the answers to question posed by its introduction ought to be of more general values for social sciences.

As self-management means the participation of all concerned in decision-making process about their interests, all people employed by any organizations get the rights in deciding in the first place about some questions concerning their interests. So owing to political values of self-management the perspective model of the structure of all organizations has partly shed its hierarchical characteristics; and this has happend regardless of the nature of specialization (specialization of tasks, specialization of people) and qualifications of personnel.

As it can be seen from the empirical research in our country, for the time being, the actual changes in the Yugoslav system as a consequence of the introduction of a general system of self-management, is less than the text of our Constitution and laws would make us believe.

The reason for the discrepancy between the normative and the empirical model of self-management is a shortage of greater information handling capacity that is required by self-management structures. This situation can result in the degeneration of the self-management arrangements and their transformation into the old organizational power pyramids on the one side, and in a serious fall in »efficacy« on the other side. In our value orientation toward powerless system different situation of the nature of specialization was not taken into account. Each solution should be tested not only against the criteria how far does it contribute to the limitation and replacement of existing power structures, but how effective is it in assuring the day-to-day functioning of the technical tasks, too.

The criteria point sometimes in opposite directions, so that each measure might have its pay-off in one direction but its price in another.

The questions we are going to pose are chosen primarily for their expected values as discussion-stimulants. Three of them relate to the problems of participation in any kind of organizations including governmental ones, while one of them relates to governmental organizations only.

1. Can we treat the problem of technical decisions separately from the problem of their interest implications and vice versa, regarding participation of organizational members?

It seems that in every day management practice it is hardly possible to separate the technical from the interest dimension of the decision-making process.

2. Is professional expertness the necessary precondition of interest autonomy on the one hand and is interest autonomy an unavoidable consequence of professional expertness on the other hand?

It seems that we can give an affirmative answer to the first part and a negative answer to the second part of the question, because interest autonomy can be resisted by interests attached to present power systems, for a long time.

3. What are the consequences of a development in the opposite direction (interest autonomy regardless of technical expertness?). Is such a direction functional or disfunctional for the effectiveness of task operations?

It seems that interest autonomy has a lot of disfunctional effects on the efficacy of any organization as long as it is not accompanied by proper technical expertness; to impose in this situation the balance of power among participants of the coalition means to spend too high a ratio of resources on the maintenance of the coalition instead of on realizing goals.

4. Are there any limits to the expansion of self-management structures in governmental organizations?

It seems that there are limits to its expansion and these limits are in the very nature of governmental functions as the instruments of power structures. According to their role and limits in structuring, the difference between classical and other governmental departments appears in its full scope.

Therefore, the main present-day problem of the Yugoslav system is to adapt its institutions to the transitional stage it is in. An invention of differentiated institutional arrangements is needed in order: to protect those

structures that possess all attributes of self-management institutions on the one side; to prevent expansion, to limit and to replace power structures on the other side.

And last, but not least: we have to decide which cost do we prefer to which pay-offs.

**WORKING-CLASS YOUTH AND THE WORKERS'
SELF-MANAGEMENT: workers' participation in tension between the
legitimation of domination and social inequality and the emancipation
and social affirmation of the workers**

I

There is an interesting parallel from the standpoint of a possible sociological analysis between political participation in classical terms and that very specific form of participation in the industrial setting that may be called workers' participation. Such a parallel remains present even when workers' participation exists in different forms and in different legal and institutional frameworks. This parallel is worth to be explored having in view in particular the actual participative behaviour of the contemporary generation of the working-class youth in Yugoslav workers' self-management.

To insist, of course, on such a parallel does not mean necessarily, that there is no important difference between the system of workers' self-management and the other known forms of workers' participation in management in general. The workers' self-management as a specific system of running an industrial enterprise is not just another system permitting some degree of workers' participation in management, but by definition a system geared in principle in such a way to enable the workers to run the enterprise, they work with, and the working-class in general to have the major voice in running the total process of production and reproduction of the society. But, this does not dismiss automatically the entire problem of workers' participation in self-management.

Furthermore, to insist upon such a parallel does not mean, that there is no difference worth mentioning between the political participation in classical terms and the workers' participation. Let us remember that the very idea of political participation as a modern political idea owes its origin to the political world of the modern bourgeoisie, and the practice of the political participation in more systematic forms has developed originally as an important aspect of the political world of the modern bourgeois society, which such a society cannot eliminate completely and disregard systematically even in historical situations when it is obliged to look for a way out from massive contestations, embittered class conflicts, all-embracing internal convulsions and profound crises but in dictatorial, fascistoid or fascist forms of the political organization of the society. In fact, the real problems of political participation have appeared within the framework of the political world of modern bourgeois society. Ideologically the very demand for mass, systematic, more or less regular political participation on this or that level of political life has been based upon the modern idea of people's sovereignty that was brought about in contrast to the typically feudal patterns of legitimation of the strategically important social institutions and structures by the young

bourgeoisie in the upward phase of her class development. The locus of origin of this modern idea as well as the major source of its activating and even subversive social charge is to be located primarily in the most drastic forms of domination and social inequality, lying at the heart of the entire world of the feudal society.

The idea of workers' participation belongs to the world of the modern working-class movements. That is the original soil on which this idea has been growing up regardless of the form it actually takes — in radical demands »Factories to the workers«, or in theoretically more or less developed ideas of workers' councils and workers' self-management, or in other more moderate and domesticated demands. But, there is no doubt that this idea has developed originally beyond the traditional bourgeois views, reducing the entire world of the material production to the area of private initiative and closing it to any form of democracy, believing that any form of direct democracy in industrial production and in an industrial enterprise could exist only as dabbler's management so that any form of democracy should be stopped at the gate of the factory. In fact, it is hard to question the fact, that the idea of workers' participation has developed originally beyond the traditional patterns of legitimating the most important institutions of domination and social inequality, which used to legitimate such institutions in terms of the private property, entrepreneurial risks and the very specific and rare organizational skills and managing qualities. At the end, this idea has originally developed beyond the traditional social relations in the industrial enterprise for which the very existence of the trade-unions appeared as an »almost anomalous phenomenon« from the standpoint of the legal organization of industry as pointed out by W. Burisch.¹ The locus of origin of the idea of workers' participation as well as the major source of its activating and subversive social charge is to be located primarily in general life conditions and typical social positions of the workers, and more particularly in the existing social institutions and structures of domination and social inequality, that the workers are exposed to systematically and permanently in a bourgeois society.

In spite of similar differences a parallel could be noticed. Namely, the sociological analysis of the idea and practice of political participation in classical terms may easily discover their inherent ambivalent and contradictory potentials. The same may be discovered in regard to the idea and practice of workers' participation.

The political participation appears, on one side, as a specific systemic mechanism of integration and consensus. Namely, the political participation has proved to be a systemic pattern to ground and justify legitimacy of the strategic social relations of domination and to create and verify wider consensus around such institutions and structures. At the same time, the political participation functions as an institutional framework for the permanent play of admitted competitive interests, that supports and vitalizes the existing social system. On the other side, the political participation has had very important dissensual, contesting and conflicting potentials with manifest or latent antisystemic features at least under certain circumstances. The political participation has originally developed not only as a new pattern of legitimating the crucial institutions of the status quo, and as a new social pattern

¹ W. Burisch, *Industrie- und Betriebssoziologie*, Berlin 1969, S. 157.

of creation and verification of wider consensus around such institutions, but also as a pattern of legitimating intense contestation, permanent undermining and direct challenging of the existing systemic institutions and structures primarily those of domination and social inequality, which are of the strategic importance for the stability of the social system and for the continuation of the existing social equilibrium and status quo, but at the same time are inherently problematic and unstable requesting therefore particular support and permanent justification. In this sense the political participation could not be looked upon exclusively as upon a mechanism of the existing social system aimed at insuring at least a minimum of consensus, but also as upon an instrument of social movements, engaged in exerting pressure on the system, challenging its crucial social institutions and undermining them at least under certain historical circumstances. This is pointed out by A. Pizzorno who writes that »the problem of political participation is at the same time a problem of consensus and a problem of equality. It means that it is a problem of the patterns how it is actually achieved the conscious consensus of a population around the constitutional institutions that govern them, but it is a problem of the ways of collective organizing, aimed at acting upon the structure of inequality, challenging in a positive or negative way the values that govern it«.²

The political participation in classical terms is at the same time a specific systemic mechanism of integrative nature, creating, maintaining, vitalizing, restoring and verifying the wider consensus around the crucial social institutions and structures of the bourgeois society, always including first of all the systemic institutions of permanent and massive domination and drastic and ramified social inequality, but also a specific pattern of dissensual nature, contesting and destroying possible consensus that may exist around such institutions and structures. It is worth mentioning that the very idea of people's sovereignty originally offered an adequate ideological basis for contestation, subversion and direct attack upon the crucial social relations of the feudal type, but also as an ideological justification for the establishment and consolidation of new patterns of systematic domination and new types of drastic social inequality, growing up behind the back of formal legal equality of rights and possible granting of full citizenship's right to all or almost all the segments of the modern bourgeois society. Consequently, the political participation could serve originally and has been serving today as a systematic pattern for legitimation of the actual political, economic and cultural hegemony of the bourgeoisie in the modern society with all the inevitable social relations of systematic and durable domination and complex forms of drastic social inequality that such class hegemony pre-supposes and renews. It is clear, of course, that the crucial social relations of domination and social inequality, the entire bourgeois society is based upon and could not exist if eliminated, have been actually created and renewed by the massive political participation of all the citizens as little as the previously existing social relations of domination and social inequality, peculiar to feudal society, had been created and renewed in fact by the »Almighty's grace«, »the very essence of the things themselves«, or by the presumed difference in the colour of blood, running through the veins of different segments of the society.

² A. Pizzorno, Introduzione allo studio della partecipazione politica, In: Quaderni di Sociologia, 15 (1966) 3-4, p. 247.

It is worth mentioning, however, that the numerous restrictions — formal as well as informal — which have been enforced constantly or from time to time upon the open, free and substantial political participation in the bourgeois society, the evident formalization and routinization of the political participation, systematically induced and of the systematic provenience, and an important degree of political apathy and indifference, that has been glorified at the theoretical level as useful for normal and undisturbed functioning of the political systems of the so-called mass democracy etc. indicate in fact still existing and ever-present dissensual and contesting potentials of mass political participation in the contemporary bourgeois society. In other words, this may be taken as an indication of the actual limits which the political participation has today as a social mechanism of consensual nature and of integrative design in the modern bourgeois society.

The workers' participation in its multiple contemporary forms has the same inherently ambivalent and contradictory potential. Namely, the workers' participation may operate as a specific systemic mechanism of clearly consensual nature and of integrative design, aimed primarily at creation of wider consensus, obtaining more stable loyalty and obedience and securing conscious integration of at least some segments of the contemporary working-class into existing global social system and into the social system of the industrial enterprise. It could be reasonably claimed even that the workers' participation is the privileged systemic mechanism of social integration and of creation of the wider consensus within the social system of the industrial enterprise, which has obvious advantages compared to all other social mechanism of similar design as it succeeds to create far more stable and wider consensus than it is possible as a rule to attain by any other traditional pattern, or as it succeeds to obtain at least some kind of loyalty in historical situations when it is hardly possible to obtain any consensus in any other way. The worker's participation appears to be a specific pattern of legitimating the existing social relations of domination and social inequality, that may grant at least under some circumstances and temporarily a degree of effective legitimacy to such social institutions which is almost impossible to reach in any other traditional way. Furthermore, the workers' participation may operate and sometimes does operate as a very efficient systemic mechanism to activate those vital human resources and energies, that the working-class can produce, which can be hardly activated by any other traditional activating and motivating pattern. Finally, the workers' participation may function and sometimes does function as a very sensitive systemic social mechanism to locate and identify those inherent latent tensions and dysfunctional »sore sopts« in the industrial organization that is very difficult to locate and identify by traditional patterns of control and supervision. It could be claimed in this connection that the workers' participation may act and sometimes does act as a social mechanism of ideological nature par excellence, creating appearances and mystifying the existing social situation and particularly forming curtains around the social institutions and structures of the strategic importance for the social system of the industrial organization and of the global society. Therefore, the workers' participation may be reduced to a mere supplement to social domination over the working-class, or as an instrument of direct and indirect manipulation with the workers on mass scale, and as a support to eventual consolidation of some specific form of class hegemony over the working-class.

This is the function that the workers' participation may have in very different legal and institutional frameworks so far as it is possible that under very different institutional frameworks reappear, exist and consolidate not in a random, but systematical way the massive relations of domination and drastic social inequality, making the crucial social institutions in the society as well as in the industrial enterprise inherently unstable and vulnerable, on one side, and the modern working-class a very problematic segment of the society for the stability of the existing social system, on the other. And this is due to the fact the substance and functions of the workers' participation do not depend only on such or such legal and institutional arrangements, but far more on the actual relationship of the existing social groupings and their different general strategies.

However, the integrative and manipulative possibilities of the workers' participation are not limitless or very extensive. Therefore, the workers' participation in the integrative and manipulative function appears in general rarely and is frequently used as the last resort in case of grave necessity in profound social crises when traditional patterns of manipulation fail, and it is abandoned very quickly as soon as the existing institutions again become consolidated. It is no wonder that the idea of workers' participation has gained wider popularity and more benevolent reception outside of the working-class as a rule in historical situations of grave crises and that many forms of workers' participation, known today, have been born under such circumstances.

On the other side, the workers' participation may have an explicit dissensual, contesting, conflictual and revolutionary potential. It may operate as a way of undermining the existing consensus, of obliterating possible effects of the traditional patterns of legitimation, and to justify the radical class pressure and direct attack on the existing domination and inequality. In this regard workers' participation is one of the forms of collective class action of the workers, that is activating and mobilizing complex social energies of the working-class and directing them into a long-range revolutionary action aimed at radical transformation of the general living conditions and typical social position of the workers, and, in ultima linea, according to possible long-range cumulative effects, to the emancipation and advanced social affirmation of the working-class in general. In its most advanced forms, workers' participation becomes a specific aspect of the self-organization, self-determination and self-activity of the working-class, which is not aimed at supporting or vitalizing already existing networks of social relations in the industrial organization as well as in the global society, but far more and primarily at creation of new networks of social relations, at formation of new social institutions, at accentuation of new values and at radical transformation of the existing class situation and the total social position of the working-class.

It is obvious that workers' participation retains its ambivalent and contradictory potential in the institutional framework of the workers' self-management under contemporary historical conditions. Namely, it is plausible to conclude, that even in such specific social circumstances not all the social prerequisites for the persistence and the renewal of massive relations of domination — manifest and latent — and of important forms of structured social inequality have been eliminated once for all. The unquestionable historical experience indicates that the legal and institutional framework of the

workers' self-management does not place automatically all the major participants to the process of material production and reproduction in a more or less equal general social position, particularly in regard to the effective management with the most important means of production, in regard to the actual control over the most important resources as well as in regard to the possibility to dispose with the mass of newly created and produced values.

Therefore, workers' participation today in its ramified, complex and varied forms has been situated in tension between direct manipulation and the self-determination of the workers, between the creation of wider consensus around the already existing institutions of the system and their manifest or latent contesting and challenging, between the legitimation of the established social relations of domination and social inequality and the legitimation of resistance and attack on such relations, between the integration of the working-class into the existing systemic framework of class nature and a surrender of large segments of the working-class to their own social subordination and systematic exploitation and deprivation, on one side, and the substantial social emancipation and advanced social affirmation of the workers, on the other.

II

The actual behaviour of the contemporary generation of the working-class youth — i. e. the youngest segment of the contemporary working-class³ — in the processes of the self-management is very indicative. It seems that the contemporary generation of the working-class youth has been a very sensitive segment of the working-class, indicating by its behaviour in participative processes to the problematic nature, inherent ambivalence and internal contradictions of the workers' participation in the existing institutional context of the workers' self-management. In this sense it seems unwarranted to consider some important aspects, that may be empirically described in the actual process of the working-class youth participation in the workers' self-management, as phenomena due merely to some specific characteristics of the working-class youth, or to take them as some kind of marginal phenomena, that may regard a rather wide segment of the working-class, but are telling nothing about the general social position of the workers, the actual state of the working-class movement and are more or less quite irrelevant for the operation of the existing forms of workers' participation under contemporary circumstances. On the contrary, it seems plausible to conclude that the actual behaviour of the working-class youth in participative processes is to be considered as a symptom of the general social position of the working-class, of the actual situation of the working-class movement as well as of the general direction the workers' participation is taking at the level of everyday life within the general legal and institutional framework of the workers' self-management. In other words, it is presumed that the actual behaviour of the contemporary generation of the working-class youth in self-managing processes may indicate whether the workers' participation is moving more in direction of manipulation giving as a rule only apparent and subsequent democratic and workers' legitimation to the existing domination and social

³ The working-class youth is taken here as the section of the working-class up to 25 years of age.

inequality, or more in direction of more substantial emancipation and everyday social affirmation of the working-class as an empirically given entity. It is presumed, furthermore, that such behaviour may show whether it is the question of a system of domination and social inequality that only requests wider working-class support to be obtained through direct channels of workers' participation, or of a genuine working class action and working-class movement, realizing under concrete historical circumstances the possible maximum of the working-class self-determination and self-organization. Finally, it is presumed that such behaviour may indicate whether it is the question of the participation of almost all the important segments of the working-class in a dynamic working-class movement with an outstanding contesting impulse, a powerful innovating potential and a distinct subversive social charge, or it is in fact the question of the participation in a movement, which, surrendering de facto to the existing social relations of domination and inequality and accepting the existing general social position and living conditions of the working-class, has been institutionalized, formalized and saturated with routinization to such a degree to lose finally or temporarily all the essential characteristics of a working-class movement.

With this general remarks in mind, it is possible to deal realistically with the facts indicating an evident oscillation in the behaviour of the working-class youth in Yugoslav historical social space. And it means, of course, with oscillations going from very massive, very active and committed participation of the working-class youth in the working-class movement in periods of a rise in working-class contestation and the revolutionary high tide to the wide-spread indifference and mass apathy in periods of stagnation, retreats and internal convulsions of the working-class movement.

III

There are some specific circumstances that make just the behaviour of the contemporary generation of the working-class youth in Yugoslavia very relevant in this general sense. Namely, it is just the contemporary generation of the working-class youth that segment of the working-class in Yugoslavia, which possesses in relatively major degree all those characteristics that are, according to the findings in many empirical investigations of the political participation, correlated in a positive way with the participation. Such characteristics are present in a degree that clearly surpasses the general average for the contemporary working-class.

Let us describe some of them.

First, it is a fact, that the contemporary generation of the working-class youth is that segment of the working-class in general which is according to its formal education clearly above the general average for the class. The contemporary generation of the working-class youth has more years of formal school education on average than any other segment of the working-class. The number of young workers with no formal school education at all or being illiterate is so low that may be practically neglected. A survey research of the working-class youth in a major city on the Adriatic Coast has given the following data:

no school at all	1,1%
at least a four year school	9,0%
at least an eight year school	24,8%
an industrial or similar school	58,0%
a school for skilled workmen	5,4%

A similar survey research of the working-class youth in one of the biggest industrial group in the same region has shown the same situation in regard to school education:

no school at all	1,2%
at least a four year school	4,5%
at least an eight year school	22,1%
an industrial or similar school	61,9%
a school for skilled workmen	6,1%

Second, it is a fact that the contemporary generation of the working-class youth is that segment of the working-class which possesses on average the most convenient structure according to the personal qualification and that has obtained such qualifications through formal education and not in a different way. In fact, the contemporary generation of the working-class youth represent on average the best qualified section of the working-class except in the highest degree. A comparison of the personal qualifications of the young workers with all the workers employed in the mentioned industrial group indicates the existing differences in this particular sense:

Personal qualification	% of all workers	% of young workers
non-qualified workers	22,3%	6,6%
semi-qualified workers	21,7%	23,8%
qualified workers	44,1%	64,8%
skilled workmen	9,3%	4,5%

The same conclusion may be obtained from a comparison of data from a survey research in the major city on the Adriatic Coast and the preliminary data from the latest census.

Personal qualification	% of young workers	% of all employed with workers qualifications — Croatia	% of all employed with workers qualifications — urban population of Croatia⁴
non-qualified	20,6	36,5%	31,2
semi-qualified	11,0	15,6	14,4
qualified	67,7	33,4	43,3
skilled	5,1	6,2	11,2

⁴ The data are taken from »Prethodni rezultati popisa stanovništva i stanova od 31. marta 1971. godine«, Statistički bilten, br. 700.

Of all employed with workers qualification in the Yugoslav industry and mining non-qualified workers make 35,8%, semi-qualified workers 21,3%, qualified workers 34,3% and skilled workmen 8,6%.

Third, it is a fact that the contemporary generation of the working-class youth is the segment of the working-class, which is according to its origin of the working-class provenience and far more distant from the agriculture and the rural world. In fact, there are in the contemporary generation of the working-class youth more workers that belong according to their origin to the second generation of the workers than in any other generation. The contemporary generation of the working-class youth is still closely linked to the agriculture and the rural world, but such connection are on average far weaker than for the entire class. For instance, the percentage of young workers in the major city on the Adriatic Coast, whose fathers were or have been peasants has dropped to 24,0%, while the percentage of the young workers, whose fathers were workers has risen to 56,0%. It should be mentioned that another survey research in the same region carried out two years before in a group of industrial organizations with some organizations not located in major town has shown that the fathers of 63,3 respondents have been peasants.

Fourth, it may be reasonably presumed that the contemporary generation of the working-class youth is that segment of the working-class — at least in the region we are talking about — which works on jobs that are on average most remote under contemporary Yugoslav circumstances from the pure manual work and closest to the industrial work. It should be mentioned that pure manual work is still very extensively represented in the Yugoslav industry and that the working-class is still to an important degree a class of manual workers in the literal sense. The survey research on the working-class youth in a major city on the Adriatic Coast has found out, that 21,7% of young respondents had been working on purely manual jobs, 53,1% manually with different types of tools and 23,6% with different kind of machinery from universal to the automatic. The data from the survey research on the working-class youth in the big industrial group, previously mentioned, indicate that 10,2% of young respondents working on purely manual jobs, 67,6% manually but using different types of tools and 20,9% using different kind of machinery.

Fifth, the contemporary generation of the working-class youth seems to be that segment of the contemporary working-class whose total social aspirations are very high on average, but at the same time whose realistic prospects to affirm and satisfy such aspirations are rather limited and restricted in the existing situation. To be a young worker means on average to be exposed to relative deprivation in rather extensive way. The working-class youth has been under-privileged in many important ways.⁵ Therefore, it is no wonder that a rather extensive discontent may be noticed in the contemporary generation of the working-class youth. For instance 47,5% of young respondents in the big industrial group have declared that they would change immediately their actual profession if an opportunity is offered, while 7,4% such respondents have declared to have decided already to look for a job abroad and 35,2% to be still considering that possibility, remaining undecided. Almost

⁵ See: »Omladina Jugoslavije«, Statistički bilten, br. 728, str. 49.

⁶ Op. cit., str. 58—59.

the same answers have been obtained in the survey research on the working-class youth in a major city on the Adriatic Coast: 48,9% young respondents having declared that they would change their actual profession if an opportunity is offered to them, 9,6% to have decided already to go abroad to find a better paid work, and 33,1% to be still thinking about it, but not having taken a decision.

It could be expected that the concurrence of such characteristics and of the existence of the wide open legal and formal possibility to participate in the workers self-management would lead to a rather high level of manifest participation and of latent readiness to participate in the contemporary generation of the working-class youth in Yugoslavia. But such expectations remain very dubious.

IV

The actual behaviour of the contemporary generation of the working-class youth in the institutional processes of the workers' self-management in some industrial organizations in the previously mentioned region suggests at least some more complex conclusions.

First, there are indications of the apathy and indifference among the young workers in degree above the general average. The young workers show less interest for the self-managing processes and a lower readiness to take part more actively and substantially in such processes. The entire area of the workers' self-management seems to be located at the margins of their life and work experience. The self-managing participative behaviour seems to be the aspect of their jobs and roles, they take over in the industrial organization, which is relatively poorly accepted, slowly internalized and slightly realized.

However, it seems that the existing level of indifference and apathy of the young workers has not been accompanied by a negatively coloured or sceptical general attitude of the young workers in regard to the very idea of the workers' self-management. In fact there are indications from three different survey research in the same region which point out in the opposite direction. Namely, the young worker seem to take on average a more favourable attitude toward the idea of the workers' self-management. Thus 60,9% of respondents in a research on the working-class youth in the major city on the Adriatic Coast and 70,4% of respondents in a research on the working-class youth in a big industrial group in the same region have expressed a positive general attitude in regard to the idea of the workers' self-management and this appears to be above the level of so oriented answers reported in another research on the working-class population in the same area.

Second, there is a very slight representation of the young workers in the workers' councils and other self-managing bodies in the region. This representation is so low that there exists evidently a structural and systematic — not merely random underrepresentation — of the working-class youth in all kinds of formal self-managing bodies. The young workers make from one third to one fourth of the working-class population, but the share of the young workers in various formal bodies of the workers' self-management has been oscillating around 12%. Still more evident is the underrepresentation of the

working-class youth in the different types of consultative or executive bodies, existing within the institutional framework of the workers' self-management. The share of the young workers in such bodies is oscillating around 5%. The most conspicuous is the underrepresentation of the young workers in crucial and most important roles within the formal bodies of the workers' self-management. It is hard to find a young worker who is acting as the chairman of the workers' council or of any important similar body.⁷ It may be claimed that the young workers are to a great extent outsiders within the formal structure of the workers' self-management.

Futhermore, the participation of the young workers, who are the members of the formal bodies of the workers' self-management, is very low in the actual discussions and decision-making processes. Only one third of such young workers in the industrial group have described their roles in such bodies in terms of active participants and 56,0% in terms of passive observers. Less than a third of the young workers, who have been the members of the workers' councils and other similar bodies in a major city on the Adriatic Coast, have described their actual behaviour in such bodies in terms of active participants and 41,0% in terms of passive onlookers.

Third, the behaviour of the young workers in situations of manifest internal conflicts, walk-outs and strikes indicates that there is on the other hand a very important latent participative potential in the contemporary generation of the working-class youth, which is easily activated under specific social circumstances, different from those in which the institutional participation in the workers' self-management generally operates. It seems from some unsystematic impressions that some strikes in some of the important industrial organizations in the region were to a great extent working-class youth affairs, or at least such social actions that saw a sudden and massive activation and participation of the young workers.

A conclusion is to be made: the contemporary generation of the working-class youth — at least in the region previously mentioned — has a peripheral social position in the existing institutional structure of the workers' self-management at the level of the industrial organization and of its different functional units. But it fares no better at the level of the local community. Moreover, it seems that the existing institutional structure of the workers' self-management in its normal operation does not make a very favourable general social setting for a more complete social advancement and fuller social affirmation of the contemporary generation of the working-class youth. Least of all such structures do operate as a very adequate institutional framework to remove, or to compensate all the social handicaps and relative deprivations, resulting from peripheral and under-privileged general social position of the working-class youth in the industrial organization as well as in the social at large. The essentially peripheral and under-privileged position of the contemporary generation of the working-class youth in other social structures in the society and in the industrial organization — for instance in the techno-economic structures, in political organizations etc. — is being repeated even in the structures of the workers' self-management. In this sense there are no valid reasons to presume that the existing institutional mechanisms of the workers' self-management as they operate at the level of everyday life are contributing in any important way to place the working-class youth

⁷ See: »Omladina Jugoslavije« str. 61—71.

in a general social position of actual social equality and progressing self-determination within the general setting of the industrial organization, or that they are eliminating the unfavourable starting conditions, which are peculiar to the working-class youth at their entering into the productive process as well as into the institutional process of the workers' self-management. Finally, the existing institutional framework of the workers' self-management in its everyday operation is not geared in such a way to be able to activate and direct all the vital resources and the latent participative charge that the contemporary generation of the working-class youth nourish in itself.

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THE INDIVIDUAL AND PARTICIPATORY DEMOCRACY IN YUGOSLAVIA: AN APPLICATION OF RELATIVE DEPRIVATION THEORY

Man and all the political, social, economic, religious, intellectual, aesthetic and psychological systems by which he has so far organized his life, are persistently being rendered incoherent ... This breaking of connections, and therefore the destruction of the capacity to deal with the most basic issues of social life, is the persistent and permanent challenge of the modern age. Since our perceptions and actions have not yet caught up with this new quality of change, most of the breaking is unintended and uncontrolled. If this be the nature of the modern age, we have two alternatives. We can live with incoherence — and with the apathy, repression, and normless violence which usually accompany it. Or else, we can create an enduring capacity to overcome persistent incoherence and to take creative advantage of the opportunities that arise from the breaking of established connections.

Manfred Halpern

I. INTRODUCTION: THE INDIVIDUAL IN THE QUEST FOR PARTICIPATORY DEMOCRACY

The Yugoslav quest for participatory democracy in the embodiment of a self-managed society is one of the most interesting and remarkable political phenomena of our times. This exciting quest, however, has both its »ideal« and »real« components. The ideal might be expressed by the slogan »every man a manager« and be defined as the decentralization of power for direct involvement of all citizens in the affairs governing their own existence. As one might well imagine, aspirations toward this ideal have encountered a variety of human and organizational difficulties in the complex Yugoslav setting. At the same time, the Yugoslav quest for mass participation in the determination and decision-making of day-to-day socio-political activities is becoming increasingly discussed and acclaimed throughout the world. Given this development, it may be instructive to inquire about some of the human consequences or effects arising from aspirations toward the ideal. More specifically, what effects will the propagation of this ideal have on the *individual*

¹ Manfred Halpern, »A Redefinition of the Revolutionary Situation«, *Journal of International Affairs*, XXIII, (No. 1, 1969), pp. 57–58.

within the society? Do political participation and self-management* represent the keys to self-actualization and personal satisfaction in the post-industrial stage of development; or, are they likely to produce other psychological effects and perhaps become sources of personal frustration and discontent? Furthermore, what is the difference between the »real« and »ideal« as regards the value of mass participation in Yugoslavia, and what effect is the difference likely to have upon the individual? In other words, what are some of the individual consequences of the movement toward participatory democracy in socialist Yugoslavia?

Obviously, this is an infinitely complex issue with a mosaic of inter-related and sometimes utterly confusing dimensions. An attempt to deal with the broader issue here would be an impossible task. The intention of this essay is much more narrow and modest. In that regard, the purpose is to critically discuss a potential consequence of the democratization process which arises from the possibility of discrepancy between human expectations and capabilities regarding political participation and self-management in Yugoslav society. This consequence, to be referred to as relative deprivation, is a psychological state which can result from an individual's perception of the discrepancy between his value (i.e., participation) *expectations* and his value *capabilities* within the Yugoslav socio-political setting.

Although it is understood and acknowledged that this more limited subject is still extremely complex and impossible to analyze comprehensively within the limitations of a single paper, it seems instructive to investigate theoretically this potential socio-psychological consequence of democratization. Basically, the analysis will consider the conditions under which relative deprivation may result within the Yugoslav attempt to develop self-government in a rapidly changing and complex society. By first reviewing the cultural and institutional settings in which this attempt takes place, and then the various patterns of involvement and noninvolvement evidenced on the part of the Yugoslav populace, it should be possible to draw some lessons from the twenty years of Yugoslav experience.

Briefly, the review will suggest that while the psychological benefits of democratization in Yugoslavia are laudable and certainly worthy of the wide acclaim and attention they have been receiving, certain costs in the human realm are also being generated. The variety of costs result from a number of specific problems but can often be traced to one general source — namely, the discrepancy between individual hopes and expectations on the one hand, and societal capabilities and realities on the other. The difficulties in synchronizing individual needs and motivations with societal capabilities and realities suggests a continuing source of tension in the process of Yugoslav democratization. While the individual costs of the change process are significant and should not be overlooked, there is little reason to suggest that the costs outweigh the benefits. What seems important, however, is an awareness that certain liabilities may exist and a willingness to attempt to remedy their causes.

* The terms »political participation« and »self-management« (or »self-government«) will be used broadly in this essay to encompass all forms of behavior by which individuals attempt to derive a sense of involvement and meaning within work, communal, or alternative decision-making processes.

II. IDEALS AND REALITY: INDIVIDUAL EXPECTATIONS IN AN EVOLVING SELF-MANAGING SOCIETY

Our desires and pleasures spring from society; we measure them, therefore, by society and not by the objects which serve for their satisfaction. Because they are of a social nature, they are of a relative nature.

Karl Marx and Friedrich Engels
Wage Labor and Capital

Our needs and frustrations, desires and pleasures, are affected by the environment in which we live. In the contemporary world where politics and ideology are ever more important in defining this environment, our pleasures and frustrations become increasingly affected by the ideology, and more specifically, by the »ought« and »is« of political life. If a certain political value is propagated as being important to our society (the »ought«), then our pleasures and frustrations are likely to be determined by our ability to enjoy such a value (the »is«). If our individual needs and expectations fail to correspond with societal realities, we are likely to feel deprived; on the other hand, if they correspond, we are more likely to be satisfied. For example, in a society such as Yugoslavia where mass-involvement and participation are espoused as important to everyone and as keys to health and vitality in the socio-political community, self-actualization and personal pleasure will depend substantially upon one's ability to attain the community's ideal. If an individual finds himself in a situation where he is both willing and able to participate in the political arena, then he is likely to derive some measure of satisfaction from this particular state of affairs. If, on the other hand, the political society in which he finds himself propagates the importance of a particular value such as participation, and then is unable or unwilling to ensure its realization, a certain discrepancy arises between individual expectations and the realities of political life. This discrepancy between the »ought« and the »is,« or between one's expectations and the realities of the political process, is likely to result in tension and frustration, and some suggest, rebellion against the political community to which the individual belongs.²

There are of course discrepancies between the »ought« and the »is« in every political system. Upon even the most cursory analysis of any variety of systems, we are struck by the disparity between political ideals and political practice, between the values to which the society subscribes and the realities of political life. The value of political equality in the United States, for example, provides a good example of a specific discrepancy which bred frustration, and finally political rebellion among various sectors of American society. While the typical civics textbook in the United States has described the American democratic process as one based upon political equality, it increasingly became apparent to various individuals and groups within the society that this was more a myth or falsehood than reality. Various groups came to realize

² In his prize-winning book *Why Men Rebel*, Ted Gurr contends that the discrepancy between value expectations and value capabilities among individuals and groups (i. e., relative deprivation) is a major determinant of political rebellion. Although this essay will concern itself only with the level of relative deprivation likely to be found among various groups, we might assume on the basis of the empirical data that Gurr brings to bear that higher levels of relative deprivation are likely to be related to higher levels of political rebellion. For a highly scholarly and interesting presentation of the deprivation-frustration-rebellion link, and the supporting empirical evidence, see: Ted Gurr, *Why Men Rebel* (Princeton: Princeton University, Press, 1970).

that there was an important discrepancy between what they were led to expect and what existed in fact when viewing the egalitarian ideal. The frustrations vented during the 1960's and 70's by various social sectors in America, and most notably by various groups within the black community, were personal and group reactions to the gap between what was propagated and what they learned to exist. When it became apparent that this discrepancy could not be resolved through other means, these groups vented their frustrations through attacks on the American political community.

The lesson to be learned from the American experience should be clear. Any political community will find it in its best interest to minimize the differences between the professed ideals of the state ideology and the capabilities and realities of the political system. Those societies marked by a large discrepancy between ideals and reality will be characterized by a higher level of individual frustration than those societies exhibiting individuals marked by a small discrepancy. Accordingly, it is hypothesized that the higher the level of correspondence between ideals and reality, the higher the level of satisfaction and the lower the level of frustration among the populace.

The issue of discordancy in ideals and reality may be particularly pronounced in systems undergoing rapid political change, or in systems making abrupt breaks with the political past. The case of Yugoslav democratization through the institution of self-management suggests a prime example in this regard. With the end of the »administrative period« of Yugoslav development (1947—52), the system underwent a rather dramatic break with the past. Very briefly, the attempt to democratize followed upon a long history of politics in which participatory elements of rule were clearly lacking. Simply stated, in the earlier 1950's the Yugoslavs attempted to move swiftly and decisively away from a long history of centralized political and social control and into a decentralized form of government in which a large sector of the broader society was included.

However, the propagation of political ideals is obviously easier than the institutionalization of political norms and practice. What this attempt to democratize required was the simultaneous establishment of first a »participant ethic,« and second, appropriate participatory structures in an environment in which both had been formerly lacking. This required no less than a synchronized transformation of two major aspects of the Yugoslav setting. The first requirement necessitated a period of intense cultural development and adaptation, while the second required a phase of significant institutional change. Both wrought significant alterations to the formerly parochial, undemocratic Yugoslav setting, and to that issue, we now turn.

III. THE CHANGING YUGOSLAV SETTING: CULTURE AND INSTITUTIONS

In a broad perspective of time and civilization, the Yugoslav experiment with self-government can be viewed as one of many attempts at social and political engineering. All forms of organization which people or leaders have developed for themselves can be viewed as such — that is, as experiments or innovations, which attempt to organize social communications, human relationships, and social welfare in order to contribute to the public good. But

with innovations and alterations in the political organization of the system come new stresses and strains upon the individual. Since the individual is a product of his environment and measures his satisfactions according to the society in which he lives, a new setting may provide him with few guidelines by which to define his values. In such periods of socio-political change, the regime must assume major responsibility for defining the new norms of behavior. Without such assistance coming from the regime — which by virtue of its power and resources becomes the most effective architect of the »new society« — the individual will lack a sense of direction and be uncertain of the desires and satisfactions for which he should strive.

The socialist experiment in self-management required changes in two important aspects of the Yugoslav setting: the first might be called the cultural dimension of the democratic experiment, and the second, the institutional or organizational dimension. The cultural change process involves a transformation and development of new ideals and values, perhaps what might be called a transformation of political culture. The second aspect of change, that which regards the institutional and organizational aspect of political development, encompasses alterations to the political structure of the system. These two processes of change, although analytically distinct and separate dimensions of the overall development process, must evolve in close correspondence with one another. Discordancy between the two processes will dys-synchronize the human and institutional aspects of development, and some have contended, lead to a process of »political decay.«³ Specifically, such discordancy may result in a populace more »advanced« (i.e., democratically inclined) than the institutions designed for their use. Or conversely, participatory institutions might be developed that are more sophisticated than the less advanced citizenry for which they were designed. Either discordancy would result in a discrepancy between individual expectations for power, on the one hand, and their perceptions of power capabilities, on the other.

Cultural Development

At the beginning of the democratization process (which we will refer to roughly as beginning after the »administrative period« of 1947—1952), the Yugoslav populace was rather far removed from the characteristic of a mature, participant society. In other words, the majority of the Yugoslav people had neither the ability and training, nor the desires and values required for a self-managing society. At this point in the developmental process, it was incumbent upon the Yugoslav leaders to penetrate down through the society, and either adopt pre-existing attributes to correspond with those required of a self-managing society, or build new characteristics and values where none had previously existed. What was required, in other words, was a »cultural revolution« bringing about a sophisticated, modern citizenry with both the inclination and training to participate in the daily activities of Yugoslav socio-political life. As is widely known, these years of Yugoslav development were marked by rapid changes in the social and psychological characteristics of the population. Literacy rates climbed, the institutions of mass media pro-

³ See: Samuel P. Huntington, »Political Development and Political Decay«, *World Politics*, 17 (April, 1965), pp. 386—430.

liferated, and exposure to new sources of information and communication stimuli increased. Overall, a formerly peasant society was increasingly assuming the attributes of a sophisticated participant political culture.

However, for a variety of reasons, many of which were largely unavoidable, the social and psychological transformation of the populace was not entirely successful. A couple of explanations are likely to help account for this shortcoming. First, the traditional Yugoslav culture was marked by a variety of features which were quite opposed to the democratic basis of the new ideals. These elements of the pre-democratic culture were not easily swept away with the new slogans of the democratic movement. In addition, the time involved was extremely limited when viewed in the course of human history. To expect the less democratic features of pre-industrial Yugoslavia to be transformed in the period of twenty years was more than any rational social engineer might expect. Finally, no matter how intensive, widespread, and equal the attempted socialization and modernization process, some individuals and sectors were either missed, or largely unchanged, by the mobilizing influences of the post-War movement. Hence, it is being suggested that while definite and important advancements were achieved in the cultural adaptation and transformation of the Yugoslav citizenry, unavoidable shortcomings ensured the presence of a partially socialized society.

In more human terms, it is being suggested that some Yugoslav citizens accepted the idea of democratization only half-heartedly, or were largely apathetic when it came to socio-political affairs. Others, largely of higher socio-economic status, were »democratically« inclined, but thought it unreasonable and inefficient to involve those with less education or training in the day-to-day governance of the society. Still others, of course, were highly enthusiastic about the opportunity to participate, and developed the knowledge and expertise to effectively participate. Overall however, it was quite clear that Yugoslavia social engineers were finding it difficult to develop a homogenous, participant society which showed little differentiation in terms of needs and expectations. Hence, one might expect the diverse Yugoslav populace to react differently to the changes taking place simultaneously in the institutional component of the system.

Institutional Development

After an initial period (1947—52) of centralized management and administration, Yugoslav institutional development was marked by experimentation with a variety of self-administrative forms.⁴ The first major advancement came with the institution of workers' self-management in the form of workers' council in the early 1950's,⁵ and the second came with the communal

⁴ For a discussion of the three periods of administrative development in Yugoslavia, see: Drago Gorupić, »The Development of the Self-Managing Organization of Enterprises in Yugoslavia«, *Yugoslav Survey*, XI, 3 (1970), pp. 1—16. Gorupić identifies the following periods: 1947—52, centralized administrative management; 1953—1964, construction of workers' and social self-management; and, 1965 to the present, further consolidation of the self-managing socialist society.

⁵ For a discussion and review of the basic principles, functions, and evolution of the workers' councils and workers' self-management in English see: *Workers' Management in Yugoslavia* (Geneva: International Labor Office, 1962); *Participation of Workers in Decision within Undertakings* (Geneva: International Labor Office, 1967); Ichak Adizes, *Industrial Democracy: Yugoslav Style* (New York: Free Press, 1971). Jiri Kolaja, *Workers' Councils: The Yugoslav Experience* (New York: Frederick A. Praeger, 1965). For Yugoslav sources, see: Drago Gorupić, »Tendencije u razvoju radničkog samoupravljanja u Jugoslaviji«, *Ekonomist*, XX (Zagreb, 1967), pp. 593—639; and K. C. Sethi, »Radničko samoupravljanje«, *Moderna Organizacija* 2 (1971), pp 145—155.

system of self-government in 1955.⁶ Workers' self-management in the general functioning of the work organization (*radna organizacija*) is one of the central foundations of mass participation and involvement in the socio-economic system.⁷ In this regard, the Yugoslav constitution guarantees every work collective the rights of self-management and sets down the obligations of the working people to the society. In exercising the rights and obligations of self-management, the work groups elect a variety of decisionmaking bodies which determine the right of direct and indirect participation in the affairs of the work organization. Although there has been considerable controversy over who is qualified and who is ultimately responsible for making decisions within the enterprise, there does appear to be widespread commitment to involving as much worker participation as »qualifications« and »expertise« permit.⁸ That is, while there is widespread agreement on the value of the broader concept of worker self-management, controversy arises when getting down to the more specific questions of »who decides« on the basis of »what information.«⁹ Overall, however, the content and scope of the self-administrative responsibilities area laid down by the Constitution and include the following rights:

- 1) *To manage their work organizations directly or through bodies of management elected by themselves;*
- 2) *To organize production or other activities, to promote the development of their work organizations, to lay down their work and development plans and programs;*
- 3) *To decide on the exchange of goods and services . . .¹⁰*

The second aspect of local participation and self-government in Yugoslav institutional development was initiated within the local territorial community in the form of the communal system of government. The commune (*opština*) has many important connotations but among the most important, the following may be cited: a human collectivity in interaction, common territory, communication links, and functionalization of activities. The Yugoslav Constitution and the Program of the League of Communists guarantee the status of the commune as a self-managing community organized as a socio-political form to manage common affairs. The nature of such affairs is broad ranging and includes functions and responsibilities in political, social, economic, cultural, and educational realms. In each realm, the commune and

⁶ For considerations of the Yugoslav commune in English, see: Dragoljub Milivojević, *The Yugoslav Commune* (Belgrade: Medunarodna Politika, 1965), Studies No. 8; Jovan Đorđević and Najdan Pašić »The Communal System of Self-Government in Yugoslavia«, *International Social Science Journal*, XIII, No. 3 (1961), pp. 390—405; and Gerry Hunnius, »The Yugoslav System of Decentralization and Self-Management«, in *The Case for Participatory Democracy*, Benello and Roussopoulos (eds.), (New York: The Viking Press, 1971), pp. 140—177.

⁷ Article 6 of the 1963 Yugoslav Constitution reads: »The Yugoslav socio-economic system is based on free, associated labor using socially owned means of production, and on self-management by the working people in the generation and distribution of the social product at the enterprise and community levels.«

⁸ For an interesting discussion of the nature of worker self-management and the controversy over decision-making questions as reflected in the argument surrounding Constitutional Amendment XV, see: Ivan Paj, »The Organization of Self-Management in Enterprises«, *Yugoslav Survey*, XIII, 1 (February, 1971), pp. 31—50.

⁹ For a consideration of the problems of inadequate expertise and information, poor communication, and insecurity among the workers, and a number of other problems related to worker participation, see: Drago Gorupić, »Aktuelni problemi radničkog samoupravljanja«, *Ekonomski Pregled*, XIII, 1 (1971), pp. 93—100.

¹⁰ For a full listing of the rights and duties of the work organizations, see: Article 9, Section 1, Constitution of the Socialist Federal Republic of Yugoslavia.

the decision-making bodies therein are concerned with the fundamental task of reconciling general and individual interests within the territorial community. While Yugoslav research has suggested that some communes have been far more active and effective than others, the system appears genuinely committed to making the commune an increasingly meaningful institution of self-government. In that regard, Hunnius notes that »the commune is seen by Yugoslav theoreticians as the fundamental cell of a future socialist society.«¹¹

In light of the voluminous research — both Yugoslav and non-Yugoslav — on the institutions of worker self-management and the communal system of self-government in Yugoslav society, we are forced to conclude that this process of development represents an impressive set of advancements. What now exist is an extremely elaborate institutional setting in which the Yugoslav citizen can apply his self-managing talents. Within this setting, the following examination of expectations and capabilities will be made.

IV. EXPECTATIONS AND CAPABILITIES FOR PARTICIPATION: RELATIVE DEPRIVATION AMONG THE YUGOSLAV POPULACE

There is a discrepancy between the amount of influence many members of Workers' Councils think they should have and the amount they perceive they actually have; this produces frustration in those with high aspired level of participation, and this frustration offsets to some extent the greater satisfaction that would otherwise accompany membership on the Workers' Council.

Obradović, French, and Rodgers¹²

As noted earlier, the building of a new political culture is an uneven process whereby various individuals and groups are effected and changed in different ways due to irregularities and variations in the socialization process. While some individuals assume the characteristics of the proto-typic »New Man« of the self-managing system — an individual who is trained and skilled to seek and find self-actualization through political participation — others remain almost totally unchanged from years of post-Communist development. When viewing the broader Yugoslav populace, we find a range of socialization types that cover the entire gamut from the proto-typic »New Man«, who fully participates in the self-government process, to the parochial, untrained actor possessing the skills and values of pre-industrial, pre-Communist Yugoslavia. As one might expect, these two actors of extreme individual contrast approach the self-management process with rather different needs and expectations. Accordingly, their chances for self-actualization and expression in the participatory process can be expected to vary, and in some cases lead to personal satisfaction, and in others, to personal frustration and tension.

In order to discuss the needs and expectations of the variety of individuals arising from the Yugoslav socialization process, as well as their abi-

¹¹ Hunnius, p. 164.

¹² Josip Obradović, John R. P. French, Jr., and Willard L. Rodgers »Workers' Councils in Yugoslavia: Effects on Perceived Participation and Satisfaction of Workers«, *Human Relations*, 23, No 5 (1970), p. 470.

lities to find personal satisfaction in the institutions of self-government, it will be useful to sub-divide the larger populace into a smaller number of sub-groups. Although any classification makes obvious simplifications to the diversity existing within the complex Yugoslav populace, it will facilitate a closer look at the relationship between expectations, capabilities, and their consequence, personal satisfaction or frustration in the Yugoslav setting.

In an attempt to classify the Yugoslav populace in terms of these central concepts, we turn to a prevailing approach in Western social science literature which attempts to account for individual phenomena in socialpsychological terms. This approach, referred to as a theory of relative deprivation, purports that personal frustration is a function of the discrepancy between what individuals desire to achieve and what they perceive they will be able to achieve. Applied to the value of political participation in Yugoslav society, frustration might be viewed as a function of an individual's perception of discrepancy between his expectation for participation and his capability for realizing such expectations within the Yugoslav political process.¹³ Given the diversities in Yugoslav political culture, we can expect a variety of expectation/capability relationships among the overall populace. When cross-classifying the two variables, we can divide the Yugoslav population into four major analytical types (see Figure 1).

Figure 1

Individual Perceptions Regarding Participation

		Capabilities for Participation	
		Low	High
Expectations for Participation	High	Satisfied Participants	Frustrated Participants
	Low	Frustrated Non-Participants	Satisfied Non-Participants

The names assigned these four analytic groups are a function of the hypothesized expectation/capability relationships. The two participant groups are characterized by high expectations, while the non-participants are marked

¹³ A number of Yugoslav and non-Yugoslav writers alike have drawn attention to this discrepancy in the Yugoslav setting. See, for example, Josip Zupanov and Arnold S. Tannenbaum, «The Distribution of Control in Some Yugoslav Industrial Organizations as Perceived by Members», in Arnold Tannenbaum, *Control in Organizations* (New York: McGraw-Hill Book Co., 1968), pp. 97-98; Janez Jerovšek, «Structure of Influence in Selected Decisions», Ljubljana (mimeographed), April, 1969; and Obradović, *op. cit.*, pp. 459-471.

by the obverse. This distinction is based upon the simple logic that an actor must believe he is entitled to participate before he will be motivated to such behavior. The frustration/satisfaction dimension, in turn, is hypothesized to be a function of concordancy between positions on the two variables. If an actor has corresponding positions on the two variables (i. e., high-high or low-low), there will be no discrepancy between his expectations and perceptions of capabilities, and hence, no reason for frustration. Discordant positions, on the other hand, generate discrepancy and its likely consequence, frustration.

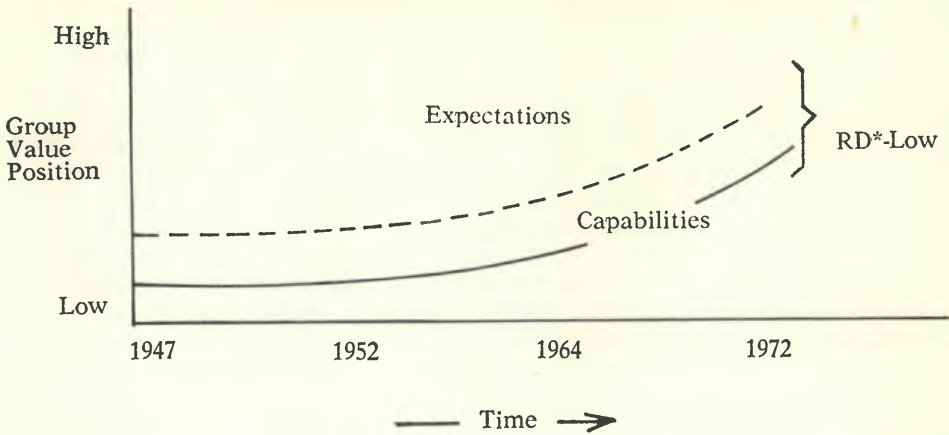
When viewing the first group (i. e., Satisfied Participants) in the typology, we need to examine the value expectations (the participation to which individuals aspire and to which they believe they are justifiably entitled) and value capabilities (the amount of influence they perceive they are able to exert through participation) held by this proto-typic »New Man« of Yugoslav development. Then, after making an evaluation of both expectations and capabilities, we will explain the hypothesized absence of any discrepancy between the two. Since the »New Man« is of that group which was effectively socialized to assume a set of personal attributes characterizing a socially conscious and skilled actor, his expectations for participation will be high. Secondly, since we will suggest that members of this group will be successful in finding optimal participatory experiences, their perception of capabilities will be equally high. Therefore, due to the high level of correspondence between expectations and capabilities, the »New Man« can be expected to reflect a low level relative deprivation, and furthermore, to find genuine satisfaction in the process of self-management.¹⁴

When viewing this individual through the various phases of cultural and institutional development discussed earlier, a temporal dimension can be provided to the analysis. Over the years of post-World War II development, members of this proto-typical group have been characterized by both rising expectations for participation and increasing opportunities for the formal expression of such motivations (see Figure 2). While the expectations have been largely the function of cultural change, the capability aspect of the individual's perception might be viewed as more closely tied to institutional development. Obviously, this group is most indicative of a mature and healthy, self-managing society. By way of practical application, Yugoslav social engineers should seek to widen the membership of this analytical group due to its healthy social-psychological profile.

Although the Satisfied Participants represent the ideal type most conducive to the evolution of a fully developed, self-managing society, it is generally recognized that only a minority of Yugoslav actors fall into this category. Another important and contrasting subgroup might be represented by those characterized by high expectations for participation and perceptions of low capabilities for their realization. This is a subgroup often referred to in research on Yugoslav self-management, a collectivity of individuals who try to participate but consider their overall effectiveness to be low. Hence, considerable discrepancy arises between expectations and capabilities; correspondingly, frustration and dissatisfaction are generated on an affective level in regard to the process of self-government.

¹⁴ It should be quite obvious that members of this analytical group would be drawn from the more highly educated and skilled sectors of Yugoslav society.

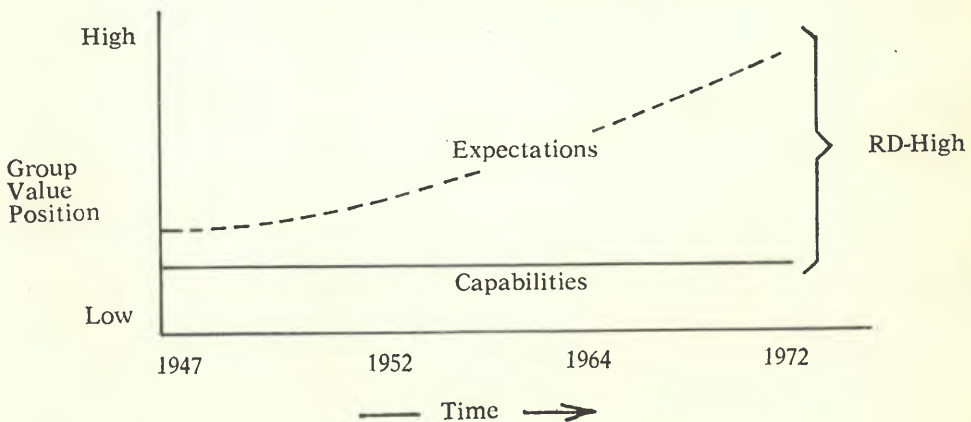
Figure 2. **Aspirational Deprivation: Satisfied Participants**



*RD refers to Relative Deprivation

When viewing the expectation/capability profile of this group over the years of Yugoslav cultural and institutional change, some interesting findings arise. The available information would suggest rising expectations regarding the political involvement to which they believe entitled, but limited perceived success in regard to the ability to attain or realized this behavior (see Figure 3). In other words, while members of this group were socialized into expecting, and in some cases, demanding participation, their experience has been such to frustrate them. For reasons of personal or organizational inadequacy, they perceived their participatory behaviors coming to no avail, and hence, feel deprived within the political proces. While we need not go into detail in identifying such individuals in the everyday world, it should be noted that they may be particularly prevalent in work organizations dominated by a managerial or technical elite unwilling to allow widedespred involvement and influence.

Figure 3. **Aspirational Deprivation: Frustrated Participants**



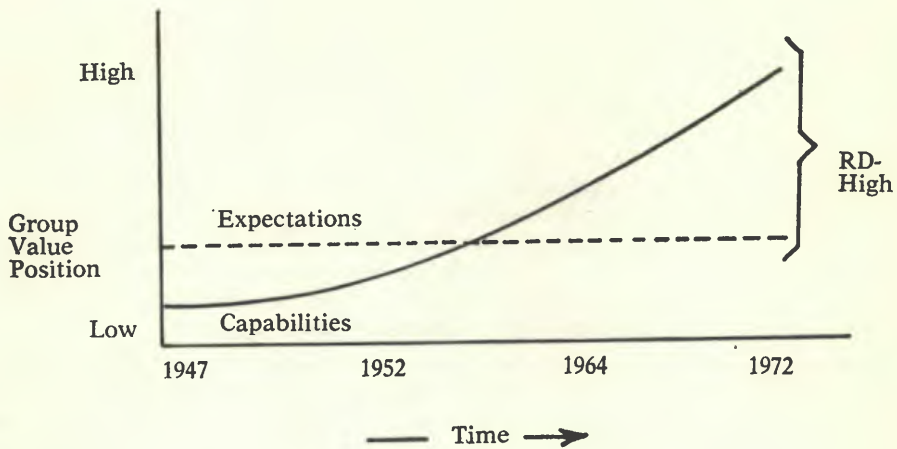
When explaining the expectation/capability relationship in diagrammatic form, the suggested pattern may take on greater meaning (see Figure 3). With expectations growing at a much faster rate than perceived capabilities, aspirational deprivation develops. Since members of this group are activists within the political process, they may represent ultimately a definite danger to the system. They are likely to be articulate spokesmen and quite willing and capable of expressing their dissatisfaction with the self-management process. An active venting of frustration could take the form of strikes, or political rebellion or violence of one form or another. Or, on the other hand, actors may choose to withdraw from the political arena, which may generate greater feelings of alienation and anomie. At any rate, none of these behaviors are conducive to the further growth and development of Yugoslav self-management. It seems prudent, therefore, for the social engineers to continue to fight obstacles to genuine participation, and by so doing, allow capabilities to increase in conjunction with expectations and demands.

Due to the inevitable irregularities or unevenness in the socialization process noted earlier, some members of the Yugoslav populace remain unsocialized in regard to the participation value. While they may have been told or read of the importance of widespread political activity, they have not internalized the value to the point where they believe participation to be a behavior to which they are justifiably entitled. Personal factors may be determinative in some cases making political apathy preferable to political involvement. But among all members of this broader sector (i. e., both non-participant groups), the lack of expectations deters the likelihood of political participation.

Among the first group of this broader sector (i. e., Frustrated Non-Participants), however, there has been a general increase in perceived capabilities regarding participation. That is, while the expectations of this group remained low due to personal attributes of apathy and non-involvement, there has been a growing awareness that political participation *could* be achieved and political power attained if one were willing to become involved. However, for largely personal reasons, members of this group refrained from direct involvement in workers' councils, voters' meetings, and other institutions of democracy. Therefore, the profile of the »Frustrated Non-Participants« is one of low expectations and growing capabilities. Perceptions of capabilities, in other words, have outgrown the desires for participation (see Figure 4). This suggests a special relationship between expectations and capabilities, a case that might be referred to as one of »relative gratification.« Among members of this group, the perception of opportunities for positive influence (capabilities) in the political arena have outgrown desires or expectations for participation. Among such individuals, therefore, frustration is suggested by the guilt and tension that may result from this special discrepancy between the two value components.

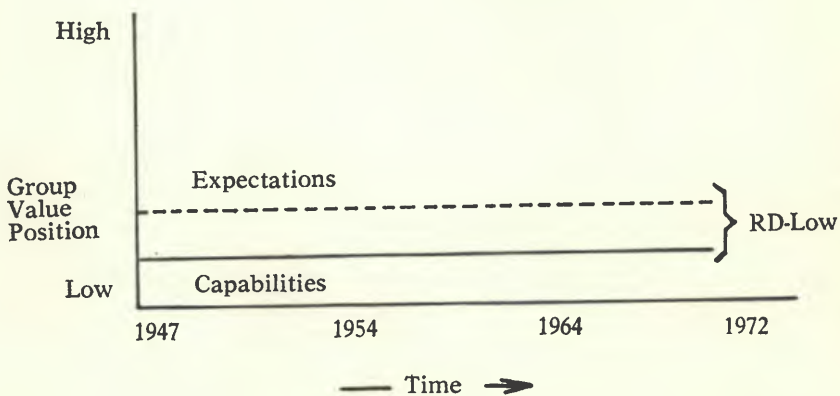
The final analytical group is that sector of the Yugoslav population characterized by low expectations and low capabilities. Individuals in this group neither expect the right to participate, nor do they perceive themselves to be efficacious if they were to try. This sector appears to be the group most untouched by the process of cultural and institutional development, and hence, has remained outside of the quest for self-management and participatory democracy (see Figure 5). At the same time, however, they are not particularly frustrated about the situation due to the high level of correspon-

Figure 4. **Aspirational Deprivation: Frustrated Non-Participants**



dence between the two value components. Although members of this parochial population represent no threat to the political community, they do not speak well of a »self-managing society.« Before an individual can manage he must have expectations, faith, and a commitment to institutions of self-government. This group has neither, and although being contented in their apathy, are not a credit to their society.

Figure 5. **Aspirational Deprivation: Satisfied Non-Participants**



CONCLUSION

PERSONAL FRUSTRATION IN THE QUEST FOR PARTICIPATORY DEMOCRACY

Although the discussion in this essay is hypothetical and speculative, it seems that certain implications of the analysis have meaning within the Yugoslav context. The first concerns the status and size of the four analytical groups. Clearly, the first group characterized by high expectations and high capabilities — those individuals referred to as the »Satisfied Participants« — represent the ideal type to which, one might hope, all Yugoslavs will aspire. Members of this group, the »New Men and Women« of the socialist system, possess the personal characteristics and set of skills required in a mature, self-managing society. The Yugoslav government, it would seem, should do all within its means to enlarge membership within this group, and by so doing, engender the further development of men and women with the skills and attitudes required of a self-managing democracy.

The other three groups reflect some of the failures of the development process. The failures either reflect inadequacies in the cultural aspects of development, or in the institutional process of change; or, as in the case of the »Satisfied Non-Participants«, reflect inadequacies in both realms of development. Among members of this last group, we detected neither an expectation to participate, nor a faith that such participation would lead to genuine political influence. What results is the preservation of a pre-industrial, pre-democratic profile at odds with the interests of a self-managing society.

What seems to be required to correct or at least remedy such inadequacies is first, a renewed attempt at broadening the process of mobilization in an attempt to integrate all sectors of the population into the political process, and secondly, a perfection of the institutions of self-government and management to ensure that they are facilitating participatory decision-making processes. Not only must citizens be convinced that political involvement is important, but they must also be guaranteed that their participation be a truly meaningful experience in participatory government. Discordancy in these two realms will only generate increased frustration, a condition that any society can do without. This suggests that the Yugoslavs should strive for a process of change characterized by a *synchronized rise* in expectations and participatory capabilities. Then, if and when a fully mature self-managing society is attained, the two value components could level off with continued correspondence being the guiding objective.

What should be avoided at all costs is an abrupt decline in value capabilities after a period of long-run increase. In specific reference to the Yugoslav situation, it is being suggested that the steady increase in participatory capabilities since 1952 should not be followed by a period of decline. In this special case of aspiration deprivation — in which steady improvement in the participatory value position has generated expectations about continued improvement — perceived deprivation and the resulting frustration can climb to revolutionary proportions. Davies refers to this situation as the »J-curve« hypothesis and suggests that revolutionary behavior is most likely to occur when a prolonged period of objective development is followed by a short period of sharp reversal.

In other words, after assessing the evolution of individual expectations and some of the human consequences concerning the quest for participatory democracy in Yugoslavia, it would seem reasonable to conclude that the country has reached a »point of no return.« That is to say that after a prolonged period (1952—1972) marked by a general rise in expectations and capabilities regarding participation and self-management, the Yugoslavs seem to have reached a »point of no return« where a reversal in policy might have severe destabilizing effects. To return to the centralization of power and authority reflected in earlier years would be likely to cause far more problems than it would solve.

¹⁵ James C. Davies, »Toward a Theory of Revolution«, *American Sociological Review*, XXVII (February, 1962), p. 6.



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LES SYNDICATS YUGOSLAVES ET L'AUTOGESTION

I

L'OPTION POLITICO-IDEOLOGIQUE FONDAMENTALE DES SYNDICATS EN FAVEUR DE L'AUTOGESTION

En plus de son aspect momentané, actuel et matériel, l'intérêt que les syndicats et la classe ouvrière de Yougoslavie portent à l'autogestion, a aussi son côté historique, traditionnel. L'option des ouvriers pour l'idée d'être les maîtres de leurs propres destinées ne tire pas directement son origine de la confrontation politique de la société des années cinquante de ce siècle. L'importance de ces années vient uniquement du fait que c'est précisément à ce moment que la société entreprit de chercher et de dégager les formules à travers lesquelles devait s'extérioriser l'option historique, déjà formée, d'une classe qui, ayant accédé au pouvoir, allait tôt ou tard entrer en conflit avec certaines conditions, certaines prémisses de classe. Dans ces années décisives pour la société yougoslave et dans cette option pour le socialisme d'autogestion, le Parti communiste — avant-garde de la classe ouvrière — a joué un rôle déterminant.

En fait, l'autonomie comme option remonte à l'époque où prirent forme en Yougoslavie les premiers éléments du mouvement ouvrier révolutionnaire. Cette «autonomie» comme appel à la lutte, comme objectif et comme symbole de l'autogestion, était inscrite sur les étendards du mouvement ouvrier et syndical révolutionnaire. Dans la seconde moitié du XIXe siècle, Svetozar Marković et ses disciples, ainsi que les ouvriers manifestant contre le régime, considéraient que l'autogestion était la seule alternative réelle à l'inégalité et à l'injustice de classe. Pendant la révolution (1941—1944), c'est en partant de ces mêmes motivations et de ces mêmes objectifs historiques que furent constitués, dans les fabriques d'armes des régions libérées, des organes de gestion conçus comme les titulaires authentiques du pouvoir des ouvriers. C'est dans l'optique de la même alternative historique que les comités populaires — germes du futur pouvoir de la classe ouvrière — prirent naissance et se développèrent. Tout ceci indique que, dans notre pays, l'autogestion est une option historique de la classe ouvrière, qu'elle est immanente au mouvement syndical révolutionnaire, et que l'orientation des années cinquante vers l'organisation autogestionnaire de la société était historiquement inéluctable.

Il va sans dire que les syndicats révolutionnaires n'ont jamais été et ne seront jamais pour n'importe quelle forme de participation des ouvriers à la gestion. Si importantes qu'elles puissent être pour les débuts des nouveaux rapports sociaux et d'une position plus adéquate des ouvriers dans la produc-

tion (ce qui est aujourd'hui caractéristique de nombreux pays d'Occident), les formes médiates et les diverses formes de participation indirecte et de co-gestion ne sauraient être pour nous le but principal ni l'option fondamentale de la société. Les intérêts et les vœux des ouvriers et des syndicats, en tant qu'organisation de la classe ouvrière, sont foncièrement liés aux formes et aux systèmes d'autogestion qui conduisent effectivement à la libération économique et, de ce fait même, à la libération politique, et qui assurent l'inclusion directe, pleine et entière, de toute la masse des ouvriers à l'élaboration et à l'adoption des décisions sur toutes les questions importantes pour eux et pour la société. Il s'agit pratiquement du système dont la position sociale de départ est l'ouvrier lui-même, conçu comme créateur de tous les biens matériels et spirituels, mais aussi comme sujet de la gestion de la production et de la répartition des produits du travail social.

Il est évident que l'option des syndicats de Yougoslavie pour l'autogestion procède du principe selon lequel ce système doit se développer sur la base de la démocratie directe. Toutes les structures et toute l'organisation de la société doivent émaner et se développer de la base même de la classe ouvrière. Les diverses formes de participation indirecte aux décisions — en tant que système de structuration indépendamment et en dehors de la base — sont pour les syndicats de Yougoslavie une alternative inacceptable. Si l'autogestion devait se fonder sur de telles options, cette position se situerait en dehors du cadre des idées fondamentales propres au mouvement syndical révolutionnaire.

Il va de soi que la participation indirecte aux décisions ne peut pas et ne doit pas être exclue de la structure et de l'organisation du pouvoir de décision autogestionnaire dans le socialisme. Au contraire, elle y possède sa place et sa signification. Le noeud du problème, c'est qu'elle ne doit pas être la négation du rôle et de l'influence des masses ouvrières; en conséquence, elle ne doit ni s'extérioriser, ni s'affirmer comme l'essence même de l'autogestion. Du reste, l'histoire montre assez clairement que les mouvements, les effervescences et les affrontements révolutionnaires conservent leur force et leur tranchant aussi longtemps qu'ils puisent leur vigueur dans l'engagement et le cheminement des masses, et qu'en règle générale la force de frappe de ces mouvements s'éémousse à mesure que certaines couches incranées dans les »organes«, »corps« et autres »instances dirigeantes«, gagnent en puissance et se coupent de la base.

Si les Syndicats de Yougoslavie se démarquent par rapport aux autres variantes de la participation des ouvriers aux décisions, c'est aussi parce que, dans notre société, il serait pour ainsi dire absurde de vouloir cultiver et développer une approche différente de l'autogestion. Les systèmes de cogestion et autres formes de participation des ouvriers dans les usines trouvent à la rigueur un sens et une justification dans les pays où la classe ouvrière n'est pas au pouvoir et où la propriété privée est encore à la base de tous les développements et de toutes les effervescences socio-économiques et politiques. En revanche, dans un pays comme la Yougoslavie, de tels systèmes auraient des conséquences fatales pour l'avenir de la société et son option en faveur du socialisme d'autogestion. Si elle offrait une chance aux tentatives de cet ordre, la société devrait inévitablement revenir sur son option fondamentale. Or, ce serait suffisant pour la renaissance et la restauration des rapports et tendances bureaucratiques, dirigistes, technocratiques contraires à l'autogestion.

C'est de ces motivations et connaissances qu'émane la ferme volonté des Syndicats — ent tant qu'organisation de la classe ouvrière — de s'en tenir, dans leur lutte et leur activité, au concept de l'organisation autogestionnaire de la société, et de combattre inlassablement pour le faire passer dans la réalité. Ce faisant, on crée les conditions nécessaires à la satisfaction toujours plus intégrale des besoins et intérêts vitaux des ouvriers, tout en assurant et consacrant les méthodes, les moyens et les mécanismes qui placent le travailleur au premier plan et lui permettent d'être le principal animateur du développement de la société et de l'autogestion.

II

LA VISION POLITIQUE DE L'AUTOGESTION

Comme nous l'avons déjà souligné, la motivation essentielle de l'option des syndicats pour l'autogestion réside dans la prise de conscience du fait que ce système assure la domination des hommes sur les choses et les processus de production. Comme la négation de toutes les formes d'aliénation économique, politique et autre est immanente à ce système de rapports socio-économiques et politiques, il est évident que ces objectifs ne sont pas liés uniquement aux intérêts de la classe ouvrière et qu'il s'agit, par conséquent, du mouvement révolutionnaire d'une classe qui, se libérant du joug de l'exploitation et de l'oppression assure du même coup la libération de la société tout entière, et consomme en même temps son abolition en tant que classe.

Néanmoins, il convient de souligner d'emblée que ce n'est là qu'une anticipation des objectifs fondamentaux auxquels la société tend dans son développement et sa marche en avant, et que la réalisation de ces buts est un travail de longue haleine, un processus au cours duquel il faut surmonter sans cesse de multiples contradictions et antagonismes. En fait, ces idées ou des aspirations semblables ont inspiré les efforts révolutionnaires de bien des générations — depuis les époques les plus lointaines de l'histoire jusqu'à nos jours. Elles avaient toutes en commun le désir de délivrer la personne humaine des forces aliénées par rapport à l'homme et coupées de lui. Ce fut le cas des Communards, des ouvriers de Catalogne pendant la révolution espagnole, des ouvriers de Russie aux premiers jours de la Révolution d'octobre, etc. Aujourd'hui encore ces idéaux et ces objectifs animent dans divers pays les ouvriers en lutte pour leurs droits économiques, politiques et autres.

Le fait que l'autogestion se présente et se réalise comme un mouvement révolutionnaire direct des masses ouvrières et que le succès de ce mouvement dépend directement de l'engagement des masses en son sein, prouve à lui seul que l'autogestion doit être conçue avant tout comme le processus de dépassement des décisions au nom de la classe ouvrière, et que ce qui en fait l'essence même, c'est la possibilité de la classe ouvrière de décider elle-même. De concert, évidemment, avec ses alliés naturels.

En Yougoslavie, on a compris depuis longtemps que l'autogestion ne devait être ni conçue, ni réalisée en pratique, uniquement comme une forme de participation des ouvriers dans les usines. Certes, les ouvriers doivent être organisés selon les principes de l'autogestion, à la base, c'est-à-dire dans le processus de production. Mais cette organisation ne peut être que le point de

départ, la base de l'organisation de la société toute entière sur les assises de l'autogestion. C'est ce qui explique que pour ainsi dire au lendemain de la mise sur pied des premiers conseils ouvriers dans les années cinquante, on ait entrepris dès 1952 d'étendre l'autogestion au-delà des entreprises. Les conseils des producteurs dans les communes et, plus généralement, l'idée d'instaurer des formes légales de représentation ouvrière dans les organes des communautés socio-politiques de la base au sommet, puis l'introduction de l'autogestion dans les secteurs d'activités non économiques, la création des conseils de locataires et des autres formes d'autogestion sociale ne furent, cela va sans dire, que les signes avant-coureurs de l'organisation autogestionnaire intégrale de la société dont la base était et demeure — comme nous l'avons dit — l'organisation de travail.

Toutes ces formes, anciennes et actuelles, par lesquelles l'autogestion imprègne la société entière attestent en fait qu'elle ne peut et ne doit pas être maintenue au micro-niveau et que, par conséquent, c'est uniquement si l'on dépasse ce niveau qu'il est possible de faire du socialisme d'autogestion un système social intégral fondé sur la propriété sociale des moyens de production. Il convient d'ajouter que l'autogestion ne peut se muer en système social que si elle s'institutionnalise comme mouvement révolutionnaire de la classe ouvrière. Les efforts qui ont été faits jusqu'à présent, qui sont accomplis actuellement et qui le seront dans l'avenir pour continuer à la développer, n'ont eu et n'ont au fond qu'un seul but: édifier l'organisation autogestionnaire intégrale de la société. Or, comme l'on sait, organiser une société, c'est en fait l'institutionnaliser.

Les changements constitutionnels effectués jusqu'ici — les derniers en date notamment — ont donné à l'autogestion de nouvelles impulsions et lui ont offert de nouvelles possibilités. Les Amendements XXI, XXII et XXIII à la Constitution fédérale, promulgués en 1971, ont permis à l'autogestion en voie d'institutionnalisation de poursuivre sa progression dans trois directions principales. D'abord, les rapports d'autogestion instaurés sur le plan du travail associé font qu'en partant de l'organisation élémentaire de travail associé, l'entreprise commence à se transformer en un type supérieur d'organisation et d'association. En fait, ce n'est désormais plus l'organisation de travail, l'entreprise classique. Ensuite, les rapports entre les organisations de travail associé ainsi constituées et leurs associations, les processus d'intégration, les concertations et les conventions d'autogestion ouvrent à cette dernière des champs d'action nouveaux et toujours plus vastes. Enfin, en développant les concertations sociales et en ajustant le rôle et les fonctions des organes des communautés socio-politiques, des syndicats et des autres facteurs sociaux et politiques sur les orientations et les possibilités d'une nouvelle promotion de l'autogestion, on crée les conditions nécessaires pour que les ouvriers puissent intensifier leurs activités autogestionnaires sous les formes les plus variées et à tous les échelons de l'organisation de la société. De son côté, l'autogestion se voit conférer la protection, l'impulsion, voire l'orientation sociales indispensables qui font échec aux influences et mécanismes paradiirigistes, bureaucratiques et autres phénomènes contraires. Tout le processus d'édification des rapports d'autogestion tend pratiquement à affirmer le plus fortement pos-

sible l'autogestion directe, à en faire l'émanation authentique de la base sociale, à hisser enfin l'autogestion en tant que système au niveau de la société globale.

III

LES CONDITIONS GENERALES DANS LESQUELLES L'AUTOGESTION SE REALISE

Le système d'autogestion yougoslave a donné lieu — et c'est encore le cas jusqu'à un certain point — à diverses confrontations politiques sur le plan à la fois intérieur et extérieur. Etant la négation des anciens rapports non autogestionnaires et, en dernière analyse, des rapports antagonistes de classe, elle ne peut ne pas être exposée aux pressions des structures sociales dépassées. D'où les mécontentements. D'où aussi certaines frictions et secousses politiques. Mais les pressions politiques, économiques et autres venues de l'extérieur, les doutes quant à la viabilité de l'autogestion en tant que système, et les tentatives faites pour la ravalier au rang d'une simple expérience et la présenter comme le mouvement d'une partie seulement de la société, ne sont objectivement qu'une forme d'opposition à ce système dont elles contrarient le développement. Il va sans dire qu'à côté de ces circonstances négatives, on trouve des impulsions et des éléments encourageants. Les diverses formes de solidarité avec l'orientation vers l'autogestion, ainsi que les hommages rendus à la Yougoslavie pour les résultats qu'elle a obtenus sur ce plan, procèdent précisément de cette compréhension et de cette attitude envers l'autogestion.

Les conditions générales dans lesquelles l'autogestion se réalise en Yougoslavie présentent quelques caractéristiques essentielles.

D'abord, toute une série de circonstances constituent par elles-mêmes un grand encouragement à l'orientation vers l'autogestion, ainsi qu'aux efforts tendant à faire progresser la société et à transformer la condition socio-économique des ouvriers sur la base de l'autogestion. L'option traditionnelle de la société pour l'autogestion et l'expérience acquise dans le développement des rapports d'autogestion attestent que cette orientation a trouvé sa justification dans la société. Mais l'expérience indique également que la lutte pour l'autogestion doit être encore plus énergique et plus méthodique, et que certaines questions économiques, juridiques, organisationnelles, etc., non réglées ou qui ne l'ont pas été en temps voulu, peuvent constituer un obstacle dans cette voie.

On se doit de constater également que l'intérêt de plus en plus vif que l'on porte de par le monde à la participation des ouvriers aux décisions, est pour la classe ouvrière de Yougoslavie un grand encouragement dans sa lutte pour l'autogestion. Ceci dit, peu importe de savoir quels sont les mécanismes et les formes de la participation que l'on utilise dans la pratique. A cet égard, les expériences sont très différentes selon les pays. Dans certains pays, la participation ouvrière est aussi ample que marquée, tandis que dans d'autres il ne s'agit que de signes avant-coureurs laissant entrevoir la possibilité d'une réalisation plus ou moins prochaine de ces droits. La législation de certains Etats où prédomine le système du capital et du travail salarié, ne peut désormais plus éluder le règlement de ces questions et problèmes. Toutes ces expé-

riences ont été fort bien exposées par les délégations d'une cinquantaine de pays de toutes les régions du monde au Séminaire international de l'OIT organisé vers la fin de 1969 à Belgrade, et consacré précisément à la matière que nous évoquons ici.

Inutile de dire que le développement encore insuffisant de la base matérielle de la société et la condition économique inadéquate des ouvriers constituent un sérieux obstacle au progrès de l'autogestion. Il s'est révélé également qu'il n'était nullement facile de rejeter l'ancien système et de le remplacer par le nouveau système institutionnel de l'autogestion. En effet, ce processus implique la nécessité de briser diverses résistances idéologiques et politiques, mais aussi celle de mettre au point des formules appropriées pour lesquelles il est malaisé de trouver des modèles et des encouragements. Il s'est avéré en fait que la réalisation de la conception autogestionnaire de la société suppose l'instauration d'une nouvelle économie, d'un nouveau droit, d'une nouvelle organisation du travail, etc. — bref, le rejet et le dépassement des vieilles catégories et notions économiques, juridiques, morales et autres, ainsi que la définition et l'application de notions, de catégories et de systèmes ayant une teneur et une signification nouvelles.

En dégageant et en signalant ces circonstances et ces tendances on facilite sans aucun doute l'intelligence des contradictions objectives au sein de l'autogestion. Il s'ensuit qu'il est indispensable de tenir compte de toutes ces conditions, car les ignorer reviendrait, au fond, à abandonner l'autogestion en tant que système.

IV

L'EXPERIENCE DU DEVELOPPEMENT DE L'AUTOGESTION

L'expérience acquise en vingt ans par la Yougoslavie dans la mise en oeuvre de l'autogestion, confirme la justesse de son option pour cette formule de développement. On ne saurait affirmer cependant qu'au cours de cette période tous les problèmes ont été résolus avec succès, et qu'il n'y a pas encore de nombreuses questions à régler sur le plan institutionnel et économique. Au contraire, l'autogestion ne cesse de s'édifier et de se perfectionner, et il est certain que ce processus durera longtemps encore.

Une des acquisitions les plus importantes de l'application des rapports autogestionnaires est que l'autogestion a gagné pour ainsi dire toutes les structures et toute l'organisation de la société. Dans les petites et les grandes organisations de travail, dans les communautés locales et les différentes associations économiques et autres, l'autogestion s'affirme comme la forme prédominante et le principal mécanisme en matière de décision. Ayant compris que dans les grandes organisations de travail et les grands ensembles économiques, l'élaboration et l'adoption des décisions au niveau des organisations de travail par l'entremise des conseils ouvriers et des autres organes homologues, ne pouvaient pas être une garantie suffisante pour l'exercice intégral et direct des droits d'autogestion des travailleurs, on a entrepris de constituer l'autogestion dans les organisations élémentaires de travail associé. On ne saurait trop souligner l'importance du fait que le développement de l'autogestion doit se doubler d'un effort permanent pour assurer le caractère social du revenu et

son inaliénabilité par rapport à ceux qui le créent. Disons que les récents développements abondent plus nettement dans ce sens. Ce processus aurait été sans doute plus intense et plus large s'il n'y avait eu divers problèmes et dilemmes concernant aussi bien la définition des formules que leur application.

Il n'y a pas tellement longtemps la question de la représentation des travailleurs aux différents organes d'autogestion avait une certaine importance du point de vue de la participation du plus grand nombre possible d'ouvriers à l'exercice du pouvoir de décision. Le nombre des travailleurs siégeant dans les organes d'autogestion déterminait, dans une certaine mesure, le degré de développement des rapports autogestionnaires dans les divers milieux. On veillait tout spécialement à la structure des effectifs de ces organes selon les qualifications, et l'on se préoccupait d'y voir le plus possible d'ouvriers venus directement de la production, et surtout d'ouvriers qualifiés. Par ailleurs, on veillait à la représentation proportionnelle des autres catégories, comme par exemple les femmes ou les jeunes. Il est difficile de dire exactement combien d'ouvriers siègèrent, durant cette période, dans les organes d'autogestion (dans les conseils ouvriers et les comités de gestion). Il est certain néanmoins que près d'un tiers des effectifs globaux eurent l'occasion d'être membres de l'un de ces organes et de participer, en cette qualité, à l'élaboration et à la prise des décisions.

Mais à la faveur du développement de l'autogestion, l'appartenance à un des organes au niveau de l'organisation de travail n'est désormais plus d'une importance déterminante pour la participation à l'autogestion. Cette forme de participation aux décisions d'autogestion n'est qu'une des possibilités qui s'offrent aux travailleurs. Mais elle n'est plus la possibilité essentielle. Les formes d'autogestion que l'on trouve aujourd'hui dans les organisations de travail, sont si ramifiées qu'il n'y a pour ainsi dire plus un seul palier, une seule place dans le cadre du travail associé, où chaque ouvrier n'ait la possibilité de participer à l'adoption des décisions. Ceci dit, il importe de signaler en particulier l'intense activité déployée dans les entreprises en vue de constituer les organisations élémentaires de travail associé où les ouvriers associés exercent directement leurs droits et devoirs d'autogestion. Par ailleurs grâce à diverses formes d'association au sein de leurs organisations de travail, ils orientent et réglementent les courants socio-économiques hors de leurs entreprises. Autrement dit, leur pouvoir s'exerce à l'échelon de l'organisation de travail et sur un plan plus étendu.

On se doit de dire cependant que la mise en place de ces formes et mécanismes d'autogestion dans les organisations de travail, ainsi que les efforts faits pour promouvoir les différentes formes de décision directe se heurtent dans la pratique à des difficultés et à des résistances. Celles-ci sont tantôt délibérées et intentionnelles, et tantôt inconscientes et non intentionnelles. Les syndicats suivent de près ces phénomènes et tendances, et combattent les courants et les pressions idéologiques et politiques qui provoquent divers conflits, des situations critiques et des crises, et qui, s'efforçant de perpétuer des rapports souvent dépassés, contrarient directement le développement de l'autogestion dont le point de départ est le travailleur, l'autogestionnaire. Les tendances qui se sont manifestées jusqu'ici indiquent que, malgré ces résistances et ces pressions, il est réellement possible de réaliser l'autogestion au micro-niveau et aussi d'opérer sa transformation générale en socialisme autogestionnaire.

LES SYNDICATS ET L'AUTOGESTION

On sait que Marx affirmait que la libération de la classe ouvrière ne pouvait être que l'oeuvre de la classe ouvrière elle-même. Mais pour pouvoir accomplir cette mission historique et dénouer les contradictions et antagonismes de classe au sein de la société, il est indispensable qu'elle soit politiquement organisée. Bref, sa conscience politique est, en un certain sens, la condition de sa libération économique, et, comme nous l'avons déjà souligné, de sa propre abolition en tant que classe.

L'expérience révèle que le processus de constitution politique de la classe ouvrière est un processus à la fois très complexe et contradictoire. Dans la vie de tous les jours, les masses ouvrières sont exposées à diverses influences et pressions idéologiques et politiques. Il est dès lors très difficile de trouver la formule la plus judicieuse pour éveiller rapidement et efficacement la conscience révolutionnaire de la classe ouvrière. Or, sous ce rapport, l'essentiel est que la classe ouvrière, les travailleurs comprennent leur position socio-économique, qu'ils connaissent les causes véritables de leur situation momentanée et historique, et qu'ils embrassent l'idéologie qui les amène à dépasser, à abolir cette condition et, de ce fait même, à réaliser leur libération totale.

Les syndicats de Yougoslavie ont cultivé avant d'accéder au pouvoir et cultivent aujourd'hui encore la conception qui en fait un instrument de la classe ouvrière dans la réalisation des objectifs socio-économiques dont il vient d'être question. Dans les conditions de l'autogestion, loin d'être superflus comme organisation, ils sont indispensables, surtout lorsqu'on sait que le développement des rapports d'autogestion a certaines dimensions et implications politiques et que, dans cette confrontation, la classe ouvrière doit être politiquement organisée. Dans la société autogérée, les syndicats sont ainsi un facteur de la réalisation de l'autogestion et, partant, un des moyens par lesquels la classe ouvrière réalise ses intérêts et objectifs présents et à long terme. En fait, les syndicats sont une partie intégrante du système d'autogestion. C'est donc au sein et non en dehors de ce système (comme facteur extérieur, par exemple) qu'ils s'acquittent de leur fonction.

C'est sur ces prémisses que repose en Yougoslavie toute la structure de l'organisation syndicale. Dans les organisations de travail, son activité vise à développer les rapports socio-économiques d'autogestion et surtout à harmoniser les rapports dans la répartition du revenu, à faire appliquer le principe de répartition selon le travail fourni, à mettre en oeuvre le principe selon lequel celui qui crée le revenu doit en disposer, à promouvoir l'association sur la base de l'autogestion et à résoudre les problèmes des entreprises par les concertations et les ententes autogestionnaires. Organisation socio-politique, les syndicats assument leur fonction consistant à organiser politiquement les ouvriers et à aider la classe ouvrière à maîtriser les processus dont nous avons parlé.

Mais les syndicats ne peuvent exercer cette fonction dans le travail associé sans être en même temps un facteur politique de l'intégration sociale de la classe ouvrière au niveau de la société globale. Il convient de faire remarquer à ce propos que ce n'est nullement par hasard que les syndicats se présentent comme un des facteurs de l'organisation autogestionnaire de la classe

ouvrière et de la société dans son ensemble, et que leur activité se manifeste non seulement sous forme d'initiatives et d'orientation politique, mais aussi sous celle d'une responsabilité directe.

C'est ainsi, par exemple, qu'à l'échelon de la commune les syndicats participent à diverses concertations et ententes sociales, surtout lorsqu'il s'agit de questions qui se rapportent à la condition socio-économique des ouvriers, à leur formation ou à l'éducation des enfants, à l'emploi, à la sécurité sociale, à la protection des enfants et des vieillards, à la culture, aux services communaux, etc. Leur esprit d'initiative et leur sens des responsabilités se sont manifestés particulièrement dans l'orientation des rapports et processus en matière de répartition du revenu, aux différents niveaux de l'organisation sociale — commune, Province Autonome et République. Et si des conventions sociales existent aujourd'hui dans presque tous les milieux, si l'on accomplit de grands efforts pour uniformiser les assiettes et les critères de l'acquisition et de la répartition du revenu global et des revenus personnels en fonction du travail fourni, c'est grâce dans une large mesure à l'activité des syndicats qui ont fait, sur ce plan, preuve de persévérance et d'habileté politiques.

De même que l'on a abouti à la conclusion que l'organisation de la société autogérée est impossible ou ne saurait être stable sans prendre appui sur la base et sans en émaner, de même on a compris que, comme organisation socio-politique de la classe ouvrière, les syndicats ne pouvaient pas être une organisation révolutionnaire sans l'activité de leurs sections dans les entreprises et les institutions. C'est en effet le meilleur moyen d'assurer l'organisation politique directe des ouvriers et de les faire participer directement aux développements et processus sociaux, politiques et économiques. Le travail d'éducation et d'information des ouvriers, les débats sur maintes questions touchant les conditions de vie et de travail, etc., s'inscrivent dans le cadre des activités des syndicats et des efforts qu'ils déploient dans les collectivités. D'autre part, en renforçant les organisations syndicales de base, on écarte le risque de voir les syndicats se transformer en instances plus ou moins fermées et coupées de la base. Il s'agit en fait d'une interdépendance entre la politique et l'adaptation des positions socio-politiques sur les questions touchant les intérêts réels et authentiques des ouvriers, et partant de la nécessité de tenir compte de l'état d'esprit et de l'opinion des effectifs qui doivent participer le plus largement et le plus directement possible à l'élaboration des positions et de la politique des syndicats, ainsi qu'à la lutte pour la mise en oeuvre de ces positions et de cette politique.

VI

LES FACTEURS ET LES PREALABLES DE LA REALISATION DE L'AUTOGESTION

Il est évident qu'on ne saurait espérer que l'autogestion se réalisera d'elle-même. En effet, de même qu'il existe des forces qui lui sont attachées et qu'il faut organiser pour qu'elles puissent remplir leur mission historique, de même on trouve des forces et des structures qui s'opposent à sa réalisation. Comme cela a été le cas jusqu'ici, cette lutte entre des aspirations, des conceptions et des intérêts contraires, sera marquée par une modification du

contenu des rapports sociaux et économiques, de la position des travailleurs et du système d'institutions dans la société.

Les syndicats, en tant qu'organisation de la classe ouvrière ont toujours attribué une grande importance à la question de savoir quels sont les facteurs et les préalables qui doivent être réunis pour que la société puisse se développer sur la base des rapports d'autogestion. Compte tenu du sujet de la conférence et de ce qui a été dit jusqu'à présent, nous pensons qu'il est indispensable d'attirer l'attention sur les facteurs et préalables suivants:

a) L'idée de l'organisation autogestionnaire de la société, qui est aussi noble que profondément humaine, ne peut cependant être traduite dans les faits qu'avec la participation des ouvriers eux-mêmes. Les rapports au sein de la société, ainsi que le système d'institutions doivent être articulés de manière que la classe ouvrière ait la possibilité d'être l'animatrice principale de la lutte pour la mise en oeuvre concrète de cette conception de la société.

On comprend que ce rôle historique de la classe ouvrière doit être lié à l'acte de son organisation politique. Or, comme nous l'avons fait ressortir, cet acte s'inscrit dans le cadre du rôle des syndicats, en tant qu'organisation socio-politique de la classe ouvrière. Il convient cependant de faire remarquer à ce propos que lier les syndicats au rôle révolutionnaire de la classe ouvrière implique pour eux la nécessité de cesser d'être une «courroie de transmission» pour se constituer en organisation de masses relativement autonome, mais aussi en organisation politique de classe des ouvriers. Dans ce contexte, la Ligue des communistes doit être l'avant-garde politico-idéologique d'un tel mouvement politique de la classe ouvrière.

b) En plus de l'organisation politique de la classe ouvrière, il faut compter parmi les facteurs et les préalables du développement de l'autogestion, le degré atteint dans sa réalisation (bien que ce degré soit encore insatisfaisant). En effet, la capacité de l'autogestion de se renouveler elle-même, de se reproduire à un niveau toujours plus élevé est, sans conteste, un facteur important du développement de la société sur la base de l'autogestion.

Encore qu'il soit l'antithèse de l'autogestion, dans ce faisceau de liens et de rapports, l'Etat pourrait (l'expérience montre que tel est bien le cas) jouer un rôle important en se dépossédant lui-même du pouvoir au profit de l'autogestion. C'est ce qui explique que la société cherche à faire du dépérissement de l'Etat une transformation politique de l'Etat comme mécanisme et de la société comme entité, en fonction de l'orientation vers l'autogestion.

Les autres formes d'organisation politique (Alliance socialiste et Union de la jeunesse) et professionnelle des ouvriers, ainsi que leurs «alliés naturels» constituent également des facteurs importants pour la réalisation de l'autogestion.

c) Le progrès technique contribue de toute évidence à transformer la société en ce sens qu'il ne cesse de réduire la différence entre le travail intellectuel et le travail manuel. En maîtrisant les nouvelles techniques et la nouvelle technologie, le travailleur confère à son rôle une dimension et un contenu également nouveaux. Au lieu d'être un simple appendice de la machine, il se borne désormais à l'orienter et à la contrôler.

Il convient de faire remarquer cependant que, malgré le grand progrès accompli ces dernières années dans le domaine des techniques et de la technologie, le niveau et l'ampleur des innovations et de l'automatisation dans la

société actuelle sont loin de garantir que l'on passera très prochainement de la phase de la »production industrielle« à un mode de production nouveau et supérieur, à celui qui devrait accompagner un progrès technique aussi rapide. Au contraire, les diverses formes de production artisanale ou semi-artisanale se maintiendront longtemps encore dans bien des secteurs d'activité.

On se doit de dire qu'en hissant le travail manuel au niveau intellectuel ou créateur, les masses ouvrières surmonteront graduellement l'influence déterminante des »élites« et maîtriseront la reproduction sociale. Cependant, en tant que système social, l'autogestion doit être capable de promouvoir plus efficacement le progrès scientifique et technologique, de manière à remédier à toutes les conséquences sociales négatives qu'il risque d'avoir pour les ouvriers.

d) Il s'est révélé que dans le cas du développement des rapports d'autogestion, l'élévation de la productivité du travail et l'augmentation des richesses matérielles de la société n'étaient pas en elles-mêmes suffisantes. On sait, en effet, qu'il est des pays où la productivité de travail est bien plus élevée et et qui ont presque atteint à l'abondance des biens matériels. Pourtant, la participation des ouvriers aux décisions y est inexistante ou tout au plus symbolique.

Au cours des vingt dernières années, la Yougoslavie a elle aussi nettement modifié sa structure économique et augmenté, dans de très fortes proportions, son potentiel humain et productif. Pour donner une idée de l'ampleur de ces réalisations, il suffit de rappeler que le nombre des personnes employées était de 59 pour 1.000 habitants en 1939, alors qu'en 1970 cet indice atteignait déjà 187. Ajoutons, en ce qui concerne le renforcement de la base matérielle de la société, que dans la période comprise entre 1952 et 1969, le taux de croissance du produit social a été de 7,9%.

L'expérience montre que, du point de vue de la satisfaction des besoins et des intérêts de l'homme, les richesses d'un pays n'ont guère d'importance si l'utilisation et la distribution de ces ressources ne sont pas placées, d'une manière ou d'une autre, sous le contrôle des ouvriers. Ce qui fait la haute valeur de l'autogestion en tant que système, c'est précisément qu'elle assure cette position des ouvriers face aux produits du travail social. D'où l'insistance avec laquelle on réclame le renforcement de la participation des organisations de travail à l'exercice du pouvoir de disposer du surtravail, et la réduction de la participation et de l'influence des facteurs »situés en dehors de la production«, de l'Etat en particulier.

e) Malgré le principe d'autonomie et d'indépendance qui a la valeur d'un impératif lors de la création de l'organisation autogestionnaire, une certaine institutionnalisation et certains cadres juridiques ne sont pas, ne peuvent pas être étrangers à l'autogestion en tant que système. L'autogestion est en effet, comme système, une société à la fois libre et responsable. Comme dans toutes les sociétés organisées, l'ordre et la discipline y sont de rigueur. D'où la nécessité d'élaborer et de développer des »normes autogestionnaires« qui, tout en exprimant la libre détermination et la libre volonté des hommes, sont dans une mesure égale une obligation: elles doivent être respectées et la conduite individuelle et les comportements collectifs doivent s'y conformer.

Avec ses normes actuelles et celles que l'on est en droit d'attendre au terme de la prochaine phase de la réforme, le système constitutionnel yougoslave vise précisément à conférer aux travailleurs et aux organisations de tra-

vail associé une position prédominante dans la société et à leur assurer l'indispensable protection constitutionnelle. Mais son but consiste également à permettre au système de normes autogestionnaires de se manifester le plus complètement, le plus intégralement possible. Toute la législation du pays, ainsi que les normes autogestionnaires dans les organisations de travail associé et surtout dans les organisations de base, doivent être subordonnées à cette idée fondamentale. Il va sans dire qu'il faut veiller, dans ce cheminement, à ne pas rompre la continuité de l'activité législative réglementaire et normative, car les vides et les lacunes sur ce plan risqueraient d'avoir des conséquences souvent imprévisibles.

f) Il est certain que le système d'autogestion n'aurait guère d'attrait pour la classe ouvrière s'il ne lui offrait pas des chances et des possibilités réelles de renforcer sa sécurité et sa stabilité sociales. Ceci dit, nous pensons en fait au système de règlement solidaire des problèmes et à l'obligation d'assumer de manière solidaire aussi les risques et les conséquences que comporte ce mode de règlement des problèmes.

Dans la vie réelle, la stabilité et la sécurité en question impliquent une attitude appropriée, responsable, face à la solution de tous les problèmes présentant de l'intérêt et de l'importance pour les ouvriers. Dans cet ordre d'idées, il convient de démythifier le règlement des problèmes (emploi, problèmes sociaux et autres) et de créer les préalables matériels, juridiques et politiques nécessaires à une approche autogestionnaire.

g) Enfin, l'élévation du niveau culturel et éducatif des ouvriers est un préalable important, sinon même le plus important, de la réalisation de l'autogestion, car il permet aux ouvriers non seulement de maîtriser la technologie et l'organisation moderne du travail, mais aussi de participer plus largement et de manière plus qualifiée à l'élaboration et à l'adoption des décisions. Ce qu'il faut éviter c'est en effet de réduire les objectifs et le sens de l'autogestion à une simple participation. Il faut, au contraire, que la participation de l'ouvrier à l'autogestion soit un exercice qualifié et responsable du pouvoir de décision.

C'est de ces faits et de ces besoins qu'émane la prise de conscience de la nécessité d'une activité permanente et méthodique en vue de former les travailleurs à l'autogestion. Les résultats obtenus dans le domaine de l'instruction et de l'éducation des ouvriers sont un encouragement à persévérer et à tendre à un progrès encore plus substantiel et plus qualitatif.

Conscients de l'importance des facteurs que nous avons mentionnés et d'autres préalables encore, les syndicats qui tiennent le développement de l'autogestion pour un impératif, s'attachent — en tant qu'organisation de la classe ouvrière — à assumer le mieux possible leur rôle et leur fonction. De toute évidence, les buts, les voies et les possibilités du développement sont plus ou moins clairs et définis. Il s'agit donc de réaliser ces objectifs de la manière la plus rapide et la plus intégrale possible, en tenant compte sans cesse des conditions et possibilités matérielles, économiques, culturelles et autres du pays.

ON THE POLITICAL ECONOMY OF SOCIALISM

The old bourgeois society with its classes and class conflicts will be replaced by gradual associating in which the free development of every individual is a condition for the free development of all.

Marx and Engels,
Communist Manifesto.

In the second half of the twentieth century two gigantic blocks of countries are fighting for the world supremacy. The two blocks are identified with two socio-economic systems : capitalism and socialism (or communism). Capitalism is characterized by free market and private productive property, socialism by central planning and state property. People debate the possibility — and necessity — of the two systems to coexist peacefully and whether the development paths of the two systems tend to converge. The recently liberated less developed countries can only choose between the market oriented capitalism and the state controlled socialism.

This is the popular view of the contemporary world scene. So popular, that even most of social scientists adhere to it without questioning. They disagree only in their answers to the questions posed, particularly in predicting the final winner in the battle.

Is this a correct view? Is the choice really so simple — and so restricted?

CAPITALISM

Capitalism has been with us for a couple of centuries by now. Thus it may be assumed that its manifestations are well known and we may use a shortcut by approaching our problem somewhat schematically.

As Marx made it clear, the development of productive forces represents the dynamic element in social development. When the productive forces outgrow the old system of productive relationships — social relationships among people participating in production — the conflict must be resolved by transforming the latter into a new and compatible social system. In the pioneering countries the conflict is usually resolved by a revolution which changes the class structure of the society.

Historical experience makes possible several generalizations about social revolutions.

1. Revolutions do not break out when the oppression of exploited classes reaches its maximum. They break out when feasible alternatives become

clearly perceived. At that moment the conflict between the development of productive forces and the inadequacy of antiquated productive relationships reaches the climax and must be resolved.¹ Since the clear perception of alternatives is so vitally important, serious work on social theory, accompanied by political activities, can considerably speed up social transformations.

2. The ruling classes in the most developed countries are also the most powerful classes and are not willing to abandon their power peacefully. In general, before a new system comes into existence, it is not at all certain that it will be viable. Thus the ruling classes indulge in a selfdeception that they can preserve the old system and, consequently, use brute force in their attempts to do so. As a result, in the pioneering countries the conflict between productive forces and productive relations explodes into bloody civil wars. Once the viability of the system is established, the ruling classes of other countries have no other choice but to follow the suit — provided their countries do not lag behind the pioneers too much in their development. Thus several violent revolutions in the pioneering countries will be followed by more or less peaceful transitions to the new system in other countries.

3. Revolutions bring about replacement of one class society by another class society, one ruling class by another ruling class. But the class that carries out the revolution is not necessarily the one that benefits most from it, the one that becomes the new ruling class. French revolution of 1789 was carried out by an odd mixture of sans-culottes and urban proletarian, artisans and shopkeepers, radical intellectuals and progressive aristocrats. Few industrialists and merchants participated. Japanese revolution of 1868 — characteristically called Meiji restoration — was engineered by the lower ranks of aristocracy. Mexican revolution of 1910—17 was a result of the political initiatives of some progressive landowners and of peasant uprisings. Yet there is little doubt that all three revolutions were bourgeois revolutions since they established bourgeois social orders in these three countries. Similarly the Russian revolution of 1917 was ideologically and organizationally prepared by the revolutionary intelligentsia and carried out by workers and peasants. Yet the last two classes failed to become ruling classes in the new society.

The best known and the most important bourgeois revolution is undoubtedly the French revolution. The revolution was not intended to bring about small improvements in the society as compared with the feudal order. The revolution had to achieve nothing less but the emancipation of the human race. It was fought under the triple banner of *liberté, égalité and fraternité*. It was believed that all that had to be done to achieve this imposing goal was to smash the feudal barriers in order to make possible free initiative of individuals, equal before the law, which is to be protected by a representative government.² As a result of liberty, equality and brotherhood will follow as a matter of course.

¹ That was well pointed out by M. Bookchin, a modern anarchist: »Social revolutions . . . occur not merely because the 'masses' find the existing society intolerable (as Trotsky argued) but also because of the tension between the actual and the possible, between what-is and what-could-be. Abject misery alone does not produce revolutions; more often than not, it produces an aimless demoralization, or worse, a private, personalized struggle to survive.« (*Post-Scarcity Anarchism*, Ramparts Press, Berkeley, 1971.)

² A century and a half earlier similar ideas were propounded by Levellers and Diggers in the first successful bourgeois revolution, the English revolution in the XVIIth century. Levellers fought for general suffrage, freedom of conscience and equality before the law. Diggers or True Levellers tried to eliminate economic inequality pointing out that political democracy could not exist without economic democracy. Diggers influenced the thinking of Robert Owen, the first associationist and a utopian predecessor of modern socialism.

It becomes apparent that the goals of the French bourgeois revolution were negatively defined — freedom from, not freedom for — without participants having been aware of that.³ It was somehow assumed that a formally free man will be able to make full use of his freedom to his own benefit. Such negatively defined liberalism — which was to become synonymous for bourgeois liberalism — far from producing automatically equality and brotherhood, tended to destroy them.

Political freedom was, of course, an enormous advance compared with feudalism. Yet, it was used — and misused by the powerful, not by everybody. The development was slow. It is only in the second half of the nineteenth century that the universal suffrage was established in the handful of the most developed countries. Women acquired voting rights in our century. Bourgeois democracy came to mean that the political life is dominated by political parties and political parties are dominated by party machineries and their bosses. The ordinary citizen has the privilege of choosing every four or five years the least undesirable of political bosses preselected for him by the ruling strata of the society.

Equality before the law was also an enormous advance compared with the arbitrary administration of justice in feudal times. Yet it soon became apparent that rich and poor are not quite equally treated in the court. »The bourgeois society — comments Tadić — actually recognizes only the private owners as members with full rights though formally it proclaims general equality.«⁴ A special case of legal equality is market equality. Here employers and employees are clearly in a very unequal position. Throughout the nineteenth century the accumulation of wealth on the one side was accompanied by the accumulation of misery on the other side. Fourteen-hour working day, children's labour, slums and ghettos, diseases, high mortality, unemployment, hunger, workers organizations outlawed — were the proletarian side of capitalist industrialization, so vividly described by the young Engels around the middle of the century⁵ and by Marx in the historical chapters of *Das Kapital*. Although today the horrors of the early accumulation of capital are more or less over in the developed countries, they are being repeated in the undeveloped capitalist countries. And, even in the most developed countries the income distribution is still very unequal, while the distribution of property is particularly unequal. For instance, in the United Kingdom in 1960, 5 per cent of the population owned 75 per cent of personal wealth and received 92 per cent of all personal property income.⁶

Once equality was destroyed, liberty lost much of its meaning and brotherhood, of course, disappeared. In the bourgeois world there is still a lot of talk about freedom — it is being mistified as a free world — much less about equality, and almost none at all about brotherhood. Even for apologetically inclined individuals it must sound somewhat absurd to associate broth-

³ A century later this awareness was already very much present. In a proclamation in August, 1914, the peasant leaders around Emiliano Zapata in the Mexican revolution accused their bourgeois partners that they intended to introduce »freedom of press for those who do not know how to write, the freedom to vote for those who do not know the candidates and the correct administration for those who will never make use of lawyers' services.«

⁴ Lj. Tadić, *Tradicija i revolucija (Tradition and Revolution)*, Srpska književna zadruga, 1972, p. 224.

⁵ F. Engels, *Die Lage der arbeitenden Klasse in England*, Leipzig, 1845.

⁶ J. E. Meade, *Efficiency, Equality and the Ownership of Property*, Allen and Unwin, London, 1969, p. 27.

erhood with the capitalist market competition.* The only place where we still find the three ideals of the French revolution completely preserved is — the life can be full of irony — the money of the state of France!

It is by now well known that capitalist development leads to the concentration of capital, employment and power. It is somewhat less known that it leads to an almost complete destruction of individual economic freedom, to a massive expropriation of private producers. An illustration is provided by the Table 1.⁷

Table 1

Structure of Employment in England and Wales

	Late XVIIth century	1921
Employers	14	4
Employees	34	90
Independents	52	6

At the beginning of the capitalist development in England, the majority of population were their own bosses. By the end of the liberal capitalist development, 90 per cent of the working force had to sell their labour power to employers, private and state.

The free play of market forces in competitive capitalism leads to a gradual concentration of production in the hands of smaller and smaller number firms whose size correspondingly increases. Gigantic multinational firms produce outputs larger than total national products of most of independent countries in the world.⁸ One of the reasons for the greater efficiency of larger firms is purely technological: the increase in output up to a certain point reduces costs of production. The other and by far predominant reason is related to market: a large firm controls a certain portion of market and therefore can undertake planning; a large firm is financially strong which in a market economy means that it commands credit; hence it can exert pressure on weaker partners and in general it can manipulate the terms of buying and selling in its own favour; it is able to survive in recurrent slumps when smaller firms perish. Thus competitive capitalism has been constantly generating tendencies towards monopolization.

Faced with the economic power of employers, workers began to organize themselves into trade unions. In order to be effective, trade unions had to become large organizations and they grew until they reached the absolute limit of a national wide association. At that stage monopoly labour is facing monopoly capital.

A similar process took place in politics. In order to have stable government, the number of political parties is being reduced until the whole political

* It is instructive to recall that the inspiration for this theory of natural selection among animals Darwin got from the economic theory of Malthus, an economist of liberal capitalism.

⁷ W. F. Oakeshott, *Commerce and Society*, Clarendon Press, Oxford, 1936, p. 215.

⁸ In 1969 the sales of the three largest American corporations were larger than gross outputs (gross national product plus intermediate goods) of some 120 countries. (*Economic Analysis*, 1971, p. 282.)

life is dominated by two major parties.⁹ There is, further, a strong tendency of these two parties to link themselves with the other two monopoly groups and to represent their interests. Thus we are likely to get a »conservative party« favouring interests of private capital and a »labour party« supported by trade unions.

Four giants dominate the social scene in monopoly capitalism: organized capital, organized labour, and two political parties. In so far as political parties clearly identify themselves with two antagonistic social interests, the oligopoly of four reduces to duopoly. The Marxian vision of the two-class structure of society materialized — although with some important modifications due to the bureaucratization process — in the concrete social organization of a modern advanced capitalist country. Capital and labour fight for a greater share in the national cake and for a greater control over society. The immediate outcome of this fight is not necessarily known. An extraordinary event — say a serious slump — may suddenly increase the possibility of the abolition of private ownership or, at any rate, disturb seriously the old balance of power in favour of labour. In this case capitalists may resort to fascism, as they did between two wars in Europe, and afterwards elsewhere. On the other hand, the ruling class may stubbornly refuse to settle political issues by political means, say by banning workers' parties. In this case the working class may resort to a violent socialist revolution. Finally, various countries will be able to preserve the precarious equilibrium between two antagonistic social forces travelling slowly along the road of gradual nationalization of one form or another — first, perhaps nationalizing foreign firms, then »unprofitable industries in need of complete reconstruction«, next »industries vitally important for the nation«, then »unorganized industries in need of coordination«, next »monopolized industries in which private monopoly cannot be tolerated«, and so forth until the last possible candidate for socialization is taken up — and of increasing state control. Widely spread absentee ownership in the modern capitalist economies makes the process relatively painless. Every new »labour« government will have to make another step in the direction of extending public ownership and so private capitalism will be gradually replaced by state capitalism.

ETATISM

Human misery caused by the early capitalist accumulation could not but create strong reaction. That is how socialist movements were created in the nineteenth century. Having lived in the reality of unscrupled exploitation, people began to lose faith into ideals of bourgeois revolutions. The society must have gone wrong somewhere. They became critical of bourgeois society. And like spontaneous reactions to something one dislikes, this criticism was a naive negation of bourgeois institutions and values. Whatever existed was wrong and had to be replaced by something opposite. It was overlooked that

⁹ »Two great monolithic structures face each other — describes Robert McKenzie the British scene, adding characteristically — and conduct furious arguments about comparatively minor issues that separate them.« (*British Political Parties*, Heinemann, London, 1955, p. 586.) It is not difficult to agree with R. H. S. Crossman that in his book McKenzie »has shown conclusively that the two great parties have developed in accordance with the law of increasing oligarchy which operates in industry, in the trade unions and in Fleet Street.« (*Socialism and the New Despotism*, Fabian Tract 258, London, 1956, p. 21.)

bourgeois society was not only bourgeois, but also a result of entire development of human race up to that time. This fact required a thorough analysis of the society aiming at the precise identification and clear distinction between more fundamental behavioural patterns and accidental phenomena characteristic for the bourgeois phase of development. Instead, the reasoning has been roughly as follows.

Capitalist exploitation is based on private property. Thus private property must be abolished and replaced by public property. Not having been conscious that they were reasoning in terms of bourgeois legal categories, — an owner is a physical or juridical person — socialist ideologues visualized public property as a state property. And so it happened that the percentage of productive capital owned by the state came to be regarded as the most appropriate index of the development of socialism in a particular country.

A (*laissez-faire*) market generates periodic slumps, unemployment, inefficient allocation of resources and alienation. Thus the market has to be abolished and replaced by administrative allocation of resources. Here market was identified with *laissez-faire* economy and was absolutely opposed to — i. e. conceived as incompatible with — planning.

Private initiative based on bourgeois liberalism caused exploitation of the poor by the rich. Thus private initiative is antisocialist and must be replaced by government controlled central planning.

In an economy without market there was no place for money. And so there have been many attempts to eliminate money, to introduce »moral incentives« etc. Interest was treated as nonlabour income — like usury in the Mediaeval Ages by the Catholic Church. Thus it had to be abolished. For a long time the socialist ideologues remained — many still are unaware of the allocational function of interest. And so it did not occur to them that interest as private income can — and must — be abolished, while interest as a price for the use of social capital ought to be retained.

The list of such naive negations could be prolonged at will. It suffices to add just one more which had tragic consequences and was fully developed only after the revolution. It concerns political democracy. Democracy, as a bourgeois invention, must be bad and ought to be replaced. By what? By the »dictatorship of the proletariat« as a form of socialist democracy. This somewhat ambiguous term of Marx was misused — only partly consciously — to create one of the greatest mistifications of the century. The term was primarily *meant* (by Marx) to be a sociological category describing the class character of the political system and juxtaposing the rule in favour of proletariat, representing the great majority of population, to the rule in favour of bourgeoisie (bourgeois dictatorship) which, like any ruling class represented only a small section of the population. The term was primarily *used* (by the ruling parties) to justify political dictatorship. Bourgeois democracy implies several parties; consequently socialist democracy can imply only one party. For the bourgeois-type of reasoning of the socialist-communist ideologues it was impossible to visualize a *no-party* arrangement. Eventually the vicissitudes of political development led not to elimination of imperfections of *bourgeois* democracy, but to the rejection of *democracy* as such. The quest for democracy began to be described as anarcholiberalism, as a petty-bourgeois weakness which a disciplined communist cannot tolerate.¹⁰

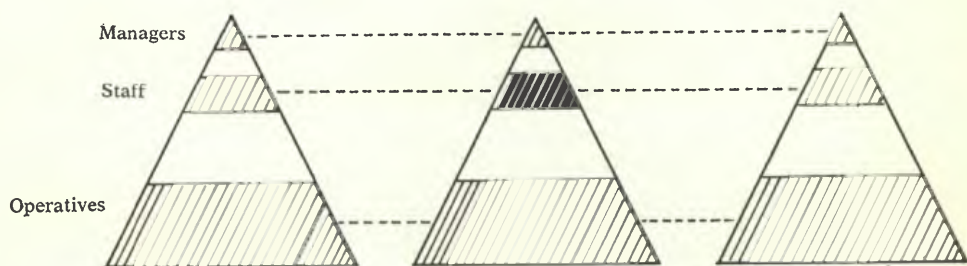
¹⁰ The contempt for democracy expressed so often and so strongly by the ruling parties of the statist societies comes dangerously close to a similar attitude (»impotent democracy«) of fascist regimes.

Once these ideas were implemented after the successful October Revolution in Russia, everybody — left and right — accepted the new order as a socialist order. Not an ideal one, to be sure, but basically socialist. The trends described in Table 1. were used as an empirical proof of the soundness of the approach. By concentrating capital and expropriating producers, capitalism paves the road to socialism. All that a victorious socialist revolution has to do is to expropriate the remaining 4 per cent of employers — in the purists' view also the 6 per cent of independents — and organize the entire society as one big centrally planned firm. Everybody becomes a worker, a proletarian, classes are abolished and the society becomes socialist.

If, however, we think a little more carefully about what was said, we are bound to conclude that such a socialist society cannot be essentially different from the capitalist society. It does not transcend the categories of a bourgeois society. It is created as a negative mirror image of the capitalist society. It is capitalism in reverse. As such it is not socialism but *etatism*.* There are two crucial features that capitalism and etatism have in common; classes and alienation cum ideological fetishism.

If productive relations determine the entire system of social relations, then social relations in the basic productive units determine the type of the social system. The basic productive unit of a bourgeois society is a firm. The firm is a typical hierarchically structured organization: the owner or his representatives are located at the top, the staff in the middle and the operatives at the bottom of hierarchical pyramid. Since all firms are organized in the same way, there is a natural tendency for the same strata of different pyramids to get in touch, to be linked together, to develop and defend common interests. In this way the stratification within the basic productive unit is transferred to the society at large (see Figure 1).

Figure 1. **Stratification in the Capitalist Society**



It suffices to add that for obvious reasons the economic and social interests of the staff are closely connected with the interests of the owners. A staff member is an employee but a socially and economically privileged employee possessing the power of issuing orders to the operatives. The latter, being at

* In this context the heatedly debated question of convergence or nonconvergence appear meaningless: capitalism and etatism represent two sides of the same coin.

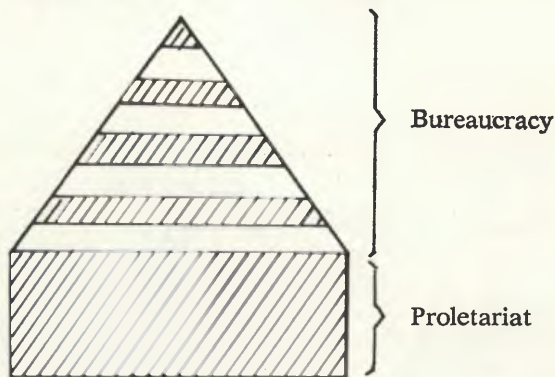
the bottom of the power pyramid, have no power whatever. That is why they have to create trade unions in order to defend their interests. In a typical capitalist country owners and staff members — upper and middle classes — are confronted with the working class representing the base of the social pyramid.

Capitalist development has passed through two stages: liberal and organized capitalism. In the first stage the owner of a firm was at the same time an entrepreneur. In the second stage the ownership becomes increasingly divorced from the managerial power. This divorce becomes complete in etatism where productive capital is owned by the state but is controlled and managed by a bureaucratic apparatus.

State bureaucracy is, of course hierarchically organized. A typical bureaucratic structure looks like a pyramid with a tiny top and a large base; with a flow of communications in only one direction, from the top downward; with imperative character of these communications, with two loose ends: the top, where hierarchical relations disappear in the sense that there are no superiors, and the bottom where they disappear in the opposite sense, namely that there are no more inferiors; and with two direct communication between the top and the bottom of the social pyramid. Being a part of the consistent system, the bureaucratic management in every particular firm must also be hierarchically organized. Thus we get again capitalism in reverse. The stratification is direct and therefore more precise and effective than in capitalism. And the whole bureaucratic superstructure is opposed to the workers' base, on behalf of which it rules.

Figure 2.

Etatist Stratification



A few other consequences follow. In capitalism the political power is derived mostly from the economic power. In etatism the economic power is derived mostly from the political power. Next, in capitalism income is mostly derived from the place in economic hierarchy. In etatism this is, naturally, reversed and income is derived from the place in political hierarchy. Finally, capitalism is characterized by economic insecurity, etatism by political insecurity. Both systems are stratified, class systems. In both systems proletariat

is the exploited class. The main difference between the two systems is to be found in the fact that in capitalism exploitation is exercised and social power distributed by predominantly economic means, in etatism by predominantly political means.

Alienation, characteristic for a class society, is also common to capitalism and etatism. Alienation is here considered in its original sense as a divergence of the existence from the essence. The existence is the actual position of an individual. The essence is what he can be potentially. And potentially every individual can be a fully developed personality. In a class society the personality of an individual is crippled in many ways: by division of labour, by status differentiation, by exploitation, by economic and political forces threatening his existence.

A closely related phenomenon is what Marx called *commodity fetishism*.¹¹ In a capitalist society social relations appear to people disguised as commodity relations. Periodic slumps, unemployment or low rate of growth seem to be caused by some objective forces of supply and demand which have nothing to do with the social system, and which change market conditions similarly as natural forces change meteorological conditions. The fundamental social relationship between an employer and an employee tends to be hidden behind the so called labour market. Private labours appear as components of social labour only through the exchange of products of labour. Consequently social relations among producers do not appear as what they are but as commodity relations among persons and social relations among things.

By now we shall not be surprised to discover a direct counterpart of commodity fetishism in etatism. This is *office fetishism*¹² which means hiding human relations behind impersonal bureaucratic rules, a mystification of activities of office holders. The judgements of the market are infallible and so are the judgements of an official with respect to his subordinates. The holding of an office confers upon the incumbent the quality of being cleverer, more honest, more reliable (politically and otherwise), more intelligent, in short: *superior*, to all individuals placed lower in the office hierarchy. The parallelism goes even further. Both free market and bureaucratic structure have their separate lives which cannot be brought under a conscious control and whose dehumanizing consequences are frightening.

In both societies human beings tend to disappear and to be replaced by objects and function. In capitalism money associates with money, in etatism office associates with office, and in neither of them does the person associate with the person. A class society is necessary a dehumanized society.¹³

SOCIALISM

In order to establish a class-less society, social strata must be eliminated. Since the hierarchial organization of the basic productive unit determines

¹¹ K. Marx, *Das Kapital*, Hamburg, 1867, ch. 1—D.

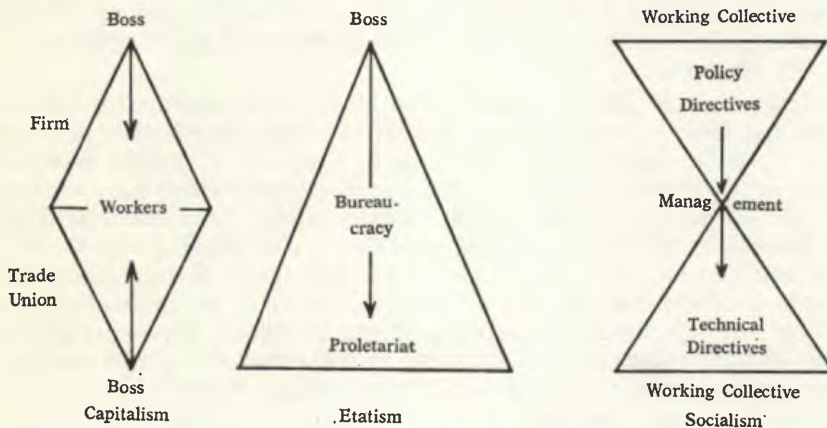
¹² B. Horvat, *Towards a Theory of Planned Economy*, Institute of Economic Sciences, Beograd, 1964, p. 38.

¹³ And a dehumanized society is also a pathological society. As E. Fromm has shown convincingly, apart from individual pathology there is also social pathology; the entire societies may display pathological traits which then determine pathological behaviour of individuals. Compare his *Escape from Freedom* (1941) and *The Sane society* (1955).

stratification in the society at large, classlessness requires that the (power) hierarchy within the firm be abolished. In order to achieve that, the open-ended organizational structure must be closed: commands must flow in both directions. And that implies selfmanagement.

Before we proceed, let us compare briefly the three organizational models of the three contemporary societies. This is done in Figure 3.

Figure 3. **Organizational Models of Capitalism, Etatism and Socialism**



Due to the sacred rights of private property, workers are powerless in a capitalist firm. In order to defend their interests, they have to build a bureaucratic counterstructure, a trade union. In times of conflict, bosses of the two bureaucratic organizations negotiate a settlement. Countervailing power in capitalist societies can be organized only in terms of bureaucratic structures. The interests of these bureaucracies and their bosses are not necessarily identical with the interests of those whom they represent. In fact the powerful groups of all bureaucracies in a capitalist society have one overwhelming interest in common: the preservation of the status quo, of the establishment.¹⁴ Thus the countervailing power is strictly limited by the untouchability of the establishment, i. e. by the basic interests of the ruling class.

The etatist model represents a monolithic structure based on the principle of *edinonachalie*, one-man management. The absence of any checks and safeguards that could produce countervailing power is explained and justified by the claim that classes and conflicts are absent from such a society. Consequently, everybody is placed where he belongs and any disagreement or opposition is crushed as dysfunctional and antisystemic (counter-revolutionary — to use the precise term of the political jargon). It is obvious that this society is also deeply conservative. Besides, the amount of political freedom that it can tolerate is the lowest of the three contemporary societies.¹⁵

¹⁴ R. H. S. Crossman, a British socialist, concludes: »... it must be noted that, in modern large-scale industry, there are certain common interests uniting organized management and organized labour. For instance, it is obviously convenient for both sides that power should be concentrated in fewer and fewer hands.« (*Socialism and the New Despotism*, Fabian Tract 258, London, 1956, p. 10.)

¹⁵ The statement must be interpreted as a probability, not as a necessity, and for comparable cases. GULAG's concentration camps are not a necessary ingredient of an etatist society. Repression may be less brutal than that. In a particular etatist country there may even be more political

In a self-managed socialist firm all workers participate in policy decisions. Once a policy decision is reached, it becomes a directive for the management. The management acts as an executive committee of the working collective and implements the policy decisions by translating them, in the day-to-day operations of the firm, into technical decisions based on professional competence. Each firm is an association of individuals. And so is each institution, each work organization, each local community. The economy is an association of firms, the society an association of associations.

So far we have anticipated the argument that is to follow, and must now go back to the initial fundamental question: What is socialism?

»Socialism« is surely one of the most frequently used words in the modern world — and also one of the least well explained. The confusion is pretty complete. Most people using the word will be very surprised if you ask them: what do you mean by socialism? The usual immediate reaction is: that is obvious! But soon it becomes less and less obvious. The most common answer is that socialism represents a society with state ownership and central (i. e. bureaucratic) planning. Here it passes unnoticed that the goal has been replaced by the means. Surely, people do not die in revolutions in order to establish central planning! Besides, our analysis has shown that state ownership and central planning are appropriate and efficient means for establishing etatism, which is a pretty complete antithesis to socialism. A somewhat better answer is that socialism represents a classless society.¹⁶ Yet in order to make the concept operational, one has to provide precise criteria for classlessness — which is never done — and to indicate the means for achieving such a society. The latter are sought in state property and central planning, which brings us back to the already rejected solution.

The bourgeois revolution with its ideals of liberty, equality and brotherhood tried to emancipate the entire humanity at one stroke — and failed. Can't we visualize the socialist revolution as another, more successful attempt to implement these same deeply human ideas? The historical experience accumulated in the meantime tells us that these ideas cannot be achieved by just smashing the old social order and removing the existing barriers. Liberty, equality and brotherhood must be positively defined; in other words the social framework must be such as to *make possible for every man* to live free, to be equal and enjoy brotherhood.

Now, it is not only historical continuity that might tempt one to reconsider the ideals of the great French revolution. It is the historical fact that all genuine socialist movements and socialist intended revolutions have been inspired by the same ideals.¹⁷

Further, after a moment of reflection we realize that each of the three ideals implies the other two. It is impossible to have brotherhood in a situation in which freedom and equality are absent. It is impossible to be really free while materially and socially degraded and in the absence of brother-

freedom than in a particular capitalist country. If the former is well developed economically and the latter is very backward, than may be quite likely. Yet the »expected value« of liberty in etatism is less than in comparable systems.

¹⁶ The Third Congress of Soviets in January 1918 accepted *The Declaration of Rights of the Working and Exploited People* — the Russian socialist analogue of the French bourgeois antecedent — in which the goals of the revolution were defined as »the cessation of any exploitation of the man by the man, a complete abolition of the class division of the society.«

¹⁷ It is also of some interest to note the influence of French Revolution on the great XIX th century French utopian socialists. Saint-Simon, Fourier and Proudhon thought that the Revolution had not fulfilled its task and so they tried to provide alternative solutions of the problems.

hood. This reducibility of the three ideals to any one of them reflects the fact that they represent different aspects of the same idea of human dignity.

Of the three concepts, equality is operationally the most convenient one. It is perhaps for this reason that equality has been more frequently discussed in socialist movements than the other two concepts. In fact, equality has become almost synonymous for socialism. Yet, there has also been a lot of confusion about this concept. Equality is a social category and does not mean mechanical equality. Equality implies justice. As such it means equality of opportunity, equal chances or equal rights for everybody. Equality in this sense may be denoted as *equity*.

Though correct, the definition is still too general to be operational. How do we know that a society is really equitable? And, even more important: How do we go about achieving an equitable society?

Every individual engages in a number of typical activities in his social life or, to put it differently, plays different roles in the society in which he lives. If in each of his roles each individual has equal chances, equal rights and receives equal treatment then, surely, society must be equitable. Now, there are just three fundamental social roles in this sense: each of us is a producer, a consumer and citizen. Thus equity must be secured in production, in consumption and in the political sphere.

Equality of producers implies equal access to productive capital of the society. Consequently productive capital must be socially — not by the state — owned. Social ownership implies two fundamental consequences. In any group of people, whose work is organized with the purpose of earning for living, any individual-producer has the same right in participating in decision making as any other. This means self-management — a conclusion which we have already reached via a different route in our preliminary discussion.

The second consequence consists in social planning. In order to make rational use of social productive capital and in order to reduce the uncertainty to such a degree that the selfmanagement decisions produce expected consequences, the activities of productive units must be coordinated on an *ex ante* basis, which is the essence of planning. It is important to realize the difference between the bureaucratic or administrative — usually called central*-planning and social planning. The former implies imperative coordination — coordination based on orders — and destroys the autonomy of the firm. The latter implies economic coordination — coordination based on economic interests — aimed at achieving the desired *global proportions* and leaving each *individual* firm full autonomy — and responsibility — for the decision making. It is clear that in this case planning is a precondition for a genuine autonomy of working collectives. Without social planning they would become victims of haphazard forces of an uncontrolled market.

Since in a scarcity economy the greater part of our conscious life is connected with productive work, producer's equity is vital for a humane existence.

Equality of consumers implies an equitable or just distribution of income. Again, equitable does not mean a mechanical equality, because in a

* This is a misnomer because every planning is at least partly or in the final instance central.

world of scarcity such a distribution would be considered manifestly unjust and as such it would cause a drastic reduction of output and economic welfare. Lazy and industrious cannot get the same reward — tells us our sense of justice. An individual ought to receive from the society exactly as much as he contributes to the social output. And this is the well known principle of distribution according to labour. It is also one of the corollaries of the postulate of social capital. Capital cannot be considered social if someone derives income apart from and above — and another, consequently, below — his labour income. We get a wholly consistent theory in which the equality of producers implies the equality of consumers and vice versa.

The theory, however, needs an important amendment. The principle of labour income cannot be generalized. In a socialist society education, preservation of health and access to cultural activities cannot be determined by the earning capacity of a particular individual or his family. This would lead to a perpetuation of social differences, and social differences result in a class society. Besides, the requirements of producer's equality would be violated. Unequally educated individuals cannot be equal as producers. Equal education is clearly one of the basic preconditions for the equality of producers. And so is equal access to the medical and cultural facilities of the society. It follows that the principle of distribution according to labour — and consequently the market and exchange activities — must be abandoned in that section of personal consumption which makes basic contributions to the development of the personal capabilities. Here the exchange principle of distribution according to labour must be replaced by a nonexchange principle of *distribution according to needs*.

It is hardly necessary to mention a corollary of what has just been said. A society provides decent living for its handicapped members regardless of the exchange relationships and as a matter of principle, not as a charity.

Socialist economy uses market because this is the most efficient available means for achieving the targets of producers' and consumers' equality. But this is neither a laissez-faire nor a universal market. It is a market strictly regulated by social planning. And it is supplemented by an important segment of non-market activities whose importance grows with economic development.

→ Finally, *the equality of citizens* implies an equal distribution of power and a meaningful participation in political decision making. This requirement is not satisfied — and in principle cannot be satisfied — even in the most developed bourgeois democracies. Political equity is possible only when productive and consumptive equities have already been achieved. But it is also a precondition for the genuine equity in the field of production and consumption. Private property and class differences make equal distribution of power impossible in a capitalist society. The enormous concentration of political power makes genuine producers' and consumers' equality impossible in an etatist society. Party bureaucracies — either one or more — are not compatible with an associationist society. Even the concept of democracy is no more fully satisfactory: apart from the rights of the majority, the society will have to safeguard the rights of minorities as well. Let us denote the political framework which satisfies these requirements as *selfgovernment*.

It is hardly necessary to add that the three equities cannot be absolutely completely achieved in the real world. They serve as standards and crite-

ria. And the available experience shows that contemporary societies can go very far in satisfying these standards.

The three fundamental requirements have had an interesting history connected with socialist thought and socialist movements. They were discovered at different stages of development, and have never been stated explicitly as a complete set of conditions for a consistent socialist theory and practice. First to be discovered was the principle of distribution according to labour; it was made popular by Marx¹⁸ and is widely accepted today. It is only after the Second World War that Yugoslavia demonstrated that self-management can be applied on a national scale and that it represents an indispensable component of a socialist society. And in contrast to a quite satisfactory knowledge and important practical experience with respect to the socialist production and consumption, we still do not know, even in theory, how to achieve an equal distribution of political power. Thus the equality of citizens turned out to be the hardest nut to crack. Consequently, politics — not economics — appears to be the problem of the socialist society. Thus, giving an operational content to the concept of self-government is the task of the first priority for the contemporary socialist thought and practice.

¹⁸ The principle of distribution according to labour was elaborated by Marx in a document criticizing the Gotha Program of the German Social-Democratic Party in 1875. The critique was published in 1891.

YUGOSLAVIA: AN EXPERIENCE OF WORKERS' SELF-MANAGEMENT

This paper deals with the development in Yugoslavia since the economic reforms of 1966. The reader will notice, in the paper, a frequent shift from economics to sociology and vice versa. I am forced to such an undisciplined behaviour, because neither sociological nor economic analysis has, so far, proven adequate as an explanatory device for the strange behaviour of the Yugoslav society after 1966.

As far as economics is concerned, and more specifically as far as Western economic analyses of selfmanaged enterprises are concerned, I could give an explanation why this is so — why the theory fails to relate to real problems of the selfmanaged society. The main reason is, that Western economic theory, especially the neoclassical approach which is very popular amongst Western economists dealing with workers' selfmanagement, has so far only substituted a collective capitalist — the workers' collective — for the traditional one-man capitalist. The assumptions underlying the behaviour of a capitalist enterprise are then exactly the same as the supposed behaviour of a selfmanaged enterprise: *the maximation of income per unit of relevant input*; in the capitalist case this is profit per unit of capital, in the selfmanagement case this is income per worker. Measured in *results* both systems look different (in the eyes of the neoclassical economist), but measured in alleged motives there is no difference whatsoever. selfmanaged enterprise is considered a rather haphazard mass of individuals who have nothing else in mind but to maximize their incomes. This abstraction might be safely applied when analysing a capitalist firm, but it is wholly inadequate for the multipurposed selfmanaged enterprise. An indication could be the observation, made by myself in various Yugoslav enterprises, that this iron base of *all* Western economic analyses — income per worker as a maximum — was not even *calculated* in any of these enterprises!

We will not try to answer the question what the objectives of a selfmanaged enterprise are — because, contrary to the capitalist case, there are probably as many objectives as there are enterprises but state that economic theory does not do justice to the multipurposed selfmanaged enterprise, and therefore is not a very useful theory for explaining the motives of the selfmanaged system as a whole, and therefore is not able to explain the major changes in this system after 1966.

So much for economics; as far as sociology is concerned, matters look rather differently.

I am not very familiar with Western analyses of the selfmanaged system, but I know how matters stand in the Yugoslav sociology. Two completely different applications of the skill can be seen in this country.

One is very broad in outlook; it could be called the *societal* type of sociology and is associated with sociologists of the Praxis group.

Their main purpose is to explore whether the Yugoslav society is truly selfmanaged or not; emphasis therefore lies on an analysis of the selfmanaged society as a whole, and specially why selfmanagement as a mechanism for all possible (economic, organizational, political) social relationships has not come to full blossoming. One could summarize their efforts by stating that they try to define workers' selfmanagement, not in the first place in its organizational function, but in its capacity to organize the working class in a revolutionary way. It is no doubt because of their insistence on selfmanagement as a mechanism of permanent revolution that many of the representatives of this group are persona non grata in today's Yugoslavia — in a political sense of course.

The second type of sociology, practiced in Yugoslavia at the moment, could be called *technical*. It is an almost exact replica of the positivist, Michigan School type of sociology, and consists mainly of survey lists and computing machines. Partly its popularity is due to the fact that many Yugoslav sociologists have studied in the United States, but partly too because its methods are clean and uncommitted — which means that not much knowledge (and not much thinking) about the problem at stake is required before you can start boring the workers — the main respondents — with your questionnaire. In contrast to the type of sociological work discussed above, the subject matter of this type of research is mainly defined within the enterprise, or within a certain number of enterprises that can be compared. Workers' selfmanagement is then simply an organizational device, a method of organizing a production process. This means, almost by definition, that it can be established and contested on the enterprise level, and this in turn implies that any social strata that are reluctant to cooperate for further expansion of the selfmanaging rights can be found within an enterprise. This is the weak point of this type of analysis, as we shall see.

The subject matter of this paper is the impact of external factors upon workers' selfmanagement, and the change in these external factors after 1966.

First things first; therefore we will try to define what workers' selfmanagement really is. This done we will present the main external factor affecting the development of workers' selfmanagement. And thereafter we will try to explain the relations between the two — between selfmanagement and its environmental constraints.

I

By its defenders and adversaries alike, workers' selfmanagement is mostly seen as nothing more than a principle of organization; basically it differs from »Mitbestimmung« (codetermination) in degree only. In the latter case workers are entitled to decide about minor items only, such as the music to be played during the teabreak or the colour of the toiletpaper — hence its nickname toiletpaperdemocracy — whereas in the former case they can decide about more important items. Workers' selfmanagement is defined as the summation of the number of problems that a »Betriebsrat« — which

is then called workers' council — can decide about. This concept of workers' selfmanagement, charming and easy as it is, must be considered incomplete to say the least; it is probably completely wrong.

The main reason for its popularity, especially in the western countries, is precisely its *smoothness* — the implied possibility of a gradual erosion of the old social order, and replacement of the wornout bits by workers' selfmanagement. A second reason why the conception of workers' selfmanagement as simply an organizational device is so popular, is the implied possibility between the old and the new. We could, so to speak, describe a process of democratization in some detail, calculate the effects, and ask a neutral institution like a computing machine or myself, whether democratization is useful or not.

The essential feature of selfmanagement defined along these lines is, that it confines itself to a *relatively small social unit*, like a factory or a school. The social order in which this type of management is to exist need not be taken into consideration; one could even expect the United States one day to develop some economically democratic features, when and if the burden of monopoly capitalism becomes too heavy — when it becomes too expensive for a capitalist enterprise to refuse workers the right of a certain codetermination. It is precisely in its neglect of the social order, and of the forces that contribute to its change, that this »traditional« concept of workers' selfmanagement should be criticized. The developments as I will describe them in this paper show that an analysis limiting itself to organizational changes within the social unit is not only insufficient, but also apologetic and therefore false.

If we reject this version of workers' selfmanagement as incomplete, it should be possible to modify or to amend it; we will do so in this heading.

The core of the modification to be made is this: workers' selfmanagement and socialism cannot be seen as two different things (although one could be malicious and quote Yugoslavia as a proof of the contrary); a selfmanaged society must at the same time be socialist.

It is, however, not correct to define socialism as something outside the scope of selfmanagement. For instance, state ownership of the means of production — which is sometimes taken as a proof of the existence of a socialist system — loses its meaning in the case of selfmanagement. Not because state ownership of the means of productions should be incompatible with socialism — far from that — but simply because socialism defined that way has no connection with the control systems in the working place — i. e. with workers' selfmanagement. Selfmanagement in its socialist, or revolutionary, meaning, could be described as »a true form of the dictatorship of the proletariat«. I do not, however, wish to blame myself for an out-of-place terminology, and therefore I will not use this highly appropriate term but replace it by »a true form of the organization of the direct producers«, by which I mean the same thing.

The essential feature is, that it is not confined within the abovementioned small social units; quite the contrary, what happens in those units does not at all guarantee that a type of society emerges in which workers completely determine what their fate will be. It might even be so, that in fact workers cannot determine anything at all, whereas at the same time the

amount of discretion they are granted in the production process is very large.

It is simple to put these lines on paper, but it is very hard to say in straightforward terms how we should spot this — say — revolutionary aspect of workers' selfmanagement in practice.

Perhaps the easiest way is to see the nature of the process of value creation and surplusvalue creation in Yugoslavia. We know that Yugoslavia is essentially a society in which commodity-money relationships prevail or will prevail in the future. This means production of value, and for the time being production of surplus value too. (A rather complicated discussion has been going on now for about seven years about this subject whether it is possible to have value production without surplus value. This has resulted in a marked enrichment of Marxist economic thinking, especially through the works of Korać¹. It would be too complicated, however, to review this discussion; it is certainly true that value production without surplus value is a possibility, but this stage has not yet been reached in Yugoslavia).

And exactly as in the case of a capitalist society it is the control of this surplus value (of which ownership of the means of production is only a minor aspect in Yugoslavia) that is the real test of the amount of socialism — and ipso facto of the amount of workers' selfmanagement. If we now add the obvious observation that socialism is not a state of affairs but a process in which this control is gradually achieved by the workers, we know enough to define the revolutionary aspect of workers' selfmanagement: a development in which the workers establish control of the surplus value produced by themselves. As a result the category of surplus value will gradually disappear, and with this the working class as a separately defined social entity. But, as we shall see, this stage has not yet been reached.

II

The second part of this paper is devoted to the external factors that affect workers' selfmanagement. We simply disregard the great achievements made in internal organization, system of income distribution, technical progress and so forth, and limit ourselves to the structures in which selfmanagement is forced to operate and to develop itself. That makes it possible to judge it for what it is worth.

It is easy to see why in this case too we should consider control of surplus value the key test for the amount of — external — control on the behaviour of the selfmanaged enterprise. The reason is, that the scope for democratization that does not affect distribution of surplus value is very limited. Any capitalist firm would be pleased to grant to its workers as many rights as they could think of in the field of conditions of work, incentive systems, holidays, internal organization — *provided this does not lead to a redistribution of surplus value or, for that matter, the profits*². If Yugoslavia is to show us something new, something that other systems cannot show us, it

¹ For instance: Miladin Korać, *Analiza ekonomskog položaja privrednih grupacija na bazi analize zakona vrednosti* 62—66. Zagreb 1968.

² Reason is, of course, that today's profits shape tomorrow's enterprise — exactly what should be achieved by workers' selfmanagement.

must therefore be the control of surplus value by the workers — be it per enterprise, be it via some other mechanism.

It is argued in the present paper that the amount of control workers exert of the surplus value created by themselves has probably decreased since 1966 — although the idea behind the economic reforms was precisely to increase this control! This may mean a temporary limit to the possible development of workers' selfmanagement, that cannot be neutralized by any internal or organizational change within the enterprise (the relatively small social unit); this is, by the way, why social research that limits itself to surveys of those internal changes cannot, at the moment, reveal anything crucial.³

Data concerning control of the main part of surplus value — the part devoted to accumulation — show us, if properly interpreted, exactly what changes occurred after the 1966 economic reforms (the rationalization of the economy as it is sometimes called in Yugoslavia). (See Table 1.).

Table 1.

Relative Share in Gross Investment, 1961 through 1970, in %⁴

YEAR	61	62	63	64	65	66	67	68	69	70
enterprises	29	30	28	26	29	39	33	31	28	27
banks	1	3	9	31	36	39	45	47	49	51
federation	37	30	27	7	3	6	9	9	9	9
republics	7	9	10	8	4	3	2	3	3	3
communes	18	20	20	21	20	7	6	4	4	4
others	8	8	7	6	8	6	5	6	6	6

This table seem to be clear enough; however, it is not. A brief comment reveals why.

In the first place: after 1963 — the abolition of the Social Investment Fund, and after 1965 — the factual abolition of communal investments — share of federal and local government in investments in fact means less than the about 15% that it stands for in the table. From 1966 through 1970 federal investments are for 55% on the average devoted to — mostly infrastructural — investments in less developed areas in Yugoslavia. It should therefore be considered an internal redistribution for the country as a whole, having more or less a tax character. It is certain that these investments, as a result of their highly unprofitable nature (capital coefficients are about twice as high in the less developed than in the better developed areas), cannot be left to enterprises themselves.

The share of the republics and communes should be similarly commented upon. From 1966 through 1970 an average 64 per cent (for republics) and 84 per cent (for communes) of their respective investments was absorbed by »ostali društveni fondovi« (other social funds), which means the financing of schools, cultural activities, medical care and so on. As in the case of fede-

³ A huge mass of research time and people are devoted in order to find results that are meaningless when one considers the external factors affecting the results. Especially reviews of workers' attitudes, very popular amongst Yugoslav sociologists that have studied in the USA, are particularly unrevealing. For an example see A. S. Tannenbaum, S. Možina, J. Jerovšek and R. Likert, Testing a Management Style, *European Business*, 1970, No. 27.

⁴ from Statistički Bilten SDK, October 1971.

ral investments, these activities cannot be said to intrude upon the investment decisions of enterprises. In conclusion we can safely state that, »the state apparatus« has no longer much direct discretion in the allocation of investment funds, if measured as the percentage of investment funds in the economic sector passing through their hands: less than half the 15% that they account for in the table.

In the second place: enterprises and banks.

The rise to power of the banking system is obvious and dramatic. However, the influence of the banking mechanism is greater than one could conclude from this table alone.

a). The data relate to gross investment only. That means that they do not correspond to real relationships, because the equipment in existence in enterprises has to be depreciated. This lays no claim upon new investment funds at all; by comparing gross data the position of the sector that produces investment capital (transformed surplus value, created in the production sector) is painted too rosy.

We give an indication of the real position of the production sector by comparing how much this sector invested and how much the existing equipment was depreciated.

The difference between both is seen from table 2.

Table 2.

Difference between investment outlays and depreciation outlays⁵

YEAR	Difference in millions ND
1966	+ 1152
1967	— 2380
1968	— 1128
1969	— 4366
1970	— 8817

These results are astonishing. They imply that, from 1967 onwards, a far greater amount of equipment is scrapped than is made up for by own investment of the enterprises.

One could state that this does not mean much if equipment in Yugoslavia was depreciated very fast, for example in five years. In that case one could suppose that technical progress consists in new, more productive, capital goods that are financed via amortization funds. Such is, however, not the case.⁶ Assumed lifetime of capital goods in Yugoslavia is 17—29 years, which is certainly too long in a moderately industrialized society. This means that Yugoslav enterprises are in chronic and increasing need of external investment funds. It is easy to see that the gap is filled more and more by the banking system.

Two typical examples are the textile and the tobacco industry, structurally the weakest industries in Yugoslavia.⁷

⁵ From S. V. Komazec, *Bankarska koncentracija i iracionalna strana teorije o »isključivom delovanju privredc na poslovanje banaka*, in: *Financije* 1969, br. 1—2.

and from: R. Vujović, *Snirivanje investicija, Borba*, oct. 10, 1971.

⁶ For a similar conclusion: S. Đodan, *Jugoslavensko tržište, samoupravna poduzeća i suverenitet nacija*.

⁷ There are 21 industries in Yugoslavia. Measured in personal income per worker the textile industry occupied the 19th and 21th place (lowest) in 1966 resp. 1970.

Same data for tobacco were 20th and 29th in both years.

In both industries a total reorientation of the production system is a condition for future improvement. Investments are necessary for this, and lacking means of their own, these industries are forced to borrow from the banks. The results can be seen from the table 3.

Table 3.

Investments and repayments of loans, in millions ND.⁸

TEXTILE	INVESTMENT	REPAYMENTS
1968	152	151
1969	151	161
1970	215	209
TOBACCO	INVESTMENT	REPAYMENTS
1968	13	40
1969	31	46
1970	25	41

In both industries the mass of repayments through these years exceeds the investment in capital goods. In the tobacco industry not even in one of these three years did investment exceeded repayment. It is clear that the weak position of these industries made them completely dependent upon the banking system. (This explains, by the way, why changes in the interest rate in Yugoslavia hardly have any effect upon the willingness to borrow: most enterprises are so much indebted that any interest rate will be accepted in order to solve ever-present liquidity problems — the shortterm translation of lack of capital).

b). A second phenomenon to be borne in mind is, that conditions under which capital funds are received from the banks are in some respect unfavorable.

The main problem is, that longterm investment projects are increasingly covered by shortterm loans. This means not only that total cost of investment projects is higher than it could be, but also that the grip of the banking system upon the enterprise sector becomes firmer. Three cases to be mentioned — out of numerous others — are G, P and T.

G. a wellknown sausage factory, has been trying to build a new factory hall for ten years. Lacking enough funds of its own it is strongly dependent on the commercial enterprise Genex. Twice already G. has been forced to issue an internal loan in order to meet expenses. Nevertheless, the factory hall has not yet been finished after twelve years. Loans granted by Genex are short-term ones, whereas of course longterm loans would be appropriate. The enterprise has become completely dependent upon Genex since loans can be discontinued at almost any time. Of course workers' selfmanagement does not mean anything in these circumstances.

A second example is the factory of alcoholic and nonalcoholic beverages P. It used to be connected with the — local — Komercijalna Banka, but when

⁸ From Statistički Bilten SDK, October 1971.

this bank was taken over by one of Yugoslavia's banking giants, the Privredna Banka Beograd, interest in the problems of a small enterprise like P disappeared. The enterprise at the moment tries to obtain loans from its customers, and has to pay up for the discontinued relationship with its former bank out of the amortization funds of equipment that was not financed by this bank at all.

A third case is the mine T in Kosovo, one of the less developed areas. As a result of the economic reforms this enterprise was forced to finance investments through banks. Again terms were very unfavorable; result is, that the mine's main objective at the moment has become to pay off its obligations towards the bank.⁹

c). A third phenomenon to be taken into consideration is the rapid centralization of bank capital since it started to have any influence. In 1963 there were 232 banks in existence, in 1966 112, in 1970 55.¹⁰

Official data for 1971 and 1972 do not exist, but press reports make clear that in 1971 mergers and takeovers left only 29 banks. In 1972 this process continued, and in June 1972 there were no more than 15 banks in existence. The six biggest have a market share of about 70%. In four out of six Yugoslav republics — Crna Gora, Bosna i Hercegovina, Makedonija and Croatia — there is only one bank left for the whole territory. Such a rapid centralization of capital — by free decision of the banks themselves! — has, to my knowledge, not been shown anywhere before. Of course this centralization increases economic power of the banking system, in whatever way one wishes to define this term.

It is clear what, in terms of external control, the major change in Yugoslavia consists in: the substitution of federal and local government by an independent and powerful financial system. In relation to this shift the internal achievements of workers' selfmanagement become more or less uninteresting. The control to be exerted by workers in their enterprises can be exerted only upon circumstances or people that are within reach. As a result of the great influence of the banking system, decisions about the spending of surplus value are not in reach for most enterprises, let alone for the working class in those enterprises. The implications of this we shall discuss later in this paper; before that, however, we have to analyze why the banking system should become so important in such a short period of time.

There are two main reasons — one economic, one political, and related to workers' selfmanagement proper.

The main economic problem is, that the selfmanaged system so far has not been able to create a proper system of capital allocation. Both the illiquidity of the economy and the inelastic demand function for capital in relation to its price (interest) are signs of a considerable lack of capital; the increasing income differentials are signs of its misallocation.¹¹

⁹ All material from the Second Congress of Selfmanagers, May 1971 in Sarajevo.

¹⁰ From Statistički Bilten SDK, October 1971.

¹¹ Interindustry Personal Incomes Differentials

YEAR	HIGHEST/LOWEST	COEFF. OF VARIATION
1964	1,6986	0,1466
1965	1,8279	0,1746
1966	1,9312	0,1749
1967	2,2393	0,2184
1968	2,0304	0,1928
1969	1,9234	0,1873
1970	1,9649	0,1905

Some Yugoslav economists claim that a capital market (that does not exist in its proper sense at the moment) would solve both problems. In that case, however, the cure would be worse than the disease, because a capital market would mean a total submission of the system to the economic laws that prevail in any capitalist system. Objectives of an enterprise could no longer be subject to decisions to be taken by the workers' collective, but would be decided upon on the capital market. Workers' selfmanagement could still be existing, but only in its abortive meaning — as an organizational device.

The problem in Yugoslavia is, that absolutely no mechanism has developed to assure a circulation of investment funds that is compatible with workers' selfmanagement. This gave the banking system enough room to assert itself as the one and only representative of the operations to be performed for the allocation of investment funds — of capital if you wish.

The second, connected, reason is the political and economic decentralization of the state apparatus after 1966, which was certainly too fast. Again, I do not claim that centralized political control of investment decisions is likely to be very democratic or efficient, but only that the rapid withdrawal of federal, republican and communal organizations left the country with a tremendous decisional vacuum, that could not be taken over by organs of selfmanagement.

The background for the withdrawal of the state apparatus was certainly to give »the economy« as it is called in Yugoslavia more room for its own decisions. What was not taken into account is that workers' selfmanagement had primarily developed as a mechanism to run an enterprise in its organizational function, a function in which it proved to be an excellent system when — as I said already — problems to be organized and groups of person to be controlled by the workers are visible and in reach. Capital circulation, once taken over by either a capital market or a banking system or both, ceases to be within reach and therefore becomes uncontrollable.¹²

¹² I verified myself on B, one of the biggest Yugoslav enterprises and generally considered one of the most progressive, that any question related to either development (the investment decision how much to spend on what type of development) or conditions under which funds were obtained (whether to finance externally or internally) were hardly discussed at all. The procedure for arriving at these decisions, however, is the best one could think of. The yearly plan for the concern as a whole is arrived at by adding the plans individually made by each of the more than 30 working units. The total plan is discussed at the central workers' council meeting and goes back for approval to each of the working units again. This procedure is essentially democratic, because it gives room for decisions to be taken when the plan is still in its initial stage; it is at the same time efficient, because coordination of plans is made possible before they are put into practice.

To my disappointment in reality the procedure worked out almost exactly to the reverse. The main decisions to be taken — distribution of surplus income into funds for personal consumption and funds for investment — were no part of the planning procedure at all, but were arrived at after a years' business was finished, without the working units having, in practice, any influence upon the decision.

Furthermore the initial stage of planning was wholly reserved for the planning departments at the concern and plant level, which means that the workers' meetings were confronted with a completely worked out plan. There was in practice no mechanism to assure that either workers' meetings or workers' councils could participate in the financial planning other than directly connected with cost and personal income.

The beautifully designed decentralization in planning — which, decentralization, I add, worked perfectly and, one could almost say, was an obsession for every member of the collective for matters of internal organization and responsibility — just would not work for financial planning. Also, nobody disputed the almost absolute control of the planning authorities at the concern and plant level, whereas for other questions the elected organs of selfmanagement had a very firm grip upon »their« problems.

If this is one of the most progressive (in terms of competence and organization of workers' selfmanagement) enterprises, one can imagine what it is like in other firms.

(I might be exaggerating a bit because the nature of the production process in B is such that, in some years, there is not much planning to be done. But in any event neither workers directly nor organs of selfmanagement were exerting their influence or spending their time on problems of planning).

We see that the nonexistence of a proper selfmanaged system of circulation of investment funds between enterprises finds its counterpart in the inadequacies of the system of selfmanagement within enterprises. I will now try to point out this mechanism in a somewhat more general framework.

We saw that external influences mainly take the form of an autonomous financial capital.

The enterprise has to enter into negotiations with the financial capital if it wants to survive economically.

Within enterprises contacts with the financial capital are almost exclusively a matter for the financial apparatus, the financial top of the enterprise. Decisions are taken on the central level and are not left, as yet, to the working units. Partly of course the reason for this is that the financial apparatus is the only layer in the enterprise that is able to cooperate with capitalgranting institutions on an equal footing. This grants their expertness an aspect of power, against which the direct producers are neither willing nor able to resist. And indeed we see that contact between laymen and professionals dealing with investment problems is very rare.¹³ In order to obtain investment funds, legitimation towards the (external) investor is far more important than a democratic relationship with the direct producers in the own enterprise. Two main types of reaction prevail and can be considered general types of reaction of a selfmanaged system in a stress situation.

One is a loss of interest for anything happening in the enterprise. Workers' councils manage matters of secondary importance only, they stop having discussions at all et cetera. The same goes for workers' meetings. All main decisions are taken within the hierarchical structure. One could define workers' selfmanagement in the sense in which it loses completely its revolutionary aspect, but is kept alive as an organizational device; an organizational device however that performs a similar function as the informal organization in a capitalist enterprise. The only difference is the greater explosiveness of the Yugoslav case, because it is obvious that rights are being violated.

The second type of reaction is almost the exact opposite: workers' selfmanagement temporarily loses its organizational function — in the ordinary sense — but is kept alive as a revolutionary principle.

The concrete form in which this process takes place is usually a strike; much as we could expect strikes are promoted and organized invariably by production workers that revolt either against their own management or against external financial powers.¹⁴

With the influence of external financing still increasing, both described aspects of workers' selfmanagement — principle of organization and principle of revolution — become increasingly separated. Without a change of the environmental factors it will not be possible to integrate them again.

¹³ cf. D. Bilandžić: Odnosi između samoupravljanja i rukovođenja u poduzeću, in: *Savremeno rukovođenje i samoupravljanje*. Beograd 1969, page 87—97.

¹⁴ Strikes against external financial control are not very common however. One case is a strike in the building company »Primorje«, Ucinj.

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WORKERS' MANAGEMENT AND INTERINDUSTRY WAGE DIFFERENTIALS IN YUGOSLAVIA*

The Yugoslav system of social ownership and workers' management can be viewed as one in which labor employs capital, instead of a system in which capital employs labor, as is the case under capitalism.¹ Property is socially owned, rather than privately owned or state owned. Ownership rights are (theoretically) possessed by all the citizens, who delegate authority for managing the socially-owned property to autonomous enterprises and representative institutions of the employees of enterprises — the workers' councils and the management boards. From this system of enterprise management, the term *workers' management* is derived.²

The use of markets to allocate resources at the micro level coexists with social ownership and the use of a planning mechanism to achieve macro-economic objectives. The balance between the use of centralized controls and the market to allocate resources has gradually, but steadily, been tipped in the direction of markets.³

These unique institutions of workers' management and market-socialism were introduced in the early 1950's in a small country with a less-developed economy. Yugoslavia's size and level of development, combined with its unique economic and management institutions, provide an interesting laboratory in which to examine economic problems. The objective of this study is to examine one of the more sensitive economic issues facing a worker-managed economy — namely, the impact of workers' management on wage differentials in the Yugoslav economy.

In the first section of this paper, I examine the institutional arrangements for the payment of labor in the Yugoslav economy, with particular reference to the process by which wages are established in the enterprise. Included in this section is an analysis of the pertinent data on the shares of

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¹ This formulation is borrowed from Joel E. Dirlam, »Yugoslav Pricing and The Public Interest« (mimeographed, 1966), p. 10.

² For a discussion of these aspects of the Yugoslav social system by one of its leading theoreticians, see Edward Kardelj, »The Basic Tasks in the Further Development of Socialist Relations«, *Review of International Affairs*, XI, (May 1960), especially p. 8.

³ Of the many discussions of Yugoslav planning, the most useful are Jakov Sirotković, »Osnovne karakteristike planiranja u jugoslavenskom sistemu društvenog samoupravljanja« (»Basic Characteristics of Planning in the Yugoslav System of Social Self-Management«) *Univerzitet danas* VIII (November-December, 1966), pp. 9-20.

Borivoje Jelić and Albin Orthaber, »Some Characteristic Features of Economic Planning in Yugoslavia, *Planning for Economic Development* (New York: United Nations, 1965), Volume II. Part 2, pp. 236-259; and Albert Waterson, *Planning in Yugoslavia* (Baltimore: Johns Hopkins Press, 1962), especially chaps. IV-VI.

the enterprise's discretionary funds allocated to labor and to reinvestment in the enterprise. The relationship between these shares and the average wage in the industry provides some insights into the operations of the Yugoslav labor market. The second section contains a discussion of the theory of wage structures, followed by the exposition of the model of wage structures used in the subsequent econometric work. The concluding section contains an evaluation of the functioning of the Yugoslav labor market, based on the empirical work presented in this paper.

THE ESTABLISHMENT OF WAGES IN THE ENTERPRISE

The worker's wage in Yugoslavia has two components: a *fixed* wage, defined as that payment which the worker periodically receives as a result of his own labor input; and a *variable* wage, representing that amount which the worker receives at the end of an accounting period as a supplementary wage payment out of the current profits of the enterprise. Horvat and Vanek contend that the variable wage represents a reward for the risk borne by the worker-manager.⁴ The sum of the fixed and variable wage components yields the worker's *full wage*.⁵

The legal basis for wage payments after 1961 is codified in three provisions of the 1966 Laws on Employment Relationships:⁶

1. *A worker's income shall be fixed by the [collective] on the basis of the money available for distribution in the final [income statement];*
2. *In the course of a year a worker shall receive advances on his personal income, depending on the current results of work operations;*
3. *A worker shall be entitled to a minimum personal income, irrespective of the results of the organization's work and operations.*

The Fixed Wage

The procedure for the adoption of the pay scales in the enterprise is governed by a detailed set of rules. A subcommittee of the workers' council⁷ prepares a preliminary report on pay scales, which is then distributed to all the workers in the enterprise. Each job is assigned a certain number of »points« based upon a job evaluation. The wage rate depends upon the points assigned to a job and the workers' council's determination of the size of the wage fund. After an interval, a meeting of the workers' council is called, and

⁴ Branko Horvat, *Towards a Theory of Planned Economy* (Belgrade: Yugoslav Institute of Economic Research, 1964), p. 117; and Jaroslav Vanek, »Economic Planning in Yugoslavia,« *National Economic Planning*, ed. Max F. Millikan (New York: Columbia University Press, 1967), p. 380.

⁵ In this study all references to wages refer only to the dinar payments to workers and exclude all fringe benefits and other forms of non-wage income. In 1967, non-wage income was 27 percent of total personal income in Yugoslavia.

⁶ Institute of Comparative Law, *Laws on Employment Relationships* (Belgrade: Institute of Comparative Law, 1967), p. 36. The theory underlying this system of wage payments is discussed in Aleksandar Bajt, *Raspodjela nacionalnog dohotka i sistem ličnih dohodaka u našoj privredi* (*The Distribution of National Income and the System of Personal Income in Our Economy*) (Belgrade: Rad, 1962), pp. 118-215.

⁷ There is no discussion of the Yugoslav institutions of workers' management in this paper since they have been adequately covered in other studies, particularly, International Labor Office, 1962), and Branko Horvat, *An Essay on Yugoslav Society* (White Plains: International Arts and Sciences Press, 1969).

all workers are invited to attend this meeting to debate the proposed wage rates.

Between the time the preliminary report of the workers' council is made public and the scheduling of the adoption meeting, the trade union organization in the enterprise or in the commune will frequently call its own meeting to consider the proposals of the workers' councils. Sometimes the trade union prepares an evaluation of the workers' council proposal and distributes this document to all the workers in the enterprise. For example, a report, prepared by the trade union organization in Belgrade, contained a detailed critical examination of the procedures for establishing pay scales in one publishing enterprise. Included in this report was a series of recommendations for changes in certain provisions of the enterprise's proposed wage rates.⁸

At the general meeting of all workers in the enterprise, called by the workers' council, the pay scales for the next year are debated and adopted.⁹ The document approved by the meeting is called *Pravilnik o raspodjeli ličnih dohodaka* (*Rules on Distribution of Personal Income*).

Before 1961 this document did not become binding on the enterprise until it was submitted to the commune. A committee of the commune reviewed the contents of the statute and had the power to make non-binding recommendations to the enterprise for changes in the provisions of the statute. If there was an unresolved disagreement between the enterprise workers' council and the commune committee, the issue was submitted to arbitration by a committee of the republic government. Since 1961 this procedure is no longer operative.¹⁰

The *Rules* contain the wage rates for every job in the enterprise, broken down into skill and qualification groups. A typical set of *Rules* for a large enterprise contains wage rates for nearly 450 different occupations, with each occupation usually broken down into one to nine different skill and qualification groups.

The wage rates for these different occupational categories are established by a job evaluation technique, modified to take account of labor market conditions. Initially, each job is evaluated in terms of a variety of criteria: skill and experience, educational requirements, responsibility, physical effort, mental effort, working conditions, materials handled on the job, etc.¹¹ For

⁸ Gradsko Sindikalno Veće Beograda, »Neposredno samoupravljanje radnih ljudi i raspodjela dohotka u radnim jedinicama izdavačkog preduzeća«, Prosveta — Beograd. (Direct Workers' Self-Management and Income Distribution in Working Units in the Publishing Enterprise, Prosveta — Belgrade) (Typewritten, 1967).

⁹ Adolph Sturmthal, *Workers' Councils, A Study of Workplace Organization on Both Sides of the Iron Curtain* (Cambridge: Harvard University Press, 1964), p. 105.

¹⁰ Mika Spiljak, *The Distribution of the Income of Enterprises and the Sistem of Remuneration in Yugoslavia* (Belgrade: Izdavački Zavod Jugoslavija, 1961), p. 21; and International Labor Office, p. 238. The status of this provision in the law is somewhat confused. The abolition of the commune power of review of enterprise statutes was announced in the *Official Gazette of Yugoslavia (Službeni List)* in May, 1963.

However, a provision still exists in the more recent 1965 Laws of Enterprises for the review of enterprise statutes by the commune. [Institute of Comparative Law, *Laws of Enterprises and Institutions* (Belgrade: Institute of Comparative Law, 1966) Article 80, p. 36.] From discussions with several Yugoslav officials and social scientists, it appears that *practically* the commune no longer exercises the power of review of enterprise statutes.

¹¹ For a discussion of job evaluation procedures in Yugoslavia see Vilko Sulterer, *Procjena radnih mjesta: Metodске osnove, razvoji i primjena* (*Job Evaluation: Basic Method, Theory and Application*) (Zagreb: Informator, 1966); and Robert Ogorevc, »Analitička procjena radnih mjesta — Mjerilo kvalitativnog aspekta rada u stimulativnom sistemu raspodjele prema radu« (*Job Evaluation — A Measure of the Qualitative Aspects of Work in Stimulating the System of Distribution According to Work*), *Obračun i raspodjela osobnih dohodaka u radnim organizacijama, II Dio* (*Accounting and Distribution According to Work in Enterprises, Part II*) (Opatija: Visoka Privredna Škola Sveučilišta u Zagrebu, 1968), pp. 113—129.

each of these criteria »points« are assigned. At this stage, the preliminary wage structure, based upon evaluation of the job, is adjusted to take account of labor market conditions. For example, the enterprise may compare its preliminary wage structure to that of other enterprises in its industry or to other enterprises in its geographic area. For this purpose data are published by the Yugoslav Trade Unions Federation, the national trade union organization in Yugoslavia. Adjustments are made if the wage structure, based solely upon job evaluation, diverges substantially from the wage structure of other enterprises.

The Variable Wage

The variable wage depends upon the economic performance of the enterprise. It represents a supplementary wage payment to workers from the net profits of the enterprise — i.e., gross receipts less all costs, taxes, and allocations to special funds in the enterprise.¹² The individual worker's share of the variable wage fund is specified in the enterprise's *Rules*.

There seems to be general agreement that the variable wage is established by increasing the fixed wage by some percentage. However, there are two different methods by which this percentage could be calculated: each worker's fixed wage could be increased by the *same* percentage; or workers of different skill and qualification groups could have their wages increased by *different* percentages.

The available evidence indicates that a differentiated percentage has been applied to fixed wages to obtain the variable wage for separate categories of workers. Table 1 presents data for the ratio of the variable wage to the worker's fixed wage. These data are not available after 1961 when the distinction between fixed and variable wages was in principle eliminated from Yugoslav wage theory and Yugoslav national accounting. However, based on my field research, I found confirming evidence that enterprises continued to distinguish between fixed and variable wages in practice. Periodic bonuses retained the character of the variable wage, though the data were no longer published in a manner which would permit a breakdown between fixed and variable wages. If the fixed wages are increased by the same factor for all groups of labor, then the ratio of variable to fixed wages should be constant across skill and qualification groups. However, this ratio is differentiated by labor groups, implying that a differentiated percentage is used to determine variable wage payments.¹³ Examination of variable wage mark-ups for several enterprises in the mid-1960's indicates similar differentiated mark-ups.

¹² For a summary of the Yugoslav accounting system, see Teodor Tomić, *Unutrašnja raspodela u privrednim organizacijama (Internal Distribution in Economic Organizations)* (Zagreb: Informator, 1965), pp. 14—15.

¹³ If the variable wage (W_v) is derived by increasing the fixed wage (V_f) by some factor (X), then $W_v = \frac{W_v}{V_f}$ The use of aggregate data may be misleading, because X could vary for the economy as a whole, even though it was uniform in any given enterprise, if the structure of skill and qualification groups varied among enterprises. However, an examination of several individual enterprise rules produces results consistent with the aggregate data.

THE DISPOSITION OF ENTERPRISE DISCRETIONARY FUNDS

The decline in the level of enterprise taxes and the gradual elimination of other fixed obligations in the enterprise has resulted in a steady increase in the size of the funds over which the enterprise has complete discretion. In 1958, about one-third of the enterprise's profits were free for distribution in the enterprise and about two-thirds were allocated either to taxes or fixed obligations in the enterprise.¹⁴

Table 1.

Ratio of Variable Wage to Fixed Wage, Manufacturing and Mining, 1956, 1959, and 1961 (percent)

Category of Worker	1956	1959	1961
All Workers	7.7	13.9	9.7
White-Collar Workers:	14.4	18.1	12.7
High school education or above	14.0	20.6	14.1
Secondary school education	10.6	16.6	11.8
Primary school education	8.6	14.0	10.2
Less than primary school education	7.9	11.7	8.2
Blue-Collar Workers:	7.0	13.2	9.4
Highly skilled	9.1	16.7	11.8
Skilled	7.1	13.3	8.6
Semi-skilled	6.9	13.1	8.2
Unskilled	5.4	9.1	6.7

Sources: SG, 1958, p. 235, Table 2-247; SG, 1960, p. 256, Table 2-302; SG, 1962, p. 252, Table 220-5; Savezni Zavod za Statistiku, *Lični Dohoci u Privredi u 1960 (Personal Income in the Economy in 1960)*, Statistički Bilten 207 (Belgrade: Savezni Zavod za Statistiku, 1961), p. 27, Table 2-2; and Savezni Zavod za Statistiku, *Lični Dohoci u Privredi u 1961 (Personal Income in the Economy in 1961)*, Statistički Bilten 238 (Belgrade: Savezni Zavod za Statistiku, 1962), p. 27, Table 2-2.

[Abbreviations will be used for several frequently cited data sources. SG (with the appropriate year) will be used to refer to Savezni Zavod za Statistiku, *Statistički Godišnjak, SFRJ (Statistical Yearbook of the Socialist Federal Republic of Yugoslavia)* (Belgrade: Savezni Zavod za Statistiku). *J* will be used to refer to *Jugoslavija, 1945—1964, Statistički Pregled (Yugoslavia, 1945—1964, Statistical Review)* (Belgrade: Savezni Zavod za Statistiku, 1965).]

¹⁴ These fixed obligations consist of contributions to various enterprise funds — the reserve fund, business fund, housing fund, etc.

However, by 1961 roughly half of all enterprise profits were free for distribution either to workers in the form of wages or for reinvestment in the enterprise, and in 1966 the enterprise had discretion over the use of close to 60 percent of its funds.¹⁵ Enterprise receipts finance a substantial portion of investment in the Yugoslav economy. In 1966, 45 percent of all investment was financed by reinvestment of enterprise receipts.¹⁶

This raises two interesting questions: first, how does the enterprise distribute these »free« or discretionary funds; second, what effect does this have on the allocation of labor in the economy? Does the enterprise allocate all of these funds to the wages of workers or does it reinvest the bulk of them in the enterprise? Moreover, are there different patterns among industries; if there are different patterns, how can they be explained?

Table 2 shows the ratio of the full wage fund to discretionary income and the level of the full wage, for nineteen industries in the manufacturing and mining sector of the Yugoslav economy.¹⁷ Discretionary income represents gross receipts less all taxes, fixed obligations, and costs (excluding wages). After 1960 wages were not included as a cost, but were a deduction from »net profits«. Hence, the ratio of the full wage fund to discretionary income reflects the decisions concerning what proportion of »net profits« to distribute to workers in the form of wage payments (fixed and variable) and what proportion to reinvest in the enterprise.

For the entire sector, the proportion of the enterprise's discretionary income allocated to wages increased between 1961 and 1963, then fell between 1963 and 1966 and rose in 1968.¹⁸ The rise in labor's share in 1968 can be ascribed to the depressed state of the Yugoslav economy in that year. It is interesting to observe the same effect on labor's share in Yugoslavia that a depression has on labor's share in the United States in the short run. For the manufacturing and mining sector as a whole, the percentage of discretionary income distributed to wages was 75.2 in 1961, 80.9 in 1963, 69.8 in 1966, and 77.7 in 1968.

The variation for all years is quite substantial. For example, in 1966 the percentages ranged from 52.0 in electric energy to 95.1 in paper and paper products. Moreover, there seems to be some systematic pattern to the variation among industries. The ratio of the full wage fund to discretionary income appears to be related to the level of full wages in the enterprise. Industries with low average wages tend to have high ratios of full wages to discretionary income. In 1966, electric energy had the second highest average wage and the lowest percentage of full wages to discretionary income, whereas wood products had the lowest average wage and the third highest percentage. This pattern of a strong negative correlation between average wages and the ratio of average wages to discretionary income emerges clearly from Figure 1.

A possible explanation for this relationship is that an enterprise paying a low wage must distribute a substantial portion of its discretionary funds to labor to attract or retain its labor force. If it did not distribute a rela-

¹⁵ Savezni Zavod za Statistiku, *Društveno Samoupravljanje, 1962 (Social Self-Management, 1962)*, Statistički Bilten 302 (Belgrade: Savezni Zavod za Statistiku, 1964), p. 14, Table 1-6; and Organization for Economic Cooperation and Development, *Socialist Federal Republic of Yugoslavia* (Paris: Organization for Economic Cooperation and Development, 1967) p. 27.

¹⁶ *SG, 1967*, p. 254, Table 119-3.

¹⁷ The industry classification is similar to a two-digit industry classification in the U.S. Economy.

¹⁸ There are no data available before 1961.

Table 2.

**Ratio of Full Wage Fund to Discretionary Income, and Full Wages in
Manufacturing and Mining 1961, 1963, 1966, and 1968.**

	1961		1963	
	Ratio of Full Wage Fund to Discretionary Income (percent)	Full Wages ^a (dinars)	Ratio of Full Wage Fund to Discretionary Income (percent)	Full Wages ^a (dinars)
Manufacturing and mining, total	75.2	120.0	80.9	162.3
Electric energy	60.6	153.8	60.1	203.1
Coal and coke	91.4	126.7	89.9	167.9
Crude petroleum	48.4	147.0	62.8	205.4
Ferrous metallurgy	72.4	144.7	83.3	182.1
Non-metallic mineral products	73.6	118.9	82.7	140.5
Non-ferrous metallurgy	68.5	131.0	75.4	177.2
Metal products	74.5	139.3	81.9	174.1
Electrical products	71.1	140.5	77.2	167.7
Chemicals and chemical products	64.5	136.1	72.3	180.5
Building materials	79.5	92.9	87.3	132.2
Wood products	84.3	94.2	86.7	125.4
Paper and paper products	66.8	136.8	74.1	175.0
Textiles	76.9	103.4	84.7	130.2
Leather products	81.7	110.7	92.4	143.1
Rubber products	72.0	121.9	75.5	163.8
Food products	77.3	115.0	80.1	138.7
Printing, publishing and allied industries	76.8	142.5	80.9	184.0
Tobacco manufacturing	68.7	102.9	64.3	135.0
Shipbuilding	82.7	142.5	N/A ^b	206.1

^aAverage hourly earnings per employee.

^bNot available.

Sources: J, p. 64, Table 4-11; SG, 1962, pp. 162 and 245, Tables 109-2 and 220-9; SG, 1963, p. 111, Table 105-4; SG, 1964, p. 106, Table 104-5; SG, 1965, pp. 122 & 174; Tables 105-5 & 109-2; SG, 1967, p. 99, Table 104-7; SG, 1968, pp. 99, 159, & 276, Tables 104-8, 109-2, & 122-5; and SG, 1970, pp. 154 & 265, Tables 109-2 and 122-5.

Table 2.

**Ratio of Full Wage Fund to Discretionary Income, and Full Wages in
Continued Manufacturing and Mining, 1961, 1963, 1966, and 1968.**

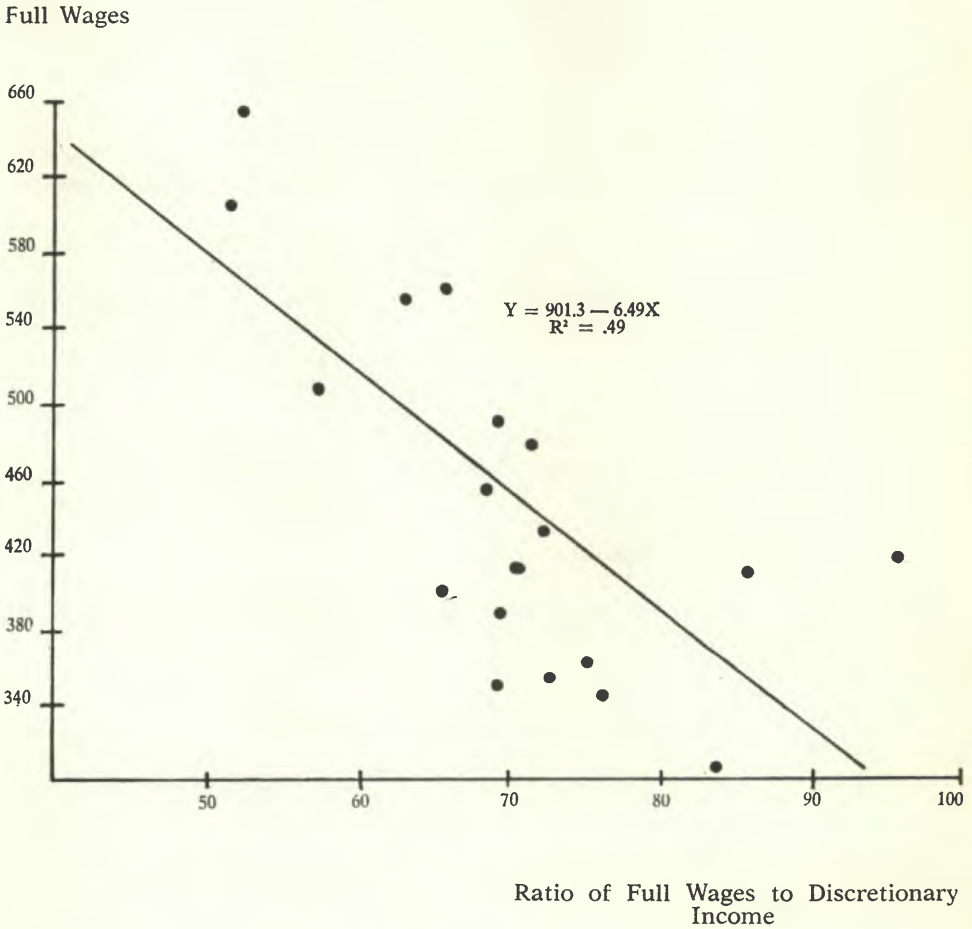
	1966		1968	
	Ratio of Full Wage Fund to Discretionary Income (percent)	Full Wages ^a (dinars)	Ratio of Full Wage Fund to Discretionary Income (percent)	Full Wages ^a (dinars)
Manufacturing and mining, total	69.8	413.3	77.7	522.0
Electric energy	52.0	606.8	62.3	777.2
Coal and coke	85.4	409.2	87.2	515.0
Crude petroleum	52.8	652.9	49.7	843.0
Ferrous metallurgy	69.8	492.2	N/A ^b	586.2
Non-metallic mineral products	69.3	387.7	77.8	625.8
Non-ferrous metallurgy	63.5	556.0	81.4	465.4
Metal products	72.5	429.1	82.1	539.5
Electrical products	70.2	412.8	74.5	567.7
Chemicals and chemical products	57.1	505.6	67.5	634.4
Building materials	75.2	341.8	74.4	491.9
Wood products	83.2	304.6	86.5	399.4
Paper and Paper products	95.1	407.8	N/A ^b	514.1
Textiles	69.9	353.6	80.5	412.6
Leather products	75.3	359.2	76.7	452.8
Rubber products	68.1	453.2	72.8	515.7
Food products	65.9	396.5	75.9	484.1
Printing, publishing and allied industries	71.3	481.9	74.9	657.7
Tobacco manufacturing	72.3	352.4	76.0	466.9
Shipbuilding	65.2	563.2	76.0	765.5

^aAverage hourly earnings per employee.

^bNot available.

Sources: J, p. 64, Table 4-11; SG, 1962, pp. 162 and 245, Tables 109-2, and 220-9; SG, 1963, p. 111, Table 105-4; SG, 1964, p. 106, Table 104-5; SG, 1965, pp. 122 & 174; Tables 105-5 and 109-2; SG, 1967, p. 99, Table 104-7; SG, 1968, pp. 99, 159, & 276, Tables 104-8, 109-2, & 122-5; and SG, 1970, pp. 154 & 265, Tables 109-2 and 122-5.

Figure 1. Full Wages and Ratio of Full Wage Fund to Discretionary Income, 1966



Source: Table 2.

vely large proportion of its discretionary funds to labor, it could not obtain the labor necessary for production. A high wage enterprise, on the other hand, is not required to distribute a large portion of its discretionary funds to labor to attract its work force. Consequently, low-wage industries distribute a large proportion of their discretionary funds to labor, whereas high-wage industries have the opportunity to reinvest large proportions of their discretionary funds and still obtain the labor necessary for production. In short, labor market considerations — the need to meet the prevailing wage in order to attract labor — is an important factor in determining the proportion of enterprise funds that will either be distributed to labor or reinvested in the enterprise. Complementing the pressures emanating from the labor market was the minimum wage in Yugoslavia which also constrained low-wage industries to distribute a substantial portion of its discretionary funds to labor.

This analysis suggested certain implications for the allocation of labor among industries and for the determination of interindustry wage differentials. The analysis of interindustry wage structures could proceed as follows:

1. Interindustry wage differentials are related to differentials in the value of the marginal product among industries.
2. Interindustry differentials in the value of the marginal product are related to differentials in technology among industries.
3. These differing technologies are, in part, a function of differentials in investment among industries.
4. Differentials in interindustry investment are related to the size of discretionary funds and worker management institutions for the payment of labor. Consequently, the tendency for high-wage industries to have relatively larger investments than low-wage industries could increase interindustry wage differentials over time in Yugoslavia.

The movement in interindustry wage differentials over time and its explanation is discussed in the next section.

INTERINDUSTRY WAGE STRUCTURES

The data presented in Table 3 indicate that interindustry wage differentials increased between 1956 and 1966, then stabilized between 1966 and 1969. To explain this, least squares regression analysis was applied to a model of interindustry wage structures, which reflects the hypotheses outlined in the previous section.

Theory and Model of Wage Structures

The point of departure for the model of wage structures is neoclassical wage theory, where the wage for any particular labor market is a function of the demand for and supply of labor. To the extent that in the short-run industries approximate segmented labor markets, a wage in an industry reflects the supply and demand conditions in that industry. Perlman and Kuh place the burden on labor demand as the determinant of

Table 3. Interindustry Wage Differentials, Selected Years, 1956—1969^a (percent)

Industry	1956	1959	1961	1963	1966	1969
Manufacturing and Mining, Total	100.0	100.0	100.0	100.0	100.0	100.0
Electric energy	121.2	118.0	134.8	132.2	143.3	149.4
Coal and coke	112.5	111.3	103.8	103.5	97.2	96.5
Crude petroleum	113.5	117.3	131.0	130.8	147.5	144.5
Ferrous metallurgy	113.5	123.3	124.8	112.8	119.8	112.5
Non-ferrous metallurgy	114.4	112.7	108.6	108.0	128.9	111.6
Non-metallic mineral products	100.0	100.0	101.4	87.5	92.1	91.6
Metal products	107.7	114.0	114.8	107.3	103.2	104.9
Shipbuilding	124.0	124.7	122.9	128.4	133.8	147.4
Electrical products	111.5	114.7	120.5	102.8	98.7	105.7
Chemicals and chemical products	105.8	115.3	114.8	112.5	117.9	116.0
Building materials	79.8	76.7	75.2	81.0	84.7	92.4
Wood products	87.5	81.3	77.6	76.8	76.4	83.8
Paper and paper products	111.5	116.0	118.6	109.0	99.3	102.2
Textiles	86.5	84.7	84.8	79.0	85.6	77.7
Leather products	96.1	92.0	93.3	87.2	88.5	87.2
Rubber products	87.5	102.7	100.5	100.3	103.1	100.9
Food products	94.2	94.7	98.1	87.9	98.3	93.4
Printing, publishing and allied industries	117.3	100.7	118.1	115.9	120.1	126.6
Tobacco manufacturing	83.7	82.0	84.3	82.7	85.3	87.0
Ratio of the Extremes ^b	151.9	162.6	179.2	172.1	193.1	192.3
Relative Variation ^c	11.8	13.3	14.8	16.0	21.6	21.0

^aIndex of average monthly wages per employee.

^bRatio of highest-wage industry to lowest-wage industry.

^cStandard deviation divided by the mean.

Sources: J, p. 64, Table 4-11; SG; 1968, p. 276, Table 122-5; SG, 1970, p. 265, Table 122-5.

industry wages in the short-run. Perlman argues that in the short-run, with a somewhat inelastic response of labor supply to relative wage differentials, »short-run variations in individual industry wages [depend] on factors that affect the demand for labor differentially.«¹⁹

Translating the traditional neoclassical wage theory into a testable model raises certain questions. These questions are considered following the presentation of the model. The model used in this study posits the inter-industry wage structure as a function of:

1. Average labor productivity (real gross national product originating in an industry per manhour);
2. Industrial concentration (measured in some years by the percentage of employment accounted for by the ten largest enterprises in an industry and in other years by the percentage of sales originating in the four largest enterprises in an industry;²⁰
3. Net profits;
4. Labor quality (percentage of workers in an industry in high-skill and high-education categories); and
5. Regional concentration of industry (percentage of employment in the two most developed Republics — Croatia and Slovenia).

Models similar to this one have been used to explain interindustry wage movements in the United States, though the investigators were particularly interested in the impact of trade unions on these wage movements.²¹

The first question concerning this model of interindustry wage structures relates to the adequacy of the use of average labor productivity as a proxy for labor demand. Average and marginal productivity will be equal (or proportional) to each other if the enterprise's production process is represented by a Cobb-Douglas production function with fixed relative factor prices — an assumption that is not too unrealistic for short-run cross-section analysis.²²

Differing labor supply functions among industries are specified in the model by a labor quality variable. This is an attempt to approximate the supply shift parameter of a labor supply function.²³

¹⁹ Richard Perlman, *Labor Theory* (New York: John Wiley and Sons, Inc., 1969), p. 116. This argument also appears in E. Kuh »A Productivity Theory of Wage Levels — An Alternative to the Philips Curve,« *Review of Economic Studies*, XXXIV (October, 1967), pp. 339-340.

²⁰ For each year of the 1954–1961 period, data compiled by Izak Drutrer were used. (Izak Drutrer, »Tržišni aspekti koncentracije« (»Market Aspects of Concentration«). *Ekonomске Studije*, 3 (*Economic Studies*, 3) (Ekonomski Institut, Zagreb, 1965, p. 56.) Data for 1965 and 1958 are not available. In the 1956 and 1958 regressions, the 1959 values for industrial concentration were used. Drutrer's measure of industrial concentration is based on the proportion of total revenue in an industry originating in the four largest enterprises. For each year of the 1962–1966 period, data compiled from published Bulletins of the Federal Statistical Institute were used. This measure is based on the proportion of employment accounted for by the ten largest enterprises in an industry. For 1968 data based on the proportion of sales originating in the four largest enterprises in an industry were used. These data appear in Stephen R. Sacks, »Changes in Industrial Structure in Yugoslavia, 1959–1968 (mimeographed, 1970).

²¹ For example, Martin Segal, »Unionism and Wage Movements«, *Southern Economic Journal*, XXVIII (October, 1961), pp. 176–178; Harold M. Levinson, *Postwar Movement of Prices and Wages in Manufacturing Industries* (Washington: Government Printing Office, 1960), pp. 2–7. See, also, the references in footnote 24, below.

²² This same conclusion is reached in Kuh, pp. 337–338. Charles Rockwell achieved good results for the Yugoslav economy by using a Cobb-Douglas production function, fitted to industry cross-section data for 1962 and 1963. See Charles S. Rockwell, »Product Growth and Factor Inputs in Yugoslavia: Some Cross-Sectional Results« (mimeographed, 1966), pp. 9–34.

²³ See Orley Ashenfelter and George E. Johnson, »Unionism, Relative Wages, and Labor Quality,« (mimeographed, 1968), pp. 10, 13, ad and 14. Ashenfelter and Johnson interpret their measure of the median years of schooling completed by workers in an industry as a »supply shift parameter.«

Industrial concentration has been used in the model to capture the impact of product market variations on the derived demand for labor. The hypothesis to be tested in this study is that greater product market concentration will lead to higher wages — i. e., a positive relationship between product market imperfection and the wage. The basis for this hypothesis is that the enterprise can be represented as having a »labor« interest and a »managerial« interest. The less elastic the demand curve for the enterprise's product, the easier it is for the enterprise to pass on wage increases to consumers in the form of higher prices. Since the managerial interest will find it relatively easier to escape labor's pressure for higher wages, they will be less likely to offer resistance to wage demands. Consequently, labor's environment will be conducive for the extraction of wage gains from management.²⁴

The justification for introducing profits into the analysis is derived from the peculiar institutions of wage payments in the Yugoslav enterprise. It will be recalled that labor receives a fixed wage and a variable wage, where the variable wage depends upon the level of profits in the enterprise. The introduction of the profits variable into the basic model of interindustry wage structures is designed to capture this institutional feature of the Yugoslav economy.

Finally, the regional concentration of industry was introduced to control for the effect of the acute disparity in the level of economic development in Yugoslavia on average wages among industries.

This model should provide an increasingly accurate account of the interindustry wage structure (in a statistical sense) over the period under investigation which corresponds to the increased use of markets to allocate labor in the economy and increased autonomy over wage decisions granted to the enterprise. If the model provides such results, it would be proper to conclude that economic forces dominate the Yugoslav labor market and workers' management does not produce capriciousness in the wage structure as some skeptics have charged.

Empirical Results

The cross-sectional multiple regression results for the interindustry wage structures in Yugoslavia are presented in Table 4. The regressions are presented in groups of threes for five different years — 1956, 1958, 1962, 1965, and 1968. For the most part these years reflect periods of different institutional arrangements in the Yugoslav economy. Initially, a simplified model using only two variables — labor productivity and industrial concentration — was evaluated.

The first question to be examined relates to the extent to which the simplified model with just productivity and industrial concentration accounts for the variance in interindustry wages. For this purpose the total R^2 is of some interest. In 1956 the simplified model accounts for only 24 percent of the variance in interindustry wage structures (Regression 1). However, after

²⁴ This type of analysis has been used to explain wage determination in the U. S. economy. See, for example, Clark Kerr, »Labor's Income Share and the Labor Movement,« *New Concepts in Wage Determination*, eds. George W. Taylor and Frank C. Pierson (New York: McGraw-Hill Book Co., Inc., 1957), pp. 269–270; and Harold Levinson, »Unionism, Concentration and Wage Changes: Towards a Unified Theory,« *Industrial and Labor Relations Review*, XX (January, 1967), pp. 198–205.

Table 4. Regression Results: Interindustry Wage Structures^a

	Year	Constant (+)	Average Productivity (+)	Industrial Concentration (+)	Regional Concentration (+)	Labor Quality (+)	Net Profits (+)	R ²
1.	1956	48.4	.019 (1.89) [.24]	.028 (0.42) [.01]				.24
2.	1956	46.1	.018 (1.87) [.24]	.021 (0.30) [.01]	.052 (0.56) [.01]			.26
3.	1956	39.9	.017 (1.86) [.24]	.006 (0.09) [.01]		.219 (1.55) [.10]		.35
4.	1958	54.8	.018 (2.35) [.30]	.201 (2.76) [.22]				.53
5.	1958	49.8	.017 (2.24) [.31]	.187 (2.60) [.22]	.131 (1.25) [.04]			.58
6.	1958	45.5	.014 (1.90) [.31]	.178 (2.48) [.22]		.256 (1.44) [.06]		.59
7.	1962	103.8	.033 (4.55) [.67]	.127 (1.07) [0,02]				.69
8.	1962	98.9	.033 (4.35) [.67]	.101 (0.80) [0,02]	.145 (0.64) [.01]			.70
9.	1962	72.9	.023 (2.93) [.67]	.113 (1.10) [.02]		.909 (2.51) [.09]		.78
10.	1965	207.7	.073 (6.38) [.80]	.299 (1.18) [.02]				.81
11.	1965	205.2	.073 (5.89) [.80]	.286 (1.05) [.01]	.088 (0.18) [.00]			.81
12.	1965	158.3	.056 (4.87) [.80]	.323 (1.53) [.02]		1.723 (2.82) [.06]		.87
13.	1968	395.6	.067 (4.19) [.52]	.86 (.95) [.05]				.59
14.	1968	330.7	.060 (3.69) [.47]	.68 (.77) [.04]	2.00 (1.40) [.12]			.64

	Year	Constant (+)	Average Productivity (+)	Industrial Concentration (+)	Regional Concentration (+)	Labor Quality (+)	Net Profits (+)	R ²
15.	1968	91.7	.023 (1.87) [.19]	.46 (.85) [.05]		9.17 (5.51) [.66]		.87
16.	1962	90.5	.023 (2.87) [.67]	.337 (2.36) [.02]			1.658 (2.21) [.08]	.77
17.	1962	84.0	.022 (2.69) [.67]	.313 (2.13) [.02]	.179 (0.88) [.01]		1.707 (2.25) [.07]	.78
18.	1962	69.7	.017 (2.19) [.67]	.269 (2.00) [.02]		.720 (1.99) [.05]	1.206 (1.67) [.08]	.82

a Wages are measured in dinars per hour per employee. Numbers in parentheses represent t values. Numbers in brackets represent partial R²'s. Other numbers represent the regression coefficients.

b Real social product originating in an industry per man hour. Real social product was derived by deflating current dinar values by a producer price index for each industry.

c 1956 and 1958: Percentage of total revenue accounted for by four largest enterprises in an industry in 1959. 1962 and 1965: Percentage of employment in ten largest enterprises in an industry. 1968: percentage of sales originating in four largest enterprises.

d Percentage of employment in Croatia and Slovenia.

e Percentage of employment accounted for by white-collar workers with secondary education and above and »skilled« and »highly skilled« blue-collar workers.

f Measured in billions of dinars.

1956 the simplified model begins to account for increasingly greater proportions of the variance in interindustry wages. For example, in 1958 (Regression 4) there is a substantial increase in the R^2 to .52; in 1962 and 1965 the R^2 increases to .69 and .81 respectively (Regressions 7 and 10). In 1968, a year of depressed economic conditions, the R^2 falls. The disequilibria situation of low employment levels in that year affect the ability of this model to explain the interindustry wage structure, compared with the better statistical results in more normal years of high employment levels.

Second, along with this increase in the ability of the simplified model to account for the variance in interindustry wage structures, there is also a marked improvement in the statistical significance of the independent variables. In 1956, on the basis of the t ratio, average productivity is barely significant at the ten percent level and industrial concentration is not significant at all. However, in 1958 both independent variables are now highly significant. Average productivity continues to remain significant in 1962, 1965, and 1968, but industrial concentration ceases to be significant after 1958. In all years the coefficients on all the independent variables have the expected positive sign.

To this point the results have been based on a simplified model of interindustry wages where interindustry wages are specified as a function of only two variables — average productivity and industrial concentration. However, the variance in interindustry wage structures could be the result of differing regional concentrations of industry, or differing skill and education compositions of employment in industries (or both). For each year two additional regressions were performed — first, introducing the regional concentration of each industry, and second, introducing the labor quality variable. With the introduction of the labor quality variable into the basic model, the regression analysis can be interpreted as indicating the net effect of labor demand (or average value productivity) after controlling for labor supply differences among industries.

The important point to note is that, except for 1968, the introduction of the regional concentration of employment and labor quality variable (the second and third regression of each yearly group) does not affect the earlier results obtained from the simplified model. Rarely do either of the variables enter significantly into the regressions, and in two of the instance where labor quality enters significantly (Regression 9 in 1962 and Regression 12 in 1965) it does not alter the degree of significance or partial R^2 of average productivity. In 1968, the introduction of labor quality, affects the importance of labor productivity. Whether this represents a structural change or short-run disequilibria will have to await the availability of data for more recent years. In general, however when these variables are introduced into the analysis they merely add slightly to the statistical result but do not affect the variables contained in the simplified model. In essence, average productivity continues to be the dominant variable in the analysis (except for 1968), after controlling for supply differences among industries and varying regional concentrations of industries.

One final refinement of the analysis is the introduction of profits. Unfortunately, profits data were available only for 1962. The results obtained by adding net profits to the analysis are contained in Regressions 16 through 18 of Table 4. Regression 16, with profits added to the simplified model, is of

particular interest. Net profits is statistically significant, and it adds to the explanation of variance. Comparing regressions 16 and 7, the total R^2 increases from .68 to .77 as a result of the introduction of profits, with no detrimental effect upon average productivity. However, the industrial concentration variable is now rendered significant, when net profits are added to the analysis, while it was not significant before.²⁵ Whether this same phenomenon would occur in other years if adequate profits data were available is a matter for conjecture.

The results of the analysis indicate that the increase in interindustry wage differentials between 1965 and 1968 is due to increased interindustry differentials in average productivity of labor, industrial concentration, and net profits, after controlling for differentials in labor quality and regional concentration among industries. Of the three explanatory variables, average productivity of labor is the most important in all years but 1968. For example, in 1965, average productivity of labor accounted for 80 percent of the variance in interindustry wage differentials.

To the extent that labor productivity depends upon the capital — labor ratio and the technology in an industry, the increase in interindustry wage differentials could have been caused by the differential allocations to investment among industries, noted in the previous section. The systematic relationship between interindustry reinvestment and interindustry wages influences long-run profits and productivity which, in turn, affects interindustry wage differentials.

This result — namely an increasing interindustry wage differential over time — departs from the pattern of other forms of wage differentials in Yugoslavia. My research on interskill and interregional wage differentials indicates clearly that wage differentials declined after the reforms of the early 1960's.²⁶ These data are present in Tables 5 and 6. The reason for the departure of interindustry wage differentials from this general trend is to be found in the importance of enterprise funds in investment and the increasing differentials in interindustry labor productivity caused by these differential reinvestment rates. Marschak's more disaggregated (but more limited) investigation revealed statistically significant wage differentials among enterprises in the same industry for the same occupation in 1963 and 1964.²⁷

CONCLUSIONS

Two of the more sensitive decisions for a worker-managed enterprise are its establishment of wages for different employees and its distribution of net receipts between wages for labor and reinvestment in the enterprise. In the Yugoslav case, a worker receives his wage in two parts — a fixed wage based on job evaluation and labor market criteria, and a variable wage based

²⁵ There is some multicollinearity between net profits and industrial concentration and between average productivity and labor quality. For example, in 1962 the simple R^2 for net profits and industrial concentration was .21, and in 1965 the simple R^2 for average productivity and labor quality was .35. However, the multicollinearity was not severe enough to render the statistical results insignificant. Attempts to eliminate the multicollinearity by creating interaction terms were not successful.

²⁶ Howard M. Wachtel, «The Structure of Wages in Yugoslavia», *Ekonomiska Analiza*, IV, 3—4 (1970), pp. 287—289. A more extensive treatment of these issues appears in Howard M. Wachtel, *Workers' Management and Workers' Wages in Yugoslavia* (Ithaca: Cornell University Press, forthcoming.)

²⁷ Thomas A. Marschak, «Centralized Versus Decentralized Resource Allocation: The Yugoslav 'Laboratory', *Quarterly Journal of Economics*, LXXXII (November, 1968), pp. 582—583.

Table 5.

Interskill Wage Differentials, Selected Years, 1956—1967^a (percent)

	1956	1959	1961	1963	1966	1967
All Employees	100.0	100.0	100.0	100.0	100.0	100.0
White-Collar Workers	123.3	132.1	134.8	130.9	115.0	116.5
High school education or above	190.6	202.6	206.8	198.5	181.0	177.4
Secondary school education	114.4	119.2	118.0	N/A ^b	115.6	114.9
Primary school education	85.3	84.6	83.8	105.0	84.8	86.8
Blue-Collar Workers	96.5	94.9	93.8	94.9	85.2	84.9
Highly skilled	151.0	155.8	154.6	148.0	136.1	134.4
Skilled	104.0	101.9	99.4	110.0	95.8	94.9
Semi-skilled	85.0	80.1	77.0	85.0	80.0	78.7
Unskilled	72.2	64.1	62.1	76.0	70.9	71.7
Ratio of the Extremes ^c	264.0	316.1	330.1	261.1	255.3	247.4
Relative Variation ^d	35.0	41.1	43.3	34.6	33.4	31.8

^a Average monthly full wage per employee in the manufacturing and mining sector.

^b Data not available.

^c Highest-wage skill category divided by lowest-wage skill category.

^d Standard deviation divided by the mean.

Sources: SG, 1958, p. 235, Table 2-247; SG, 1960, p. 256, Table 2-302; SG, 1962, p. 252, Table 220-51; SG, 1965, p. 300, Table 121-1; SG, 1967, p. 97, Table 104-5; SG, 1968, pp. 94, 278, Tables 104-5, 121-1; SG, 1970, p. 266, Table 122-6; *Lični dohoci u privredi u 1960 (Personal Incomes in the Economy in 1960)*, Statistički Bilten 207 (Belgrade: Savezni Zavod za Statistiku), *Lični dohoci u privredi u 1961 (Personal Incomes in the Economy in 1961)*, Statistički Bilten 238 (Belgrade: Savezni Zavod za Statistiku, 1962), p. 27, Table 2-2.

Table 6.

Interrepublic Wage Differentials, Manufacturing and Mining, Selected Years, 1956—1960^a (percent)

Republic	1956	1959	1963	1966	1969
All Republics	100.0	100.0	100.0	100.0	100.0
Bosna-Hercegovina	94.5	100.3	97.1	93.9	96.0
Montenegro	94.5	82.6	87.9	87.2	92.6
Croatia	103.7	102.6	102.1	105.6	107.2
Macedonia	84.4	78.8	83.2	84.0	86.2
Slovenia	109.2	115.5	124.3	119.3	115.1
Serbia	95.4	105.0	90.0	95.5	93.0
Ratio of the Extremes ^b	115.6	146.6	149.4	142.0	133.5
Relative Variation ^c	8.2	13.2	14.0	10.8	9.9

^a Average monthly full wage. Data not available for 1961.

^b Ratio of highest-wage republic to lowest-wage republic.

^c Standard deviation divided by the mean.

Sources: SG, 1957, p. 328, Table 22-4; SG, 1960, p. 435, Table 3-151, p. 437, Table 3-153; SG, 1964, p. 492, Table 217-2; SG, 1967, p. 464, Table 219-1, SG, 1970, p. 464, Table 219-1.

upon the level of net profits of the enterprise and the workers skill and education level.

There is a systematic variation among industries in the shares of enterprises discretionary funds distributed to labor and reinvested in the enterprise. The *higher* the average wage in an industry, the *larger* the share of enterprise funds reinvested in the enterprise and the *smaller* the share of enterprise funds distributed to labor. This is explained by the need for low-wage industries to approximate the prevailing wage norm for the economy in order to attract labor in the very tight Yugoslav labor markets that prevailed until the late 1960's.

As a result of this tendency towards differential reinvestment rates in different industries, the interindustry wage structure has increased over time, while other forms of wage differentials (interskill and interrepublic) have narrowed over time, a result consistent with the increased use of labor markets to allocate labor. This conclusion is derived from an econometric model of industry wage structures, in which average labor productivity dominates the determination of interindustry wage structures during years of full employment.

In this way the two decision processes in the enterprise — namely, the establishment of labor and reinvestment shares and the establishment of wage rates — are linked. Differential reinvestment propensities have widened the technological gap between high- and low-wage industries, thereby increasing interindustry labor productivity differentials over time. This increase in interindustry productivity differentials is the principal cause of increasing interindustry wage differentials over time.

This analysis suggests that a society with goals of increasing wage equality over time and a Yugoslav-type system workers' management would have to introduce offsetting policies to counteract the trend toward industrial wage inequality inherent in such a decision-making process.



THE RELATIONSHIP BETWEEN URBANIZATION AND CITIZEN PARTICIPATION

Urbanization is a very complex social phenomenon. This phenomenon exerts special pressure upon citizen participation in local communities. The high degree of urbanization destimulates citizen participation, especially some aspects of participation. First of all, we mean the *territorial* aspect, or the *regional* aspect of citizen participation in local communities. The aspect of citizen participation includes participation in the process of decision making within those associations and institutions which exist mainly on a geographical, or territorial basis (e.g. voters' meetings, territorial political organizations — Socialist Alliance, The League of Communist, Local Communities).

The content and the form of citizen participation is not the same in urban and rural units. Taking into account the influence of the degree of urbanization upon citizen participation, we put forward and investigated the following hypothesis:

The degree of urbanization of a settlement determinates citizen participation in local communities. If the degree and the level of urbanization are increasing, the territorial aspects of citizen participation are decreasing.

According to the content of the hypothesis, it seems, not to be in consent with common sense. It is usually believed that urban cultural settings stimulate citizen participation in local communities. The conditions for citizen participation are more favourable in towns than in rural settings. In towns, citizens are better organized, their needs are more up to date and at a higher level. All the technical and organizational conditions are more favourable there — halls for meetings are at their disposal — influence of institutions and political associations is more powerful and more various, all these facts can attract people to participate. But, these are only suppositions based on common sense.

We tested both hypotheses, the theoretical one and the hypothesis based on common sense. In the first phase of our research we investigated behavior of citizens in 58 rural and two urban local communities. In the second phase, we tested all the local communities in a republic where there are several thousands of rural and urban settlements which are divided into a hundred communes. During the first phase, we used several methods and research techniques: content analysis, observation, interview, inquiry, statistical method — qualitative and quantitative methods of analysis. In the second phase we used only qualitative analysis, because of definite reasons

which will be explained later. After several years of investigating, using the mentioned methods, our hypothesis has been verified. The results of the investigation show citizen participation to be the least in centres of big cities. Citizen participation increases progressively from centers to peripheral parts of cities and to rural local communities. In the remote rural communities where urbanization is very low, citizen participation increases rapidly. The following data show the above mentioned:

Table 1.

<i>Center of an Urban Unit (local community in a center)</i>	<i>Distance of Local Community from Center (km)</i>	<i>Percentage of Citizens Who Attended Voters' Meetings in Years</i>		
		<i>1963</i>	<i>1965</i>	<i>1967</i>
1.	0	16,1	8,6	3,2
—	10	23,4	14,2	7,8
—	56	28,5	34,5	27,5
—	80	38,3	51,5	22,3

Such regularities have been found for 57 territorial distances. The increase of the participation with a decreasing degree of urbanization has been ascertained in 57 relations between rural and urban local communities. And, the nearer were to centers of urban local communities, the greater is the decrease in urban participation. In the center of an urban local community 3.2% of citizens attend voters' meetings, in another local community in the same city (distance from the center about 2 km) 5.6% of citizens attend voters' meetings, while in a third commune (distance from the center about 10 km) 8.9%, and in a fourth (distance from the center about 36 km) 21.7% of citizens take part in voters' meetings. In the fifth local community, which is located 64 km from the center 26.4% of citizens attend voters' meetings.

In another region, we obtained the following results: in an urban local community (which is less urbanized than the already mentioned one) 17.3% of citizens attend voters' meetings. In a local community of rural type (distance from the center about 61 km) 24.6%, and in a third one (distance from center about 98 km) 63.9% of the citizens attend voters' meetings. There is evident correlation between the percentage of citizens and the number of kilometers showing the distance from the urban center. These conclusions are supported by the comparison between the degree of urbanization in four towns and the percentage of citizens present at voters' meetings. Here are the results of the comparisons:

Table 2.

<i>The Degree of Urbanization of an Urban Local Community Rank</i>	<i>Percentage of Citizens Present at Voters' Meetings %</i>
1	3.2
2	6.8
3	9.9
4	11.4

All of these results are related to the most representative aspect of political territorial citizen participation — to the voters' meetings where the candidates for assemblies are put forward. Attendance at such meetings is expected to be the greatest.

But similar regularity in citizens behavior has been seen at all the other voters' meetings (not only at candidate voters' meetings). As we have stated, we investigated 60 local communities of urban and rural type during a period of more than 10 years. We did not observe the deviation from the mentioned regularity either in any case or in any year. In every year, and in every case, and at all voters' meetings the attendance was greater in rural communities than in urban ones. This could be illustrated with the aid of the following data:

Table 3.

**Percentage of Citizens Present at All Voters' Meetings
in 60 Local Communities**

<i>Year</i>	<i>Rural</i>	<i>Urban</i>	<i>Month When Voters' Meetings Took Place</i>
1958	16,9	14,1	
1959	31,6	18,3	January-February
	40,5	20,9	December
1960	26,8	13,2	February
	22,5	9,7	July-August
	18,7	8,1	September-October
1961	28,5	9,4	February
	24,8	11,6	March-April
	35,7	16,2	July
1962	15,3	7,6	
1963	19,9	9,1	
1964	17,57	10,3	
1965	19,65	13,18	

As it is obvious from the above data, the rate of participation in the rural communities is greater, while the rate of participation in the urban areas is lower.

This way of presenting data could be objected to. So far we have been operating only with one indicator, and it being rather formal — with the number of citizens present at voters' meetings. It is the question how the rate of participation could be measured with this indicator when it is well known that it includes more elements of activeness (not only the attendance at meetings). Besides, there are no data on the rate of citizens participation in other associations and institutions — in Socialist Alliance, the League of Communists, in local self governing organs.

We want to make some remarks regarding the first objection. We measured the rate of participation not only with one but with more indicators: the interest in common problems and needs, attendance at meetings, discussions, proposals, acceptance of conclusions, contributing to carrying out re-

solutions by manual or intellectual work. Measuring the rate of participation, we discovered a regularity. There is correlation between formal and actual citizen participation. If the number of citizens attending voters' meetings is greater (the participation called formal participation), the actual participation increases, too; the number of citizens taking part in discussions, the number of proposals, and especially the number of citizens contributing to carrying out the decisions, is greater. According to this, having found the correlation, we can make conclusions on the basis of the number of citizens present at voters' meetings, presenting no results regarding the remaining aspects of participation.

Regarding the second objection, we would draw attention to a few things. When investigating, we found a decrease of participation in urban settings not only at voters' meetings, but also for other forms of decision making and self governing — Socialist Alliance, The League of Communists. So, it is not the crisis only of one aspect of self governing — of voters' meetings. We did not find out any increase of the rate of participation in other aspects of self governing in urban settings with decrease in participation at voters' meetings. If we had found an increase in the rate of the participation in functional groups simultaneously with a decrease in the rate of participation in territorial groups, we should have had to make different conclusions. So, we ought to go on with investigating the phenomenon and trying to find out a scientific explanation of such behavior of citizens in urban and rural settings.

Having no sufficient data for reliable conclusions (the period of 10 years is not a sufficient one), we think we should be able to present a few hypotheses. On the basis of the performed investigation, we have made the following hypothetical conclusions regarding the relationship between citizen participation and urbanization.

The decrease of the rate of participation in territorial institutions with an increase of urbanization is determined by the following social powers (system of hypotheses):

1. *Hypothesis:* In urban settings, the process of socialization — grouping on a territorial basis — is becoming weak. Territorial nearness in urban settings does not create social nearness automatically. On the contrary, as the territorial nearness becomes greater (hundreds of people living in a building), so the social distance becomes greater, too. The law of social division of labour — as a basic law of grouping people — influences the grouping of people on a functional basis. And this social situation is able to destimulate the territorial aspect of citizen participation.

2. *Hypothesis:* At a certain level of social development the geographical space in town is »empty« in a sociological sense. It resembles the social vacuum. If we look upon them from a territorial point of view, town people seem very often to be only an audience, an amorphous mass. Almost all relevant phenomena, all processes and relations in town are extraterritorial ones. Schools, hospitals, shops, pictures, factories, churches, military stations, communal and other institutions, are organized on a functional, not on a territorial basis. Territorial selfgoverning institutions loose their power of social control and influence the behavior of mentioned institutions (schools and

others). The existing urban policy stimulates the process of exterritorialization in town. And this destimulates directly or indirectly the rate of citizen participation in territorial associations.

3. *Hypothesis*: The system of institutions in urban settings destimulates the rate of participation on a territorial basis. Too great institutionalization of life and conditions of work in urban settings destimulates more and more organized and spontaneous aspects and contents of citizen participation. If the phenomenon of great institutionalization penetrates the peripheral parts of town and rural settings, the rate of participation begins to decrease there too.

4. *Hypothesis*: The relationship between actual and formal structure in town is inadequate. The formal structure — groups and institutions — are located in the social vacuum. An institution or an organization in town — e.g., a voters' meeting — does not represent a territorial group — a settlement, which is structured and cohesive — it is a group of people, atomized and unstructured on a territorial basis. The situation is worse with the territorial location of political organization and local communities in town — there exists greater conflict between formal and actual structure.

In rural communities the situation is somewhat more favourable. In the country a *formal group* (voters' meeting, an organization of members of the League of Communists) represents an actual social territorial group — a settlement, a village, i.e., a structured creation. We have observed that in the villages where the relation is disturbed, the rate of participation decreases.

5. *Hypothesis*: Local communities in underdeveloped rural settings are multifunctional communities. The very fact can attract citizens to participate. In urban settings the functions of local communities are being reduced. The very fact lessens the ability to attract more citizens to participate. Many of the functions of urban local communities are being overtaken by separate groups and communities — functional groups (factories, shops).

6. *Hypothesis*: The distribution and structure of the system of needs, material properties, conditions, social power and influence, centers of initiative and political and other authority is inadequate in urban settings. The system of needs of citizens who live in the same urban area (e.g., in the same street, building) is artificially divided from material conditions in town and in centers of decision making. The conditions of production and using goods are geographically and psychologically separated in urban settings. The fact certainly destimulates citizen participation in territorial institutions.

These are certainly not the only powers which destimulate citizen participation in territorial communities. The list of hypotheses is not finished.

At the end I want to mention that the local community of the commune type (Yugoslav type) has many prerequisites to avoid the negative influence of urbanization upon citizen participation in territorial associations. It is necessary only to stimulate the undiscovered prerequisites.

Table 1.

**Distribution of citizen participation at voters' meetings
according to the degree of urbanization**

(percentage of citizens present at voters' meetings before elections for representatives in Communal Assembly)

Center of urban unit (local Community in center)	Distance of local community from center (km)	Percentage of citizens present at voters' meetings in Year:		
		1963	1965	1967
1.	0	17,3	11,7	11,4
	61	24,6	21,4	17,8
	139	39,3	26,0	19,1
1.	0	17,3	11,7	11,4
	61	24,6	21,4	17,8
	98	63,9	31,6	23,7
1.	0	17,3	11,7	11,4
	49	19,3	17,6	10,2
1.	0	17,3	11,7	11,4
	56	21,0	17,0	12,0
1.	0	17,3	11,7	11,4
	15	25,5	19,2	14,0
1.	0	17,3	11,7	11,4
	70	35,2	16,6	32,3
1.	0	17,3	11,7	11,4
	87	20,0	20,7	17,0
2.	0	15,5	12,8	9,9
	46	19,2	16,0	17,2
	66	30,5	24,3	19,4
2.	0	15,5	12,8	9,9
	31	17,1	13,5	12,2
	82	27,2	22,0	17,9
2.	0	15,5	12,8	9,9
	48	29,1	30,7	20,6
2.	0	15,5	12,8	9,9
	71	19,5	21,8	15,9
2.	0	15,5	12,8	9,9
	22	18,0	19,2	15,8
2.	0	15,5	12,8	9,9
	21	22,5	24,5	23,1

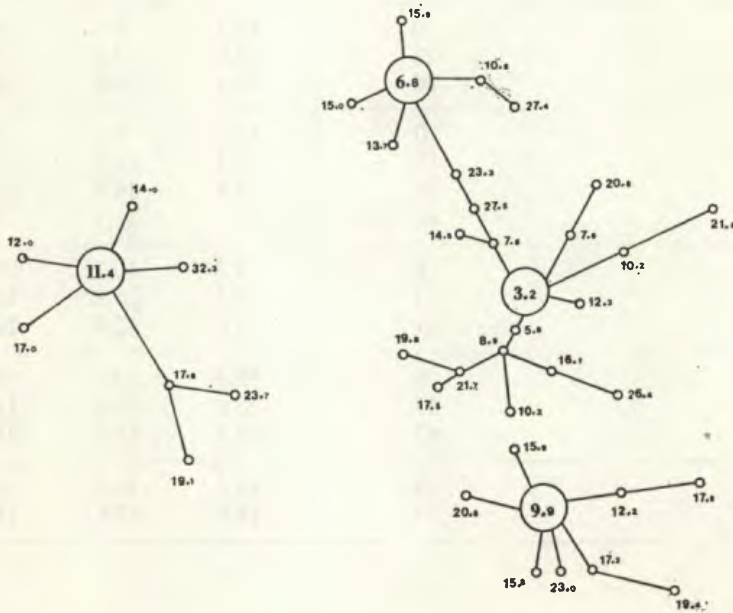
Center of urban unit (local Community in center)	Distance of local community from center (km)	Percentage of citizens present at voters' meetings in year:		
		1963	1965	1967
3.	0	16,1	8,6	3,2
	2	22,7	9,4	5,8
	10	17,3	12,9	8,9
	33	25,1	23,2	16,1
	64	28,3	25,6	26,4
3.	0	16,1	8,6	3,2
	2	22,7	9,4	5,8
	10	17,3	12,9	8,9
	36	22,1	21,8	21,7
	49	26,5	35,9	17,5
3.	0	16,1	8,6	3,2
	2	22,7	9,4	5,8
	10	17,3	12,9	8,9
	20	16,8	15,4	10,2
	71	19,5	21,8	15,9
3.	0	16,1	8,6	3,2
	2	22,7	9,4	5,8
	10	17,3	12,9	8,9
	36	22,1	21,8	21,7
	62	28,3	29,0	19,8
3.	0	16,1	8,6	3,2
	51	20,0	14,2	7,6
	80	33,3	30,4	20,8
3.	0	16,1	8,6	3,2
	10	23,4	14,2	7,8
	56	28,5	34,5	27,5
	80	38,3	51,5	22,3
4.	0	18,3	10,1	6,8
	27	22,3	20,3	10,8
	61	29,5	42,0	27,4
4.	0	18,3	10,1	6,8
	13	26,6	22,0	11,0
	47	38,3	51,5	22,3
4.	0	18,3	10,1	6,8
	15	16,0	15,8	15,0

Table 2.

Correlation coefficient
(Distance — Density — Participation)

Centers of urban unit (local community in centre)	Urbanization Dimensions	Time of participation	Correlation Coefficient			
			I	II	III	IV
			1963	1965.	1967.	1969.
A	Density		-0,88	-0,80	-0,81	-0,51
	Distance of local community from centre (km)		+0,74	+0,86	+0,72	+0,68
B	Density		-0,48	-0,13	-0,11	-0,49
	Distance of local community from centre (km)		+0,65	+0,40	+0,32	+0,58
C	Density		-0,76	-0,35	-0,83	-0,33
	Distance of local community from centre (km)		+0,79	+0,78	+0,77	+0,34
D	Density		-0,31	-0,33	-0,49	-0,48
	Distance of local community from centre (km)		+0,28	+0,75	+0,67	+0,58

Figure 1. **Distribution of citizen participation at voters' meeting according to the degree of urbanization**
(percentage of citizens present at voters' meetings before elections for representative in Communal Assembly)



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THE PERCEPTION OF SOCIALISM AND THE VALUE SYSTEMS IN THE YUGOSLAV SOCIETY

1. If socialism is the future of the world — as many believe it is — then it is necessary, within the framework of sociological discussion of participation and self-management, to establish the relationship between the phenomenon analyzed and the type of social organization representing its natural context.

In Yugoslavia the belief dominates that self-management and socialism are interconnected by a dialectical conditionality. It is therefore very important for us, and for others observing our example, to determine the real meaning and significance of self-management in a socialist social context and the relationship of the main social protagonists towards the phenomenon explored. In practice besides taking other significant directions in discussing the theme mentioned, our attention must also be paid to the question of perception of socialism in the consciousness of major social groups on which their social behaviour (participation satisfaction, aspirations and even the relationship towards social values and goals proclaimed) depends to a considerable (and sometimes even decisive) extent.

2. The Yugoslav type of social organization is a complex product of the objective conditions set by the revolution, its course and character, and by the mixed and various postwar trends and conditions. In Yugoslavia the ideological project of the socialist society has always been founded upon basic principles and goals representing generally accepted and irrefutable grounds of socialism. Even before Marx and particularly through his work, it was clear that the path towards man's emancipation and the fulfillment of his generic being leads through the overcoming of all forms of his alienation by struggle against the social protagonists. While the social protagonists of man's alienation exist in the form of a system of oppressive institutions and exploitative class, the situation is fairly simple. The working class as a historically conditioned basic force of social progress has clear and simple objectives and a tested repertoire of means. When, however, the politically organized or represented working class becomes a dominant factor in the social scene it faces a situation which requires the concretization of previously general and simple objectives and the revision of the repertoire of means and their operation. Simultaneously, the situation now involves an entire network of objective internal and external circumstances. In such circumstances the establishment of a new type of social organization becomes an extraordinarily complex task in which a competent staff must play a central role while the massive base of the revolutionary movement is given a recipient executive role. The planning and establishment of a new organization of society must necessarily concen-

trate on the normative-institutional infrastructure. This activity is simpler and more expedient in its nature so that, as a rule, it must precede the objective social conditions and relations. This gap is, of course, narrower or wider depending on the cognitive and creative capabilities of those who occupy strategic social roles.

3. That, however which represents the critical point of the process described is the dominant value-orientation in the changing society. If we, in the most general terms, outline the basic value-orientation of bourgeois society as individualism, and of socialist society — as collectivism (sociability), then the dialectic of these two orientations represents the main basis of change in a transient society. To this we should also add the fact that man realizes his interests and existence at two levels: the individual and the collective (societal). In light of this fact it is clear that both levels of existence have an exceptional relevance and serve as the framework within which man's value-system is crystalized. This system and the direct experiences of life become the critical filter through which man passes all influences to which he is exposed by the social environment. In the process of social communication, as a consequence of this filter's functioning, there emerge selective exposition, perception and retention. And as a final result (in the form of a basic position) the relationship towards socialism as an ideological projection of the society and the existing practice of its realization is obtained. The degree of participation in social affairs is essentially conditioned by this relationship, and within this very relationship the perception of socialism as an idea and the perception of the social situation which is represented by its realization — comprise its essential and critical point.

4. During the revolution, particularly in the phase of gaining and consolidating political power, the Yugoslav communists both in propaganda and practice advocated collectivism as a universal pattern of social behaviour and organization. Although war and revolutionary conditions, by their nature, impose relations of subordination and strict discipline, in our conditions such relations were given a pure functional character while the situational and actual relational context remained collectivistic. The party cell, the fighting unit, the organization in the rear lines, represented very strong collectives (with a precise but changeable division of individual roles). Collectivism overcame individualism and was not only an uncontestable but also an almost general pattern of relationship and behaviour penetrating all spheres of activity. Even the sphere of intimate life of the participants in the movement was to a certain extent subjugated to the control of the norm of collectivity.

5. The passing to peaceful conditions of life, the stabilization of the revolutionary political system and the beginning of the process of socialist reconstruction of the society have gradually confronted the elementary simple image of socialism in the consciousness of the majority of workers and citizens with problems and dilemmas that did not exist in this consciousness. The futile, imposed collectivisation of the village probably turned a greater part of the rural population away from the socialist movement for some time, a population segment which otherwise constituted a massive basis of revolution. Even the first steps in economic construction and industrialization initiated a massive exodus to the towns and this exodus still continues. The working class, which despite its numerical minority in the social structure, was the main social factor of the revolution, has achieved only political emancipation but

not social emancipation because the relation of hiring has continued and the State has taken over control of the work surplus. The even-less-numerous intelligentsia either belongs to the victorious revolutionary eschalon or, due to the chortage of personnel, has taken up corresponding positions in the system by the criteria of qualifications. With such a social constellation the Yugoslav society has entered the period of developing socialist institutions and adjusting social relations to their values and goals. The social monolithness and collectivism which represented a dominant characteristic and result of the revolutionary phase come into conflict with individualism and differentiation — which have become the unavoidable basic factor of economic and social development. The legitimization of personal and individual interests has become indispensable at they moment when collectivistic values and motivations have been historically surpassed and have lost their previous efficiency. Material stimulation has gained a dominant place particularly in the performance of work roles. In the further course of this movement the circle of individual interests was gradually formed and closed. Every step of material progress was accompanied by an increased level of aspirations for material goods. The possession of material goods soon acquired a prestige connotation and then the character of a status symbol. The process described has caused a new sort of social differentiation whose key criterium is socio-economic position. In the previous phase of development some other criteria prevailed (for instance, participation or relationship towards the revolution, etc.). The education factor only later gained in significance since political loyalty constituted a significant condition for occupying positions essential for the functioning of the system.

One should bear in mind however, that material stimulation did not exclude other factor of motivation nor is this the case even today. The numerous opportunities for social and political engagement, which particularly increased with the introduction of the system of self-management, have served to considerably strengthen the totality of social activity, have compensated for certain dissatisfaction in other spheres and have contributed considerably to the fulfillment of the personality in its totality. Also, various forms of social recognition for involvement, work and other results have played a significant role in maintaining and strengthening collective values in relation to individual ones.

6. As we have already mentioned, the socialist revolution in Yugoslavia took a specific course and developed in the form of a liberation war. Its social and political goals were definitely formulated and made perceivable only after the gaining of political power although even during the liberation war it was clear that there would be no return to the bourgeois system and that only a socialist future represented real liberation and victory. However, the perception of this future as well as the concrete aspirations of the main social groups existed only in elementary form and even mutually differed. Two values were present and dominant in the consciousness of all social groups: economic and cultural progress and the national liberation — or equality. The fulfillment of those two values was promised by the revolutionary movement almost from the very beginning. Therefore, they have been incorporated in the basic image of the future socialist system of the country. And the truth is that most has been done in the fulfillment of these values: the results achieved are impressive even in absolute and particularly in relative terms i. e. in

comparison with the state of the pre-revolutionary society. For a majority of population this satisfaction is sufficient; a number of our surveys have shown the greatest degree of satisfaction through the fulfillment of these basic values and goals. This also explains the relative stability of the society: although the society has passed through numerous crises and temptations this stability has never seriously been brought into question. It is also necessary to add that these crises have so far occurred in peripheral spheres and marginal social groups; major social groups have not been the basic social protagonist in any of those crises and even less the entire population. This is the essential difference in relation to the crises which have occurred in other socialist societies (Hungary, Poland, Czechoslovakia, etc.)

7. In the 1950s self-management began to penetrate the popular image of socialism as the only adequate method of decision-making in managing the society in our variant of socialism. The introduction of self-management as a method of regulating the relations stemming from associated work is really a revolutionary act from the historical respect. All previous forms of government of society were based on a division into those who govern and those who are governed. These forms of subordination and hierarchical structure were especially strong in relatively backward and traditional societies such as the Yugoslav society was. One should however, bear in mind that a certain psychological basis for introducing self-management had already been created in the course of revolution when the taking of decisions and responsibility by every participant of the movement and by small social groups was a quite frequent occurrence. That is why the usual statement that self-management was introduced too early and that it should be introduced at a higher level of material and cultural development can be met with a contradicting statement: self-management might have been introduced even earlier as it is a form of decision-making and management which directly resulted from revolution and is based on relations established during the revolution. It can even be stated that the statist government in the first postwar years, even though it had its historical and practical justification, nevertheless gave rise to consequences which are felt even today. Everybody knows how slow and difficult it is to eliminate traditional forms of consciousness, particularly if they have their material concretization and ideological justification — as is the case with administrative government. Their elimination is especially made difficult by the parallel existence of other systems which apply such forms of government, and that in a not relatively successful way (probably because of reasons of another kind).

Once established the self-managing system began to function and today it has reached a practical dominance particularly in the basic level of social organization. It is an undisputable fact that our socio-economic and political system functions in a self-managing way irrespective of numerous imperfections and serious shortcomings, bureaucratic manipulation and similar phenomena — which are often spoken about in our country — because of which the actual nature of the method of decision-making and management of social affairs on the basic level is overlooked.

8. Let us consider what the consequences are of self-management and socialist development of the Yugoslav society in the sphere of consciousness and behaviour, and what kind of situation we have in the domain of the value system.

To paraphrase Fromm and Riesman: For a society to function well, its members should acquire the sort of character which forces them to *want* to do what they do as members of this society or some of special class in it. They must wish to work what they *objectively* must work. External force is replaced by *internal persuasion* and a special sort of human energy which is channeled into the *character features*.

A series of research results indicate the process of forming the self-managing character in a significant part of the population, above all, in urbanized and workers environments. This fact is socially and politically very relevant and explains a number of phenomena and processes in the Yugoslav society. Respondents' answers have all the more frequently revealed an internalization of objective social necessities and problems and a relatively high degree of identification with the system and its goals and values. Submissiveness and yielding to manipulation is constantly decreasing particularly among the generations who have experienced the process of political socialization in self-managing relations. The consciousness of one's own rights and obligations, i. e. of one's own social position is very present among them. The feeling of self-management has spread, is deeply rooted and has become transformed into a basic stance for one's own political behaviour and evaluation of the behaviour of others. This sort of »internal persuasion« is not always expressed by adequate forms, but the feeling for democracy justice and self-management is nevertheless present. This authentic self-managing character is in a constant conflict with bureaucratism, above all, as a mental state and a way of behaviour. The self-managing character is unavoidably confronted with the bureaucratic type of political behaviour. We find the sharpest verbal reactions within this dimensions. Another interesting feature of the self-managing character is the specific union of idealism and realism. We are often impressed by the high degree of optimism and trust in the future by our citizens, which is rather disproportionate with the current economic problems and other difficulties that the Yugoslav society is experiencing. For instance, the Centre systematically explores citizens expectations regarding the standard of living in the coming year. Optimists always form the dominant majority in all social groups. On the other hand, apart from the sphere of general outlooks realism and patience are evident in concrete outlooks, requests and expectations, which is surprising, particularly in regions and among social categories which are objectively in a difficult position. At the same time, all forms of social and economic aspirations are higher in groups having favourable socio-economic positions.

Of course, the formation of the self-managing character in the most significant social groups has significant political implications and also explains a number of trends and states in Yugoslav public opinion. The critical and polemic spirit in organized and private discussions of political themes, which is very evident in recent times is a consequence, among other things, of self-management and a relatively high degree of freedom of expression. A new type of politization is developing on the same basis, within which the forms and the content of activism have increasingly become a matter of free choice and determination. The character and content of the social goals and values formulated in the Constitution, the Programme of the League of Communists of Yugoslavia and in other documents can hardly be coercive to anyone. Due to the character of the social platform, difficulties from ideo-

logical differentiation have arisen, probably a reflection of some passing constellations rather than objective social relations. Our surveys have not revealed any essential differences in basic ideological attitudes and values, not even in such a highly-developed group as the public opinion maker group. Of course, it is not surprising if one takes into account that the generations formed in the revolution or under socialist conditions are already statistically dominant, while the League of Communists encompasses approximately 10 percent of the adult population. There does exist, however, and in all segments of the population, a high sensitivity to the non-fulfillment of some of the system's goals, proclaimed or immanent. The perception of socialism as a society of equality is fairly widespread and has recently concentrated on equality at the start. It is on that basis that the trend towards »*uravnilovka*« (equalizers) has emerged as revealed to us in a number of our probes. It appears to us, however, that this trend is prevaillingly a consequence of the low degree of satisfaction with existential needs of a significant part of the population, and that it will decrease as the total economic potential of the society increases.

9. Besides the outlined schism in system of general social values of most global character, which is dominant in its sphere, there is also much confusion within the sphere. In fact, there are several mutually conflicting value systems often in conflict within the same people. It happens that people respond to some of our questions expressing one system of values, while in answering other questions they express another system of values.

These systems can be roughly classified as follows: *traditional bourgeois* (which is characteristic of the older generations and smaller social groups which are remnants of the pre-revolutionary society in the economic or psychological respect; *traditional socialist* (with different social protagonists, egalitarianistically oriented); *modern bourgeois* (in which material values and spiritual values of a lower level are dominant); and *modern socialist* whose basic characteristics are: instrumental relationship towards material values and a free authentic personality that makes the best of its human possibilities — as the highest values. Of course, these systems seldom appear in their pure form; they are most often met in various combinations. One such combination is fairly widespread and is manifested in what is often popularly qualified as the middle-class or small-town mentality. This system is the least coherent and is most submissive to impacts and changes. It is coloured by prestige elements false situations and roles, stereotypes in thought and speech and pathetic behaviour. It is a source of frustration and tension and a serious obstacle to authentic self-managing participation, due to marked conformity in the sphere of political behaviour. The situation is particularly complex in the village due to its insufficient and disproportionate accession to socialist social changes and modernization in general. Still, great changes have occurred in the village too. The traditional culture and norms are undergoing a process of disintegration so that they almost nowhere exist in authentic forms. At the same time, modern culture and new systems of values have not sufficiently penetrated, so that there exists a certain kind of ethical and value-vacuum which permits coexistence but also provokes sharp conflicts between the most different values and impacts. It is here that the great difficulty in integrating rural migrants in the new urban environment arises.

Conformity is also characteristic of our population but to a different extent in individual social groups, and depending on the object of declaration.

Conformity is more present in groups occupying lower place in the socio-economic hierarchy. A more thorough analysis shows that the least conforming is the authentic working class (skilled and highly-skilled workers) because it is objectively and subjectively oriented against the status quo and favours further changes. Workers are obviously conscious that the fulfillment of the social goals proclaimed (particularly the reform goals) is the only possible way of overcoming the differences existing between them and the social categories which are now in a better position. From this arises the high degree of consistency in their views on the basic questions of the development of the Yugoslav society. It is not difficult to discover that the working class is a real protagonist of social progress or, more precisely, the force that constantly and under all circumstances makes pressure (latent or evident) in this direction. Better-paid categories, richer peasants and middle strata favour the status quo to a greater extent.

Further, we have the impression that the basic pressure to conform is not made directly by the system itself (almost all sanctions against breaking social norms and deviating from social values are insufficiently developed and inefficacious) but by the family. This nucleus is, in our judgment, the basic factor of the development of conformistic forms of behaviour, and even of the development of character traits which do not correspond to a self-managing society. Due to its nature this primary group is the least inflicted by socialist social changes, and it therefore provides a shelter for various forms of conservatism. Here is the main channel of influence of older generations with traditional value systems and often with religious determination. The filtering of all external influences as well as the selection of alternatives is done in the family, with pragmatism and conformity being given the role of selecting criteria. Of course, this does not apply to an equal extent to all regions and social environments, but beyond doubt it exists as a phenomenon. One should also bear in mind that conformistic forms of behaviour weaken along with an increase in the economic-social stability of the family. Also contributing to this is the creation of a favourable climate for expressing views and opinions and participating in social affairs.

10. The situation described has occurred as a result of parallel existence and legitimization of contradictory concepts of social organization: individualism and collectivism. For socialism, as a transient period between two »pure« socio-economic formations, such a situation is unavoidable. However, it is the dialectic of relations of these two concepts which give the concrete social content to this period. Various practical solutions are probably possible for resolving this dilemma of our epoch. In Yugoslavia such a solution constitutes the idea and practice of self-management. It is considered that self-management contains the possibility of achieving the extent of individualism which enables man to realize his historically conditioned needs and aspirations, satisfying thus the demands imposed by the goals and values of collectivism of a socialist type. Of course, this dialectic is developing through the relationships of changeable magnitudes. Certain phases and relations call for and achieve subordination of the individual to the collective and vice versa. The art of managing a socialist society consists of establishing the historically optimal relations between these two elements. When politics and practical measures are not successful in achieving this optimalization, social crises and conflicts emerge whose intensity depends on the sphere of social life and the relations within which they occur. A differential advantage of

self-management consists primarily in that it contains the possibility of achieving a combination of individualism and collectivism and a relationship enabling progress of the society, but not at the cost of sacrificing man's current needs and potentials. Therefore, it has taken little time for Yugoslavs in their perception, to indentify socialism with self-management. Such a social consciousness is dominant in Yugoslavia.

SOME TRENDS IN THE DEVELOPMENT OF THE SELF-MANAGEMENT

WHAT IS THE ESSENCE OF THE SELF-MANAGEMENT

Yugoslav social thought has not yet elaborated a universal theory of the selfmanagement. The question of course is, if such a theory is possible at all. Selfmanagement interferes with many different spheres of social life, and is as such the study object of all social sciences (sociology, law, political economy etc.). The absence of a universal theory is probably one of the reasons why the estimations of the present situation and the level of the advance and the implementation of the selfmanagement principles differ so much within Yugoslavia itself. We lack the yardstick, the standards by which we could appraise the present situation and the existing trends. This is particularly evident when comparing the existing conditions (especially in the working organizations) with the principles of selfmanagement, as contained in the Constitution, the programme of the League of Communists, etc.

Because the process of the implementation of the selfmanaging system is still in progress and so far only few initial though successful steps have been taken, it is understandable that we meet in every day life different attitudes to it. This means that besides trends stimulating the selfmanagement we also find some against it. As for the latter we have two aspects in mind:

- a) Apathy and/or impatience. The proclaimed principles are being only gradually introduced into the practical life, and the ways taken in the implementation of these principles are not always the shortest possible. For this reason some people think that these principles cannot be materialized, or rather, that they are being too slowly implemented.
- b) The fact that the principles of the selfmanagement have been ignored in some particular cases is taken as a proof of their unfitness and inefficiency. A typical example is the »emptiness« which usually occurs when the state cedes a competency which should then be replaced by a selfmanaging regulation. Let us take as an example the working relations. According to the law governing work relations a working organization regulates them quite independently, except in the case of regulations which are by law uniform and general (the length of the working time, annual leave etc.). One of the basic rights of selfmanagement is the regulation of its own work relations. The working organizations had to shape and form these regulations in such a way that they fit their own specific conditions, and have to accept their own individual selfmanaging regulations on the basis of a public discussion. In one of the surveys conducted by the Center for Public

Opinion Research, affiliated to the Syndicates, we asked the workers whether they were familiar with the above regulations. A third of them answered that they were not aware of their existence at all, while only a quarter concurred them as good (source: Opinions regarding the actual political aspects of the reform, Center RS ZS of Slovenia for the research of public opinion, 1968, p. 54). When we asked the workers their preference for questions concerning work relations to be regulated by the selfmanagement law or by a federal law, only a quarter favoured the selfmanagement (same source p. 57). As for the reason of their choice they said that the federal law was more »just« in being »more equal« for everybody. A similar attitude has been met with, also in connection with other aspects of the selfmanagement legislature within the working organizations and elsewhere.

This is one of the instances where the old regulation has been cancelled and the new selfmanaging not yet introduced. The whole situation looks rather disorganized, chaotic and senseless – exactly opposite to what the people wish for – that is order, stability and the security. The order is precisely the basic demand of the workers.

We have already mentioned that there exist different interpretations of the selfmanagement. Nevertheless, an overall theory or concept is still missing. The authors of different concepts usually differ among themselves according to which partial aspect they are dealing with. They all have in common their partial approach. However, even optimal part solutions cannot always be combined into an optimal entity. The obstacle to arrive at a general concept is therefore more a matter of discontinuity than of excluding each other. We shall briefly deal with some elements of the most typical concepts:

- a) Selfmanagement as a right only. Mostly the low qualified workers and the less enlightened ones (though not only these) think that the selfmanagement of the workers is the right to make various demands which the »working organization« must grant.
- b) Selfmanagement as a way how to improve the work relations. This concept reduces in reality selfmanagement to »human relations« and similar movements in the Western world. This is a kind of benevolent attitude management takes toward the workers, meaning let them talk. let them say what they think, let them criticize—at least it will calm them down.
- c) Selfmanagement as a method of effective organization of work. Here belong the concepts of selfmanagement as a tool to achieve an economically more efficient organization of work. They consider the economic efficiency as the only and final goal of the selfmanagement in the society and in the working organization. They tend to forget about the social aspects of it, that the economic efficiency is not the only aim of the production. In short, they forget the long range goals of the selfmanaging development of the society. A characteristic feature of these conceptions, at the present time, is the demand to change the selfmanaging institutions mostly in the sense of the economically efficient enterprises in the western world. This is in essence, the way and a demand for the liquidation of the selfmanagement. It is a wish

for the establishment of that type of relations which have so far proven to be economically efficient elsewhere.

- d) Selfmanagement and the production. The theory goes that in the present conditions of the production (of goods) selfmanagement cannot possibly work as the market regulates and determines the production by the law of supply and demand.
- e) Selfmanagement and the market economy. We often see that the statutes of the working organizations differentiate between selfmanagement and management, and consider them as two different things. Also serious theoreticians quite often write or speak that as long as we shall have organization of work, we shall have also to deal with people, and thus the management is inevitable. This is correct without doubt. Nevertheless, it depends solely on the contents of these relations (between managing and managed) whether this is to be something different and not in the spirit of the selfmanagement. Managing means making decisions. If managing means independent, willful decision-making and ordering, then it is definitely not selfmanagement. Selfmanagement means much more, comprising also the management but changed in its quality. The manager is no longer the person who independently makes decisions and gives orders. His function becomes rather the coordination of work of each individual in the group.
- f) The short term interests of the workers. One of the arguments given as an excuse for the concentration of power in the hands of a small group of managers is that the workers in enterprises have only short term interests (wages), and consequently are not interested in the development of the enterprise, and in the investment of funds needed for the modernization of production. This statement: 1. has not been empirically checked and 2. reflects the fact that workers still have no influence upon major decisions and 3. does not take into account the fact that because of a low personal income which barely covers the basic needs, personal income represents an important mean of motivation. Personal income is, according to the results of empirical researches, practically the only reward the rank and file worker gets in return for his work (while the managers in addition both manage and get the professional satisfaction).

A number of studies have shown that personal income is really of paramount importance to the workers (and managers included), yet they are almost that much interested in other problems faced by the enterprise (production, prices, plan etc.). The entire complex of the selfmanaging relations will only very gradually enter the consciousness of the workers in face with their factual status. We have already mentioned that we have not yet arrived at a universal definition of the selfmanagement.

We shall try to describe a few of the aspects which are, in our opinion, the basis for the understanding of this phenomenon. Selfmanagement is a theoretical and legal power of the working people which makes possible the appropriation of the fruits of work by the labour (of the surplus value). A selfmanaging society is supposed to be class less and without expropriation of work. It also clears the way for creation of a favourable climate where workers are freed, work humanized and a universal development of man's personality made possible.

Selfmanagement is also not an institution which is permanent and unchangeable. In general we must differentiate between the selfmanagement as the goal and the selfmanagement as a reality. Selfmanagement as actual social practice means the process of materialization of the selfmanagement as a goal.

Let us deal with some important aspects of the selfmanagement:

- a) Selfmanagement is based on the public property of the means of production. In the conditions of private or state ownership selfmanagement cannot exist. Practice and experience in the eastern socialist and western capitalist countries teach us so.
- b) The process of development of selfmanagement is closely tied with the withering away of the state, that is with the abolishment of its functions as the apparatus of oppression. Some even maintain that the process of the withering away of the state is identical to the process of materialization of the selfmanagement. The Marxist philosophy has not yet established which functions of the state wither away first; in other words which order does the withering away take. According to our experience the economic functions of the state are the first to do so.
- c) Decision making is one of the characteristics to which any type of management and selfmanagement is not exceptioned. This question is particularly important because in the system of selfmanagement all the producers have the right to decide about the fate of the results of their work. However, the conditions today are not yet ripe enough to implement fully their rights. The conditions we have in mind are: knowledge, capabilities, motivation, familiarity with problems etc. This means that one of the basic tasks is to create conditions enabling an ever increasing number of individuals to be included in the decision-making in the working organizations and in the commune. This of course, does not mean a demand that »everybody should vote about everything«. It rather means a demand that the workers can influence the decisions and that they have an opportunity to present and defend their views and interests.
- d) Appropriation of the results of work. The selfmanaging society goes by the principle of the appropriation according to the amount of work invested in. In this sense the selfmanagement represents a transition period before the appropriation according to the needs. As the Constitution says: only the work and the results of work determine the social and material status of the worker. This is at the same time the highest moral rule of the selfmanaging society. It is of course understandable that this principle cannot be implemented in a simple way. On one hand it is opposed by those who still get paid for what is not solely based on the results of their work, while on the other hand, it is difficult to measure work. It is simple to give rewards according to work in cases where the output can be precisely measured in pieces per hour or similarly, but it is difficult in the case of complex intellectual work.
- e) Responsibility. Responsibility falls into the category of topics most often spoken about lately. The reason for this is very simple: a number

of cases of irresponsible behaviour in all spheres of our social life were disclosed. Discussions dealing with responsibility are typical for the period of intensification of economics. In the working organizations the question of responsibility is closely connected to the organization of work. Responsibility is inseparably linked with the delegated power. When it is not clear who is competent for what (i. e. duties not clearly outlined) the responsibility cannot be resolved. It is clearly necessary to define precisely when there is a case of irresponsibility, who decides upon, and what are the sanctions. The system of moral sanctions which should be the basic defense weapon of the selfmanaging society, is, unfortunately still poorly developed.

- f) The coordination of the interests. It can be proved all over, again by empirical researches, that the interest of the all employed in a working organization are not identical, except on a very general level (better living). Therefore, the question of how to coordinate different interests and what opportunities people with different interests have to present and how to defend their interests is very real indeed. If the interests of individuals or groups widely differ or even oppose each other then all of them cannot be satisfied. Instead either a compromise must be arrived at or the interests of one side are satisfied at the expense of the other. It is evidently the task for the selfmanaging society to give everybody an equal opportunity to stand for the fulfillment of his demands.

It might not be too much to emphasize once more that the selfmanagement as a type of socio-economic relations, means the abolishment of material, political, ideological and other factors which bring about the separation of people, polarization of society into the managed and the managing, those who give orders and those who obey them etc.

SELFMANAGEMENT AND THE RELATION INSIDE THE ENTERPRISES

1. The Method

Starting from the theory of selfmanagement it is to be expected that the selfmanaging status of the workers would influence other types of relations among the people in our enterprises. The influence, and the connection between the selfmanagement and the type of management is of particular interest. In order to test empirically the influence which the selfmanagement exerts upon other aspects of relations, we have devised a number of indices to measure these relations. They are as follows:

- the degree of the advance in the selfmanaging relations
- responsibility for the success of the group and the enterprise
- satisfaction of the superiors
- confidence in the enterprise (organization)
- participativeness of the superior(s)
- the system of management (according to Likert)
- the average total amount of actual influence

- the slope of the distribution of the real influence
- the average total amount of the ideal influence
- the slope of the distribution of the ideal influence

For the purpose of measurement we took a representative sample of the people employed in industry and mining in Slovenia. The sample comprised one hundred enterprises and over three thousand workers. The choice of the sample in the enterprises also took into consideration the understratification according to the qualification. The measurements were carried out every November over a period of three years (1969, 1970 and 1971). The data were compiled on the basis of questionnaires.

The above indices were further subdivided:

1. The advance in the selfmanaging relations was subdivided into following 5 indicators:
 - a) *How do, in your opinion, your selfmanaging bodies perform their duties?:* with a 5 level scale from 1 — *very well* to 5 — *not well*.
 - b) *Do you trust your selfmanaging bodies organs that they make decisions which are best for the worker?* with a 5 level scale from 1 — *I trust completely* to 5 — *I don't trust at all*.
 - c) *How frequently are you informed about the issues to be discussed prior to the meeting of selfmanaging bodies?* with a 5 level scale from 1 — *always* to 5 — *never*.
 - d) *Do your selfmanaging bodies consult the workers before the meeting about how to decide?* with a 5 level scale from 1 — *always* to 5 — *never*.
 - e) *Do the selfmanaging bodies in your enterprise make decisions independently or do they only confirm what had been already decided by somebody else?* with a 5 level scale from 1 — *they always make decisions independently* to 5 — *they always only confirm what has been decided upon by others*.

As for the remaining indices cited below, they have been taken from the weaponry of the sociological and psychological studies dealing with traditional systems of the organization of work (capitalism). Therefore these questions (indices) do not fit exactly into our selfmanaging system. Therefore we searched already for some time for an index which could be used to follow up the process of selfmanagement in the working organizations. In 1968 we used for the first time a group of indicators which were better suited for selfmanaging relations and also showed satisfactory metric characteristics. The analyses of our survey data has also shown that these indicators were suitable to arrive at a common index.

As already mentioned above (the description of the index) the contents of the indicators are such that they in the first place make possible an estimation of the work of the selfmanaging bodies and the extent to which the employed are informed of their work. But they only partly measure the active participation of the individual in the managing of the enterprise. Different types of researches show all over again that the former index is more suited than the measuring of active participation which is, at least for most of the

employed, still very poor. The indicators used are first of all an estimation and an appraisal of the work of the selfmanaging bodies. At the same time they are estimations of the creation of the possibilities and conditions favourable for the participation of workers in the management.

2. Responsibility for the success of the group or the enterprise:

To what extent you fill really responsible for these success of:

- *your working group*
- *the entire enterprise*

with a 5 level scale from 1 — *not at all* to 5 — *very much*.

From questions mentioned above it follows that we are concerned with the individuals appraisal of his own responsibility for the success of his working group and of the enterprise as a whole. Consequently it is more an expression of the individuals attitude to this question than a reliable piece of information about the true activities of the workers. It rather shows to what extent an individual is attached to a group or enterprise, and to what extent he identifies his interests with theirs.

This index as such is primarily used as a measurement which shows us to what extent are the workers ready to contribute to the achievement of common goals.

3. Satisfaction with work

- a) *Do you like the work of this enterprise?* with level scale from 1 — *this is not a particularly good enterprise* to 5 — *this is a very good enterprise*.
- b) *Do you like the work you are doing in this enterprise?* with a 5 level scale from 1 — *I like it very much* to 5 — *I dont like it at all*.

The evaluation of satisfaction with work is an example of a typical indicator of the social climate within the enterprises. As shown by the researches the satisfaction with work as a rule is not particularly strongly connected either with the degree of productivity of an individual, or with his personal income. It is primarily a reflection of what worker feels and how can coordinate his wishes and the actual state of affairs.

4. Evaluation of the superior(s)

- a) *Do you like your superior as a human person?* with a 5 level scale from 1 — *very much* to 5 — *not at all*.
- b) *How successful is your immediate superior in coordinating the interests of your working group with the interests of other groups in the enterprise?* with a 5 level scale from 1 — *he is very successful* to 5 — *he is unsuccessful*.

The index of the evaluation of the immediate superior contains the indicators of personal character appraisal and an estimation of the degree to which he is able to coordinate the interests of the group with those of other groups. Considering the important role played by the management in dealing with mutual human and organizational relations, we are dealing with one

of the most basic aspects of relations within the enterprise. Owing to the composition of the sample within the enterprise, the answers to the question most often refer to the relations between the foreman and the workers. This is in fact one of the most sensitive types of relations in an organization. The foremen represent the connecting link between the management and the labour. For a worker the entire system of management is effectuated through the relations they have with the foreman. The function of the foreman, just as that of any other manager is twofold: technical and social (relations). Our index deals predominantly with the social aspects (relations).

5. Confidence in the enterprise

- a) *Do you think that managers in this enterprise are really interested in the welfare of the employees? with a 5 level scale from 1 — not interested at all to 5 — very much interested*
- b) *Do the managers of this enterprise improve the working conditions only if they are forced to do so? with a 5 level scale from 1 — only if forced to 5 — always try to improve the working conditions without being forced.*

In short, what is being measured is whether the managers take all the steps necessary to create the most favourable working conditions possible, and whether they do their best for workers welfare, or not. This means that these two questions measure the amount of care people are taken of, appreciation given to people working in the enterprise, attention given to the living and working conditions of the workers and not only to the machines, buildings etc.

6. Participativeness of the superior

- a) *Does your immediate superior ask for your opinion when a problem concerning your work arises? with a 5 level scale from 1 — he always asks for my opinion to 5 — he never asks for my opinion.*
- b) *Is your immediate superior inclined to consider your opinions and suggestions? with a 5 level scale from 1 — not at all to 5 — very much.*

This is an important aspect of the workers status particularly in a hierarchical traditional organization of work. In this type of organization the actual participation of workers depends on the understanding and willingness of the superiors to allow the extent to which the workers can make their participation real.

In the selfmanaging enterprises the managers lose some of the delegated powers in the sphere of mutual relations which are being taken over and regulated by the selfmanagement. Nevertheless, this process has not yet gone that far as to make the position of the superiors unimportant. Our industrial organization of work is still essentially a hierarchical one, with strong remaining elements of seniority and subordination. Accordingly the index included here is still important and applicable in our country.

Both questions constituting the index (does your immediate superior ask you for your opinion when a problem concerning your work arises, and

is your immediate superior inclined to consider your opinions and suggestions) decidedly points to the degree of democratization or authoritative-ness when solving the problems concerning the situations in the enterprise. Both extremes are presented approximately as follows: either the foreman tries to find the best solution possible together with the worker, or he only tells him what and how he should work without being willing to listen to his suggestions.

7. System of management

- a) *What do the superiors tell to the workers?* with 4 level scale from 1 — they inform them about all the important matters to 4 — they give false information.
- b) *Are the decisions in your enterprise passed by people who are best acquainted with the situation?* with level scale from 1 — rarely to 4 — always.
- c) *How much do the superiors (seniors) trust the subordinated in your enterprise?* with a 4 level scale from 1 — they have no confidence to 4 — they have complete confidence.
- d) *How much do the people who work in the same group in your enterprise trust each other?* with a 4 level scale from 1 — very little to 4 — very much.
- e) *Do the workers believe the information which are given to them by the superiors?* with a 4 level scale from 1 — they believe very little to 4 — they believe almost everything.

This index has been included in our research because of the importance that these relations have in the organization of work (along the organizational, managerial line). It reflects the status of the workers, their feelings and roles in the working organization. We found the theoretical basis for this index in the work of R. Likert (New Patterns of Management, Mc Graw Hill, New York 1961). According to the character of motivation of the members, the character of the process of communication, the process of interaction among members, the process of decision making, the setting of goals of the organizations, the character of the process of the control and the characteristics of productivity Likert defined the following four basic types of organizations: exploitative, benevolently authoritative, consultative and participative. A concrete methodology of measurement is given which makes possible the classification of organizations into these four types.

8. Distribution of the real influence:

How much influence do the below listed groups or individuals exert on the activities in this enterprise?

- *director (general)*
- *chiefs (directors) of sectors*
- *the workers' Council*
- *the business, managing etc. executive board*
- *leaders of working units, managers*

- foremen
- workers
- the League of Communists
- the Syndicate

The respondents gave estimations according to a 5 level scale from 1 — *very little influence* to 5 — *much influence*.

The data were used for the both indexes: for the »average total amount of real influence« and the index of »the slope of the distribution of the real influence«.

For separate enterprises average total amount of the slope of real influence means the average estimation of the influence of all groups. The slope of the distribution of influence is represented by the difference between the estimation of influence of the group with the most influence and the estimation of the influence of the group with the least influence.

9. Distribution of the ideal influence:

How much influence should in your opinion, the below given groups or individuals have on the activities of the enterprise?

- director (general)
- chiefs (director) of sectors
- the workers' Council
- business, managing etc. executive board
- leaders of working units, managers
- foremen
- workers
- the League of Communists
- the Syndicate

The respondents gave their evaluations on the basis of a 5 level scale from 1 — *very little influence* to 5 — *very much influence*. We used the data both for computing the index of »the average total amount of ideal influence« and the index of »the slope of the distribution of the ideal influence«.

Both indexes were calculated similarly as in the case of the real influence.

Average indices were computed for every year and for every working organization included in the sample. These averages were used for further processing and analysing. We tested how much the individual questions were suitable for the composition of indices by using the correlation analysis. Only those questions which showed a satisfactory degree of correlation were taken into consideration.

THE RESULTS OF THE ANALYSIS

We do not claim that our indices, and the questions constituting them shed light on all the fact of the relations in the working organizations. Neither are they the only possible ones. However, we had to make a choice

among a great number of different possibilities. We shall see to what extent, and how these indicators are correlated. E. g.: knowing the degree of satisfaction with the work, can we foretell the state of the self-managing relations or not? We also want to know whether there are relations of primary importance which govern other relations, and which they are.

We calculated all the possible correlations between all the indices over the three years. The analysis of calculations showed that the connections between indices differ widely. As a simple indicator of connection of one index with others we calculated the average coefficient of correlation among the indices over the three years of survey. This can serve as a rough indicator only and can be only used as a technique for the comparison of indices among themselves. The correlation among the indices is as follows:

rank index		the average correlation coefficient of the index with all the other indices over the three years
1	system of management	0,43
2	trusting the enterprise	0,42
3	the average total amount of real influence	0,40
4,5	the advance in the selfmanaging relations	0,37
5,5	satisfaction with work	0,37
6	evaluation of the superior	0,36
7	participativeness of the superior(s)	0,34
8	the average total amount of ideal influence	0,25
9	responsibility	0,21
10	the slope of the distribution of the ideal influence	0,17
11	the slope of the distribution of the real influence	0,13

There is no really high average correlation of any index with others. The highest (correlation) show the three following indices: the system of management, confidence in the enterprise, and the average total amount of the real influence. In this category $r = 0,40$ or more. The next category is composed of indices where the average correlation is between $r = 0,34$ and $r = 0,37$: the advance in the selfgoverning relations, satisfaction with work, evaluation of the superiors and the participativeness of the superior. As for the other indices the average correlation is so low that it is statistically significant only in one case with probability of 0,01, that is total amount of ideal influence.

As there is virtually no correlation between the following three indices: 1. slope of the distribution of the real influence and 2. slope of the distribution of the ideal influence and 3. index of responsibility, average correlations containing the above three are lowered considerably. In part this also holds true for the average total amount of ideal influence. The indices »slope of the distribution of both influences« show in general the highest degree of correlation only among themselves ($r_{69} = 0,43$; $r_{70} = 0,31$ and $r_{71} = 0,43$); while the slope of distribution of the ideal influence correlated also with the average total amount of ideal influence: $r_{69} = 0,63$; $r_{70} = -0,31$ and $r_{71} = 0,31$). This can only mean that the slope of the distribution of the real influence as well as the desired conception of the slope of the distribution of (of the ideal) influence are not in a causal correlation to other indicators of social efficiency but

only to each other. Even here the interrelation is not very high, as evident from the magnitude of the correlation coefficients. We could shortly define the contents of the correlation as follows:

1. the more democratic is the distribution of real influence, the more democratic is the desired distribution of the ideal influence, and
2. the higher is the average total amount of the desired ideal influence, the more democratic is the distribution of this influence.

The highest degree of correlation has been found between the system of management and the confidence placed in the enterprise (the average coefficient for all three years is $r = 0,76$). The more democratic is the system of management, the higher the degree of concern regarding the welfare of the employed, (and vice versa). This correlation is one of the highest found so far.

By the decreasing order of the magnitude of the correlation coefficients the following two places are taken up by: the system of management versus — satisfaction with work (the average coefficient of correlation for the three years is $r = 0,62$) and the correlation between the satisfaction with work — versus confidence in the enterprise (the average coefficient of correlation for three years is also $r = 0,62$). The other correlations follow in the decreasing order:

	the average coefficient of correlation (r) for the years 1969, 1970 and 1971
— system of management — versus the degree of advance in the selfmanaging relations	0,61
— system of management — versus the average total amount of real influence	0,61
— advance in selfmanaging relations — versus trust in the enterprise	0,61
— the system of management — participativeness of the superior	0,59
— evaluation of the superior — participativeness	0,58
— the system of management — evaluation of the superior	0,56
— advance in the selfmanaging relations — average total amount of real influence	0,56
— confidence in the enterprise — evaluation of the superior	0,55
— confidence in the enterprise — average total amount of real influence	0,52
— confidence in the enterprise — participativeness of the superior	0,50
— etc.	

The other correlations rank lower and will not be given in full. It is surprising that the advance in the selfmanaging relations is not very highly

correlated to the participativeness of superior (the average coefficient of correlation for three years amounts to $r = 0,40$). A slightly better correlation of the same index (advance in the selfmanaging relations) has been with the evaluation of superior ($r = 0,44$) and with the satisfaction with work ($r = 0,41$). In general we are surprised by the relatively low correlation between the participativeness of superiors and other indices. Evidently, in our conditions these relations are not as important as they are in other systems.

One of the most interesting questions of sociological analysis is of course the discovery of the causal relations between the variables and to decide which are primary and which not. Does for instance the advance in the selfmanaging relations govern democratic management or vice versa. Is the influence the cause or the consequence etc. The data at our disposal allow for use of the technique developed by Pelz & Andrews¹ for the discovery of causal relations and the primary status between the variables. The method consists of the calculation and comparison of the correlation coefficients. If we have the variables A and B and we measure their value at the time 1 (data A_1 and B_1) and the time 2 (data A_2 , B_2), and if A is the primary variable of B (causally primary to B) the correlation $A_1 B_2$ must be higher than $B_1 A_2$ (resp. lower if B is primary in regard to A).

The analysis has brought a number of interesting conclusions. Unfortunately we have now at our disposal only the data for the three years, so that we are able to operate with only three time intervals, i. e. 1969—1970, 1970—1971 and 1969—1971 resp. It is difficult to say that these periods are suitable and adequate to establish the causal correlations. A given time (reaction time) must elapse between the operation of the cause and the appearance of the consequences, and we have no proof that our time periods were adequate. We carried out our research over the 3 years period in the same enterprises, yet each year a different body of people were questioned. Although they did make a representative sample, they were not the same people. This might well be the reason.

We investigated the causal primary status among the six indices which have shown us the highest degree of correlation among themselves and with the others; we speculated on the basis of the theory that they might have an universal importance, and, that they could function as a causal variables. They are as follows: the system of management, confidence in the enterprise, the average total amount of real influence, the advance in the selfmanaging relations and the slope of the distribution of the real influence. This last index shows the lowest degree of correlation with the others. Nevertheless, it is included here owing to its (theoretical) connection with the selfmanaging relations.

SUMMARY

The findings are summarized in the following:

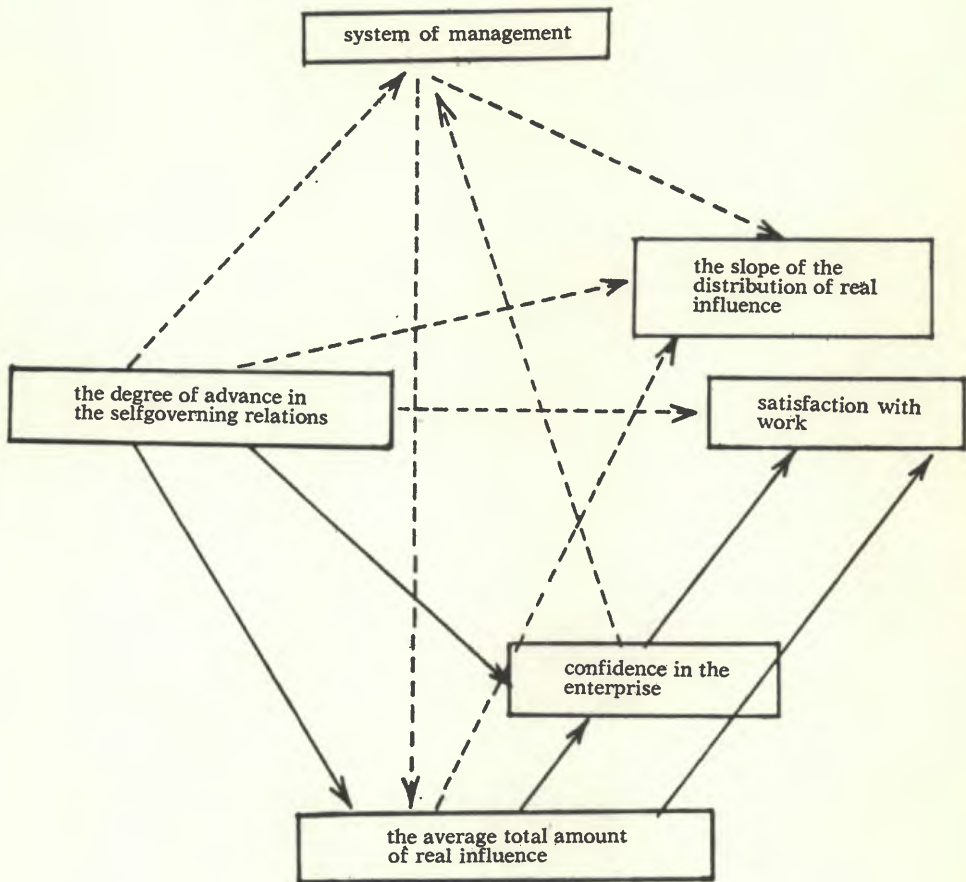
1. We have computed all the possible combinations and analysed causal priority relationship in every combination of two variables. On the whole, the advance in the selfmanaging relations is the (causal) variable most

¹ D. C. Pelz and F. M. Andrews: Causal Priorities in Panel Study, Data, *American Sociological Review* 1964, No. 6 pp. 836—848.

frequently found. The degree of advance in the selfmanaging relations appears as primary variable in all the three time intervals versus the average total amount of real influence and versus the confidence in the enterprise. In two of the three time intervals it is primary also versus the system of management, slope of the distribution of the real influence, and satisfaction with work. Among the six discussed variables there is not a single one having the primary character more than in one time interval versus the degree of the advance in the selfmanaging relations. Those having the primary character just once are as follows: the system of management, the slope of the distribution of real influence and satisfaction with work.

2. The average total amount of real influence, which is the consequence of the degree of the advance of selfmanaging relations in all three years, emerges in all three time intervals as primary factor versus confidence in the enterprise and satisfaction with work; in two of the intervals it also appeared as a primary factor with regard to the slope of the distribution of the real influence.
3. The system of management is not a primary factor with regard to any other variable in all three time intervals. In two periods out of 3, it is primary to: the average total amount of real influence, slope of the distribution of real influence and satisfaction with work. We have already said that system of management was in two of the three time periods a consequence of the degree of the advance in the selfmanaging relations and of confidence in the enterprise. In this analysis the index of the system of management showed poor metric characteristics: the average value of the index was in all the three years practically the same (2,62; 2,69; 2,58). Also the correlations between measurements made at the beginning and at the end of the time periods (0,44; 0,47; 0,46) are practically the same. This is probably the reason why this index did not show any clear cut correlations with the others. It might also be that the length of the time period was not suitable for this index.
4. Confidence in the enterprise is, as we have already shown, the consequence of the degree of the advance of the selfmanaging relations and of the average total amount of the real influence. But in all the three periods it emerges as the cause for the satisfaction with work.
5. The slope of the distribution of the real influence shows, except in the cases mentioned above, such a poor correlations with the remaining indices that we shall not deal with them at all (the correlations never exceeded $r = \pm 0,15$).

In order to give a clearer picture of the causal priorities among individual variables they are presented below in the form of a diagram:



Legend: —————> The unbroken line stands for the cause → consequence relationship in all the 3 time periods

-----> The dotted line stands for the cause ———> consequence relationship in two out of three time periods.

The discovery of such correlations and interdependence of various aspects of the social efficiency of the enterprises can have profound effects, provided of course that they reflect the real state of affairs. Nevertheless, we must point out that the duration of the survey was perhaps too short to enable us to arrive at reliable conclusions.



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SELF-MANAGERIAL PARTICIPATION AND THE GREAT CHINA WALL OF COMMUNICATION

Today, we can scarcely find a researcher who would attempt to dispute the importance of information in the development of participation. If participation is primarily taking part in decision-making, it is perfectly clear that it is impossible to achieve this, without familiarity with the subject-matter upon which the decisions are made. If some participants do not understand the problems which are being discussed, at least enough to enable them to recognize their basic aspects, then even their greatest motivation to evaluate proposals given by others or to give their own proposals, will be in vain. Nothing remains for them but to follow the advice or demands of others, who are better acquainted with the subject matter. In such a situation, even the extreme dicta on the part of the laws and regulations cannot help very much:¹ the statutes and regulations, and even the laws themselves, cannot transmit to people the capability for participation, if the corresponding informational bases are lacking. The authority which is given to them then only assumes the form of blind conformity or blind opposition, or as it is usually said in this country, of »hand raising«. Even if an attempt is made to encourage uninformed participants to express their own opinions, that would have a poor effect, for they would soon disqualify themselves by their worthless or even ridiculous contributions.

Our empirical research² clearly shows that participants with a lower educational level, that is, direct producers (especially unskilled and semi-skilled) and lower clerks, do not even consider involving themselves in the general problems of the firm. To them, as to others in the firm, it is »evident« that these are areas into which they cannot enter, because they lack general

¹ In the Yugoslav constitution of 1963 the following statute can be found:
»Because of the realization of social selfmanagement, the citizen is *assured* . . . the right to be informed about the proceedings of the representative bodies and their organs, the organs of social selfmanagement and organizations which carry on the business in the public interest, and especially the right to become acquainted with the materials and the financial condition, with the execution of the plans and the business in the work organizations in which they work and other organizations in which they effect an interest, along with the obligation of preserving business and other secrets . . .«

² Reference is made to monographic studies of communication systems and information flow in 10 large industrial organizations in Croatia. The aim of these monographs was to give insight into the main communication characteristics of the organizations in order to discover some of the fundamental problems to be attacked later in the course of more intensive and quantitative research. The chief communication channels were examined (especially factory newspapers and bulletins) and small samples of supervisors and workers were intensively interviewed. The interviewing encompassed altogether 213 respondents taken evenly from all educational and socioprofessional strata in the factories.

knowledge as well as information on important situational elements.³ In other words, the communicative role of the uneducated man is defined in a manner which thwarts any participation. One starts from conviction that the uneducated man is unable to understand the important problems of the firm, and therefore the problems are never explained to him or discussed with him, at least in such a way as to make it possible for him to really understand them. It is another example of a vicious circle, a Great Communication China Wall, extremely hard to break through.

But, what to a layman is a clear and selfevident fact which cannot be changed, to the communication scientist becomes a problem to be solved. Is it really impossible to bring the less educated members of the firm to an informational level from which they could take part in the discussions and decision-making about the broader problems of the firm? My own stand remains optimistic, in spite of the overwhelmingly negative evidence that comes out of my own and other research. Judging from the existing evidence it seems that the needed adaptations in the information flow process have been quite a rare exception rather than a rule. And without such adaptation it can be hardly expected that the communication role of workers and others can be developed. A little later I shall make an attempt to describe an information model that would suit the participative situations.

When the information offered to the producers by means of different bulletins and factory newspapers is looked at, at least one reason becomes immediately clear for a great number of people believe that they cannot take part in decision-making of any significance. It is unedited information, offered in an isolated and overly technical manner, so that no one except experts and relatively educated managers could understand it. Very often even an educated man cannot digest such information. It is in the form of poorly explained numerical tables and graphs, data are seldomly made directly relevant to the producer, information is almost never developed along the lines of a problem but instead almost always as a one-dimensional statement about an already accomplished conclusion or decision.⁴ The remarkable number of cases in which the uneducated members of the firm don't trouble themselves to lift up the bulletin or the newspaper which is offered to them free in the firm, and which is intended explicitly for their information, is the natural consequence of such a situation.⁵

³ One of the interview questions was »Which of the following categories of workers, according to your opinion, can really understand the problems such as financing, marketing, organization of work and similar?« Of the seven groups mentioned (namely, unskilled, semiskilled, skilled and highly skilled workers, lower, middle and university educated clerks or white collar workers) only the more educated groups received a positive evaluation. The unskilled and semiskilled groups got altogether only 17 positive answers out of 213 possible. The skilled group got 68, the highly skilled 163. There was a similar trend with white collar workers, only at a higher level (the numbers were 72 for lower, 171 for middle and 209 for university educated white collar workers).

⁴ Of 10 factories only 1 did not have its own factory newspaper. The newspapers were published in varied frequencies, from once a month (two cases) to once in a six month (one case). We were able to collect 67 issues published during last few years. In these 67 issues only 2 cases were to be found in which the information was developed starting with the exposition of the problem and offering more than one solution to the reader!

⁵ Unfortunately we do not have the exact number of such workers. We did not pose the pertinent question at all, because we did not expect such behavior. But in the course of the interviews the fact popped out by itself. We suspect that there

The absurdity of the situation is stressed by the negative attitude shown by the educated respondents. Quite a number of them volunteered a statement according to which they do not have any use for the information offered by the bulletins and firm newspapers, because they already have fuller and more dependable information through their official positions or through their informal contacts. In the end, there arises a question of the intent: if the workers cannot digest the bulletins and the newspapers, and if the educated firm members find them of no use, for whom are they published? Do we have here another case of ritualistic behavior with its primary functions outside the realm of information?

Communicators (various editors of industrial newspapers and bulletins, members of information committees and councils)⁶ for the most part recognize that there are difficulties in communication, but it is seldom clear to them wherein these problems lie. Many consider that they perform their duty by »faithfully« reproducing the reports of the experts, which »unfortunately« are not within the grasp of the ordinary workers. It would not seem unreasonable to say that the problem of transformation of information for the purposes of self-management has not been realized at all by most of those who are responsible for the communication process in the work organization. This might be one of the main reasons why so few acceptable solutions for these problems are found in practice.

We will now use some space to describe an ideal model for encoding the participatory information that seems to us a promising solution that could enable the majority of workers to acquire an informational basis for participation.

The model starts from the elements of information that seem to be crucial as the basis for participation. These are *time*, *content* and *form*. Let us first spend some time on the first element.

It is clear that information which comes after the decision is already made, in the majority of cases does not help participation. Post facto, people can be satisfied or dissatisfied with the decision, but they cannot take part in bringing it about. Truly, they can try to fight the decision if they do not like it, but that, for the most part, posits them *outside* the general decision-making process. From a temporal viewpoint, self-managerial participation is only possible when information comes *before* the discussion and the making of the decisions.

As to the *content* element, it is pretty evident that information must contain all of the main data about the problem to be discussed. However, the category »main data« is not static. Something which in the beginning seemed of little consequence may later assume real importance. The problem of discovering the essential data for self-managerial discussion and decision making is so important and complex, that it deserves special research efforts. The format of this paper does not allow us to treat this topic in more than in this cursory way. It is basic to understand that the problem of content is in principle solvable, although on some occasions better than on others, and there-

is even a greater number of workers who do not really read the factory newspapers, even if they take it home.

⁶ In the course of the research 37 communicators were interviewed. They were asked to describe the communication situation in the firms, the main obstacles to communication, and changes that, according to their views, should be introduced.

fore it cannot pose an unsurmountable obstacle which would make adequate self-managerial information — obtaining altogether impossible.

The third element of the model, the *form*, seems to deserve the strongest interest. Perhaps that is because it is the least conspicuous among other problems, but at the same time presents the essential logical prerequisite for the majority of types of participation. Taking part in the discussions and decision-making is obviously not possible if the substantive area to be discussed and decided upon is not *opened* to the participants. But in all of the firms we have had an opportunity to study, the information is such that just the opposite happens: the substantive areas are closed because of bad forms of information. Information, as mentioned before, is usually given »one-dimensionally«, most frequently as only one conclusion, one proposal, or only one possible solution. As the workers and others in most cases do not know the background, they cannot intelligently reflect upon the matter, to say nothing of taking part in the discussion. The right form of information demands that, first of all, it be formulated in a *problem* framework. That is, it is imperative that the difficulties or the alternatives that are the subjects of discussion or decision-making be exposed. Further, the communicator should also cite the *possible solutions*, at least those solutions which are known to the communicator and the people from whom he obtains the information. Finally, and of similar importance, it is necessary to describe the *consequences* of cited solutions. Only that kind of information can open the area of discussion to those who, unlike the experts and managers, are not already familiar with the problem.⁷

For the sake of completeness, we shall point out one more element of the information form: the language used. This element was implicitly stressed earlier, and here it is enough to mention it as an integral part of the encoding of information for the purpose of self-managerial participation.

Let us add that such a model of self-managerial information gives only the necessary logical prerequisites for participation. This doesn't mean that information encoded according to the model's prescriptions must be at the same time interesting or entertaining. The attractiveness of information might be quite another problem and must be treated separately. We will not enter into that discussion here.

Let us go back to our empirical data and try to compare them with the requirements of the model just described. Our data indisputably shows that not a single communicator has thought about the information in terms of the elements described here. All the interviewed members of the firms, whether educated or uneducated, categorically asserted that the information in bulletins and factory newspapers as well as over public announcement systems had never been brought to them in the form of problems, possible solutions or the consequences of those solutions. Also, the information is published »post facto«, after the crucial decisions are already accepted by self-managerial and managerial agents. Almost unnecessary to add, content analysis of the factory bulletins and newspapers shows exactly the same thing.

Among the large number of other communication problems important for the development of participation, we shall select only two more to be discussed

⁷ What we prefer to treat here under the term »form« can be in another context treated as content itself. This in the end might prove to be a matter of convenience. The form changes the content and vice versa.

here: the problem of motivation, and the problem of adequate communication networks.

Judging from our data, the motivation for receiving information except among individuals who are climbing the social ladder, is very poorly developed, almost non-existent. Direct producers are chiefly interested in contents which seem to them of immediate relevance. These are the questions within very narrow horizons: the amount of salary (»the value of the points«), job security and perhaps, the services which the firm would extend to the individual (kindergardens, hot meals, summer holidays).⁸ While certainly not under-rating these contents, it is worth pointing out that they are far from what would be adequate for real participation, for taking part in decisions, important for the destiny of the work organization, or some its parts. Generally, an interest in such broader problems hardly exists among less educated in the firm.

However, for the sake of overcoming this difficulty it might prove worth while to test experimentally some of the means by which a way out of this situation could be found. One means seems immediately obvious. If the receiver is motivated to perceive and think of the matters that are immediately important to him, an attempt could be made to encode the information so as to show the relevance of other problems to those of immediate importance. For example it could be shown how an investment, or a certain move in the market would affect job security, salaries, advancements and similar. Systematic building in of these »connections« in information, would represent an added element to the described model of self-managerial information. It would fit properly into the content aspect of the model.

Let us now concentrate on some of the problems of the communication networks and the incumbents' roles demanded by these networks.

The question of the network itself, namely of the formally approved information travelling routes, does not seem so complicated. The network must be such as to deliver to all members of the firm all essential information, important for self-managerial participation, and as fast as possible. This would require the possibility of communicating directly among all factory members, irrespective of their vertical or horizontal distance in the formal organizational scheme. The formula of open doors is one practical solution that immediately comes to mind. The other represents the use of mass communication means (public address systems, newspapers, bulletins, even radio and TV). Also, the group form of communication (meetings) is in accord with the basic requirements. Each of these network arrangements has its advantages and shortcomings, and only future research can show which is most favorable in a certain situation. It is interesting here to mention that in solving the network problems, laboratory research on different communication patterns (wheel, chain, circle) seems not to be of very great relevance. The criterion for the functioning of a self-managerial net is not only efficiency (as it was with the majority of the communication research mentioned), but also the extent to which it allows the involvement of the participants. Also, self-managerial communication usually must develop in large groups where different principles apply.

⁸ In our sample of 108 manual workers, only 32 expressed a wish for more information about topics outside these narrow horizons. And again, these were chiefly skilled and highly skilled workers with 11 or more years of education.

The second question is far more complex: namely, how to develop behavior which will be adequate for those self-managerial networks and for the objectives of self-managerial communication in general. Here we first have the problem of senders or sources of information. Analogous to the earlier problem of motivation for receiving information, we can find here the problem of the resistance of people, especially experts and other educated members of the collectivity to giving of information »which doesn't concern others«. This resistance might be also a logical consequence of the general relations in firms. In case that others know »too much« about somebody's work, this may become dangerous to him. His mistakes, negligence and possibly poor work methods can then be seen by a broader audience. In a situation when the individuals and groups in the firm have not yet merged into a cooperative »Gemeinschaft«, in which the people are not antagonistic toward one another, that is rather inconvenient to many, and even not acceptable at all. One can expect therefore that many people, on whose behavior the adequate functioning of the network of communication depends, will demonstrate considerable resistance to the attempts of establishing self-managerial communication network. Because of that the whole action of introducing such networks may fail.

Especially strong resistance is to be expected with regard to the themes that are still subject to discussion among the experts and managers themselves. Allowing the »laymen« to enter such fields, threatens to deflate the status of the experts and managers (an expert or a manager, almost by definition, should know the solutions) and at the same time reduces the area of their free decision-making. And just these preliminary and fluent pre-decisional situations are those in which self-managerial participation has its greatest possibilities and where it is most needed. Taking part in the decision making about problems which are already solved (and therefore are no longer problems), or about problems for which there is only one solution, because of the pressure of the external situation, offers scarcely any kind of possibility for contributions by the side of workers. There is really no room for participation with such topics.

The reason why these resistances by the information-giving agents of the nets are given so much space here, is to provide a possibility to counteract them by specific measures. Namely the lack of motivation by the experts and managers for giving information, could be, at least in the first phases compensated by the more active information seeking behavior by the side of communicators. Furthermore, encoding of information to be sent to the whole membership of the firm must take into account that unduly negative interpretation can be caused. And instead of helping in the formation of cooperative and friendly attitudes, the communicator could cause the reverse trend, even a total social catastrophe. One of the possible solutions would be for the communicator to try to impose more benevolent interpretation by adding his own comments to the otherwise true and full information he is sending.

There is a host of other self-managerial and general participatory communication problems, which because of lack of space, cannot be discussed here. For example we could not enter into a very important problem of the communicative use of self-managerial bodies or the problem of the possibility of introducing special elected »communication self-managerial officers« to perform the linkage functions between varied groups and bodies in the firm.

However, the important task here, was to define the main research themes, and so to open up areas of further research. In the meantime, it is clear that until we cross the Great China Wall of Communication, and judging by the existing situations in firms and by the number and difficulties of obstacles, it really is a China Wall, we cannot expect participation to grow to a more satisfactory level.



PARTICIPATION AND THE DECISION-MAKING PROCESS IN THE COMMUNE

THE SOCIAL AND HUMAN MEANING OF PARTICIPATION

Man is a social being and it is impossible for him to exist outside the community. The forms of the organized community have arisen from this necessity. However, the past and present forms of the socio-political community have been and have remained profoundly antagonistic. While, on the one hand, people's productive and creative powers have steadily increased, on the other, the people themselves have become interwoven into a complex network of their own socio-political organization which nowadays appears to be the basic factor which restricts their freedom.

Even today, after hundreds of wars, revolutions and other forms of social conflict, a fundamental contradiction of organized existence is the fact that a *large number of people produce and create* while the results of this creativity, or a significant part of the results are *disposed of* by an incomparably smaller number of people.¹

As a matter of fact, something absurd happens — the product made by man, taken out of his control and placed at the disposal of someone else, becomes the basis of power of this someone else. Thus, transformed into someone else's power, the producer's own product becomes for him, a source of restriction on his own freedom. For our consideration of this problem, it is necessary to emphasize that this process of alienation of the work result from its creator and its transformation into a material basis from which ruling groups derive their power, *is occurring through the existing systems of socio-political organization*. It is by means of political systems that forms are given formal legality and legitimacy. In this way legal-political assumptions are laid down as the foundation of an entire network of institutions and organizations whose task is to protect such relations even by force if necessary.

Within such forms of organized community, institutions in society are subjected to the basic goal — the protection of established relations, most often exploitative, while politics derives its goals and tasks from such relations. In such a state some essential relations are changed so that systems, instituti-

¹ We do not intend here to deal with any analysis of the individual forms and bases for disposing of someone else's work results. We consider that it is sufficient to note that the basis can be: private ownership of the means of production and other goods, state ownership and its power of decision-making on work surplus, performing a function which has approximately the same effect on man's social position — he is devoid of the possibility of establishing his control over the part of his work results on which someone else's power is now based.

It is on that disposition of part of the results of someone else's work and creativity that the multiple forms of domination over people are based.

ons and organizations come first and then comes man. And these institutions and organizations are alienated from man, they begin to exist on their own deriving the logic of their existence from themselves so that it seems that it is they that are essential, that people exist for the sake of them and not vice versa, that man has the right to the kind and amount of freedom that they bestow upon him. In a word, these institutions of the political system *become the basic subjects of politics, while man — a producer and citizen — becomes its object*. In such conditions any result of human labour and creativity can be transformed into power against man. This is particularly true if the results are used for political objectives.²

Has not mankind come into possession of an inexhaustible source of energy imprisoned in the heart of the atom? Have not the development of cybernetics and other scientific discoveries, with which the de facto technical-technological revolution started, *thrown open the door through which one can step into that »realm of freedom« of Marx? And, accordingly, can we not restrict that »realm of necessity« — work for need and bare existence — to a necessary but far lower level?* This fundamental question of contemporary man cannot be answered by a simple *yes or no*. If one bears in mind only the material, technical and technological assumptions, the answer can be *yes*; man is gaining in his battle with nature, and his entire potential — creative and productive — are thereby being increased. However, this in itself does not lead humanity into the *»realm of freedom«* but represents only a material basis on which this freedom can be founded. If humanity is to step into a true *»realm of freedom«* it must first overcome itself and its class, racial, national, political, religious and other forms of antagonism *which cause the result of man's work and creativity to lose human root and meaning* by the endeavouring of a member of one class, one race, one nation, one political organization or state to subject members of some other group. In this struggle the institutions which should serve a true community of people are also subordinated to these forms of domination. In such relations the state and its institutions are used for the rule of one over another, and scientific and production results are used for the same purpose or even for annihilation. *In a word, although mankind is successfully gaining ground in the struggle against nature, mankind has not found adequate forms of social organization which ensure that these fantastic creative powers do not acquire an anti-human meaning.* We have in mind a question which at this stage of technical-technological development is crucial to humanity. So, contemporary mankind is faced with *the most important — I would say even existential — task of finding the forms of socio-political organization of the community which would enable people to establish their own conscious control over the results of their work and creativity. In order to achieve this goal it is indispensable that conditions be created so that the vast majority of direct producers not only participate in the process of production but also in the process of creating the forms of their community, in the management of this community's institutions, and in the disposition of and decision-making on how the means are to be used for their common needs.* In a word, the socialization of politics should be carried out to the extent that every man become its subject.

² It is sufficient to note how scientific and technical achievements become powerful means of establishing various forms of domination on the international scale. May I remind only of the most recent example of the use of laser to precisely direct bombs to targets in Vietnam. A scientific discovery has been most efficaciously applied in the annihilation of people. Where is the sense of humanity here?

This is, in my opinion, the basic meaning and the ultimate human goal of participation. In order to achieve this goal it is necessary to carry out an essential, revolutionary change of the existing forms of ownership and acquisition³ because only on the basis of *socialized ownership and appropriate forms of acquisition and distribution can one carry out the socialization of politics, or more precisely, create a real material-economic basis for a participation by the majority in political life which would be at least, approximately equivalent to their participation in production.*

Thus is participation inseparably bound to self-management, more precisely, self-management means the achievement of social and economic assumptions for participation. Self-management is here assumed to be a form of integral organization of the community in which the forms of social ownership and, accordingly, adequate forms of distribution are dominant. From these forms essentially different socio-political relations are derived which ensure approximately the same opportunities for participation and influence by all social groups. It is, however, essential to note that in this way realistic assumptions of »self-activity« or self-organization of the class of producers are created. Thus, simultaneously, the contradictions disappear from which stem ruling and politics as separate spheres and privileges of definite groups. Only on the basis of social ownership can a conscious association of producers emerge.⁴ Therefore, socialism as a form of general socialization of social life cannot be assumed without these two basic elements — *social ownership and self-management*. Participation here is something which can be assumed in itself. To speak of self-management without participation is as superfluous and meaningless as a discussion about dry water. It is, however, meaningful and even necessary to speak of the forms, extent, intensity, determinants and effects of participation. There can be participation without self-management, but self-management cannot be assumed without participation.

HOW ARE THE FORMS AND EFFECTS OF PARTICIPATION CONDITIONED BY THE MODEL OF SELF-MANAGEMENT

It can be stated that the revolutionary and historical meaning of self-management is that, based on social ownership, it leads to the development and establishment of forms of *an organized community*, through which producers and citizens are able to *participate in and efficaciously exert influence* on the management of *common* affairs and institutions. These forms of organized community should make it possible for them to control that part of work results which is allocated to the satisfying of common needs at all levels

³ Such a conclusion is based on the entire historical experience which, beyond doubt, shows that ownership forms, such as private ownership, state or group ownership, cannot constitute the basis of a true human community. For, from these forms of ownership and acquisition, there stem contradictions which can be maintained in existence only by forms of domination. These forms of acquisition appear to be the material basis from which the power of the private owner, state bureaucracy, group and the like is derived, and, accordingly, the remaining majority. There is no essential difference between state and private forms of acquisition in this respect because both constitute legalized forms of alienation of part of the producer's product and his power of influence on its disposition. This is one of the basic causes for questioning the human legitimacy of the existing forms of socio-political organization.

⁴ We emphasize this because some theoretical concepts have emerged which equate participation and self-management forgetting the fact that participation as a form of workers' and citizens' participation can also be achieved in societies where private or state ownership dominates and that upon such property relations self-management cannot be based either as a micro or a macro system of an integral organization of a human community.

of the community.⁵ It is precisely this part of work results that constitutes the material basis of participation in self-management, because those in the society who control this part of the work surplus exert a dominant influence on the entire process of management and decision-making. Therefore, if this is not achieved through self-management, the forms of direct or indirect participation, no matter how massive they are, will have no effect because the disposition of the means intended for common needs in the society will continue to be dominantly effected by factors beyond self-management.

Therefore, the most adequate forms of effective participation will be made possible by a model of self-management organization which enables associated producers and citizens to establish their control over the entire quantum of the parts of work result that are concentrated at various points of horizontal and vertical interconnections for the sake of satisfying common needs. And such *control* can be provided only by a model of self-management which is total in its coverage and maximally democratic in method of constitution. *Totality of coverage* might be achieved by encompassing and connecting all communities by self-managing organizations, ranging from those of a basic type to global ones, as well as by carrying through all essential processes and activities. In this way the entire socially organized area would be organized in a self-managed way — self-management would become an integral system of organizing society.

Democracy in constitution means nothing else but the constitution of a system of links and forms from the group up — from individuals, their basic territorial, work and functional communities to all other links of higher degree of generality and complexity. This, essentially, is nothing else but a natural and logical building up of the forms of social organizations from the foundation, from elementary forms towards more complex ones, each successively more complex from having its roots in the less complex form directly preceding it. Thus the entire relationship and meaning of organizational forms is completely changed. The organizational forms are not imposed on people from above; higher forms of organization are not a source of the autonomy of lower forms. Instead, people first create the organizational forms and types of links which suit them most at the primary level of territorial, work and other forms of community. To carry out the necessary interconnection and coordination of needs and activities at the next more general degree they delegate their representatives who represent the protagonists of their collective will and *interests crystallized as common at this level of the community*. The same principle and relationship is retained in the constitution of all succeeding increasingly complex levels of community. Thus, the impact exerted by citizens and producers, as the basic subjects of the community, are transferred and carried through all these forms, while executive and specialized bodies serve only as the technical protagonists of decisions.

It is essential to note that only through such a totally integral system of self-management organization, constituted by the democratic establishment

⁵ If we observe the horizontal and vertical axes of the society we shall find a whole series of forms of linkage. For instance, in Yugoslav society, along the vertical axis we find the local community as the first degree of territorial linkage, the commune as the second, the republic region as the third. In the horizontal plane we have at the level of communities of the same degree (for instance, at the level of the commune) communities or organizations engaged in production, education, health-protection, etc. They are linked in the organizational sense as well, but are, apart from these organizational links, mutually conditioned.

of basic forms and the derivation of complex forms from those basic ones, do producers and citizens acquire realistic opportunities to organize their control over the totality of the social area and its movement, and accordingly, of the total results of their work as well. In fact, the system of self-management organization conceived and practically derived in this way constitutes the only possible form for their conscious association. In any other case their influence would remain a partial, atomized effort to establish control over one part of the social area and a fragment of the process. The establishment of links and the totality of movement would develop independently from them but would again return to them as a determining factor of the degree, type and character of self-management they would have as a work or territorial group at that narrower sphere. Self-management of productive and territorial groups which is reduced to and exhausted at one level — mostly primary and unconnected by horizontal and vertical directions reflects hundreds of atoms mutually isolated, with their quantity due to the lack of ties, not able to become a quality — a self-managing organization of society. As a consequence, instead of having a producer and a citizen self-manager in society we have a producer-self-manager in the local community and the commune. It is not necessary to invent such an integral system of organizing a social community but only to create the conditions so that it can develop from the interests of people as social beings. What is, in fact, here involved? Simply the fact that the interests of men who as individuals can only exist in a community, are integral and never exhausted within only one type of community, function or organization. Thus, the interests of producers, either as individuals or as a group in a factory are not exhausted in the production of goods and the creation of income, because they must be trained before they can work, and beyond work they should enjoy leisure, read books, go to movies, listen to music, they likewise have housing, medical and a number of other needs. These are the elements of their integral interest, so the objective of social organization of this community is not and must not be to atomize this interest through its forms. In fact, domination over people is achieved precisely by controlling institutions whose functional task is to satisfy common interests and needs. In this way education, the production of material goods, science and the like are transformed into special interest spheres where the groups working in these spheres attempt to absolutize their interests imposing them on others. Due the lack of an integral system of self-managing organization and interconnection, institutions of political power emerge which, under the pretext of the general interest, try to reconcile all parts of man's broken interest, but in fact, they establish domination over all together. In this way man's integral interest (man as a citizen and producer) is broken up by the forms of social and functional organization, while the producers themselves, their power and influence are atomized. Therefore, the meaning and goal of self-management is not to establish a social organization which would break up this interest. It should be an organization which will constitute itself as an integral organization *deriving its integrity from the integrity of interest of man as a social being.*

Such a type of social organization essentially changes the *meaning and goal of participation*. Participation here appears as something which may be assumed — as the air filling the area in which common life is developing. The *forms of participation are not of primary concern because there is no need to invent and prescribe them in advance.* They come into existence as a natural

consequence of the establishment of links within a self-managing organization. It is logical to assume that at any level or sphere of free, self-managing interconnection, the forms of participation, will emerge which are most adequate to it, that is, *the forms most-suitable to the type of links established from the aspects of possibility of participation, communication, acquiring information and achieving the necessary degree of influence in particular*. We must mention here that influence is the central point of participation, for if participation does not give man any definite influence over the decision-making process in the community then participation is meaningless.

As far as forms of participation are concerned, it is assumed that *direct forms would prevail in the communities of basic type*, while indirect forms would be more significant in those more-complex degrees of organizational linkage. It is necessary to mention here that the indirect forms of participation are essentially transformed in the draft model. They are not formed and do not function independently from the direct forms of participation but are derived from them. They are only a technically suitable form through which the subjects extend their influence on all common decisions. Thus all common bodies of indirect type remain under the permanent control of the protagonists of original interests they remain as a function of those real not imaginary common interests.

The corresponding forms of participation will develop together with these forms of self-managing organization. The forms will not be a gift of some higher authority but an expression of the necessity to ensure the corresponding influence at any level of the community. It is unnecessary to invent these forms of participation as well as the forms of self-managing organization; they should develop on the basis of definite social reality.

In order to avoid possible misunderstandings it must be said that such a model of integral self-managing organization with adequate forms of participation is still not found in our society, neither as a theoretical concept not as an experimental attempt to carry out theory in practice. In Yugoslavia self-management is conceived and particularly established in practice as a subsystem which covers the individual narrower spheres of the social sector and social activity, but here, too, it does not emerge as an integral subsystem of the definite sphere (for instance, the sphere of material production) but as a form of an enterprise's, work or a functional group's autonomy, without interconnecting these groups as protagonists of concrete productive roles. The same applies to territorial communities where self-management emerges as a type of their autonomy.

Another characteristic is that almost all existing forms of self-management are initiated and legalized from above by the state bodies; they do not stem spontaneously from the conditions and needs of common living and work. The same logic applies to the forms of participation. Therefore, when we discuss self-management in Yugoslav society it should be noted that we do not discuss a complete system of self-management as a form of social organization because such a system simply does not exist⁶. It is instead proper

⁶ In our opinion, it is at least inaccurate to use the terms »Yugoslav self-managing society«, »our self-managing socialism«, because those who are not familiar with our system can come to the wrong conclusion that self-managed organization of society as an integral system is meant.

to speak about the forms of self-management which exist in real life, forms such as the self-management of producers in work organizations: citizens' self-management in the commune, local community, and the like. The question of participation is closely related to this; namely, *one cannot speak of participation in general, but only of the forms of participation and the degree and determinants of participation within the framework of the existing forms of self-management.* That is why we consider that it is most appropriate to take the commune as one of the segments of the society within which certain forms of self-management are being carried out and then discuss participation within this segment. We put accent on finding and analyzing the determinants which cause this participation to be more or less massive, more or less effective.

THE BASIC DETERMINANTS OF CITIZENS' PARTICIPATION IN THE DECISION-MAKING PROCESS IN THE COMMUNE

The commune is a community of a territorial type within which a number of forms of self-management exist.⁷ As has been said, these forms have not emerged spontaneously. The basic principles have most often been provided by the Constitution and laws, and the concrete forms — sometimes even the very forms of self-management — have then been derived. Also, the organizational scheme has been provided from above. The situation is the same with regard to the forms of participation because they too have been initiated from above so as to correspond to the forms of self-management.⁸

One should seek justification for such an inauguration of self-management from above in the wish to impose it as a progressive idea and a form of social organization without leaving anything to chance. This is certainly a sort of historical necessity because we see from all of history that significant revolutionary changes in society cannot be carried out without a certain amount of coercion. Critical remarks and even refutations can be addressed to the way in which self-management has been conceived and introduced in the whole of society and in individual segments. These objections are as follows:

First, the idea of self-management has not been sufficiently developed as a theoretical concept of an integral organization of society which takes into account the Yugoslav cultural historical reality with all its characteristics. Namely, the concept which leads from theory towards reality must maximally take into account this reality as the social-economic basis on which self-management is to develop. Only after this can, one approach without greater risk, the introduction of the individual forms of self-management as the actuation of the concept's parts.

Instead, and this is our *second* objection, the approach has been to prescribe the forms of self-management in the individual spheres (production, commune, social services and the like). This has involved two dangers which have become apparent in practice. First, these forms of self-management have not constituted the segments of a whole — of a concept which would thus

⁷ Within the commune there is self-management by producers in various work organizations, citizens' self-management, self-management by users of services and the like.

⁸ It is true that a number of forms of participation as far as the commune is concerned, emerged before the introduction of self-management. They were only adapted through the introduction of self-management. This particularly applies to voters' meetings as the most massive and most regular form of direct participation by citizens in the decision-making process.

function in practice.⁹ These forms have involved the idea of self-management but each of these forms, at the moment of practical introduction became a separate concept which tended to atomize the integration of society and the integration of man's social interest. The second danger from prescribing self-managing forms from above, has appeared as a restriction, as a cliché. It could not be encompassed by such a cliché without being simultaneously restricted; at other points it was less developed so that there was nothing with which to fill out the cliché so that it was more of a form without content. In any case, as far as the commune is concerned, a monotype model of self-management and the forms of participation prescribed from above could not cover the entire range of conditions and specificities of the commune.¹⁰ The communes would thus be limited to developing the forms of self-management and the corresponding forms of participation from their own conditions, to adjust them to their possibilities, needs and specificities. Of course, this would not eliminate all need for determining basic principles of self-managing organization which every commune could apply in correspondence to its own condition. There must be the possibility to achieve the necessary minimum in the unity of social organization, but the possibility must also be created so that forms of self-management and participation may be derived from the specific social foundations of each commune. The current constitutional reform has largely respected this demand, so that the commune will have far greater possibilities to create its own forms of self-management and participation. This is what will be, and as far as all that has been so far is concerned, we are obliged to state that the regulations of the broader socio-political communities have appeared as the *primary determinant of the forms of the participation in the commune*. More precisely, we find in the commune those indirect and direct forms of participation which have been provided by the Constitution and the laws, while the number of those which spontaneously developed apart from these regulations are very small. Thus Article 71 of the Constitution reads: »Citizens achieve self-management *directly at voters' meetings*, by means of a referendum or by other forms of direct self-management in a work organization and other self-managing organizations as well as representative bodies of socio-political communities«. This paragraph of the Federal Constitution has been introduced in the republican constitutions so that the forms of citizens' participation in the commune have been precisely determined. These forms have been transferred from the republican constitutions to the statutes of the communes. However, apart of these official forms there are many other forms of citizens' participation through social, political, professional and other organizations. Determination by regulations of the broader communities is not limited to these forms; there is also the compositional aspect. Namely, the republican constitutions and other regulations have designated questions which cannot be solved by decisions in the commune without being presented beforehand to citizens at voters' meetings. Thus decisions cannot be made on a commune's social plan, budget or urban plan before they are submitted for

⁹ It is sufficient to note that even today there is controversy whether it is more adequate to have a model based on the productive-functional principle or on the territorial principle. Both are applied in practice.

¹⁰ To illustrate this position it is sufficient to mention that the 500 Yugoslav communes range in size from those covering 50 sq. km to those covering 1,200 sq. km, from those having 5,000 population to those having over 300,000 population, from those having 9 to those having 120 settlements, from those having less than 1,000 dinars per capita income to those where per capita income approaches 30,000 dinars, from those entirely rural to those entirely urban.

discussion at voters' meetings. In fact, the intention is that all bodies in the commune be obliged to maintain a certain definite minimum of direct inclusion of citizens in the decision-making process. We must say that the investigations we have carried out show that even these obligatory forms have often been reduced to mere formality in practice. However, the basic objection to such a determination of the forms of participation is that even *normatively they are prevailingly conceived as consultative-informative form* and very little as a form through which citizens can decide given questions. An exception in this respect is the referendum, which most often is used in our practice to introduce self-contributions, and only exceptionally is used as a form of decision-making by citizens on some programme.

Thorough analysis of the normative model of participation thus leads us to the conclusion that it is very rich in forms of participation but very lacking in possibilities for exerting *influence* on decisions.

We have thereby come to the *third determinant* — that many forms of participation are conceived as a normative model as participation without influence. It seems as if participation is here assumed as a goal in itself, not as a mean and form for including people in the process of decision-making.

The abstention of citizens from participation in such forms of participation clearly shows that they do not accept empty forms but value participation according to the extent of influence they can exert on decisions through participation.

However, beyond the normative model, within the very social reality of the commune, there are a series of factors which determine participation.

In exploring the reasons for non-participation at voters' meetings we have discovered that there are many but the most important ones are as follows:

— *Disbelief* that this participation can significantly affect decisions. This disbelief is based on citizens' experience because it was clearly seen that the conclusions reached at voters' meetings, and the attitudes expressed there were disregarded by the assembly of the commune, its councils and other bodies. Such a behaviour and the tendency of local leadership to ignore the conclusions reached at voters' meetings is in a sharp contrast to their view with regard to citizens' participation. Namely, the majority of local leaders consider that it is necessary even indispensable to make it possible for citizens to participate in dealing with the largest possible number of questions which should be regulated by decisions.¹¹

— Another cause of citizens' abstaining from participation is the *lack of information* of citizens about events in the commune as well as about facts relevant to a particular case of decision-making. Due to this, many citizens who otherwise might wish to participate do not attend for the simple reason that they do not want to be the only ones present who do not effectively take part in discussions. The lack of information of citizens is also a determinant with regard to the character and intensity of participation. Namely, insufficiently, inadequately and even wrongly-informed citizens cannot participate with the same intensity as they could if they were well informed. Such because, lacking information, they are forced to declare themselves for proposed alternatives for which they themselves have little to contribute.

¹¹ See: Radivoje Marinković: »Ko odlučuje u Komuni« (Who Decides in the Commune), Institute of Social Sciences, Belgrade, 1971, p. 294.

— The third determinant of massive and intensive participation is *education*, i. e. general education and particularly political education or political culture. The investigation results show clearly that citizens without educational attainment or primary school qualifications cannot successfully participate. The reasons are numerous but most often they do not take part either because they do not understand the significance of such participation, they are slow to reject old and accept new values, or they objectively cannot incorporate themselves in the present forms of participation because these forms are too complex to be grasped.

Political education or political culture is of particular significance for the participation of citizens in the process of decision-making in the commune. This kind of education involves knowledge of the majority of democratic and self-managing forms through which one can participate and exert influence on decisions. Investigations have shown that a large percentage of the citizens lack such knowledge. Moreover, the percentage of citizens who do not know how to oppose improper decision-making in the commune is high.¹³ We can hardly expect that citizens who do not have a minimum of knowledge about the forms through which they can incorporate themselves in the decision-making process will be able to participate for how can they incorporate themselves in some form of participation if they do not know that the form even exists.

Bearing in mind what we have just mentioned, irrespective of the normative and actual possibilities, *the insufficient knowledge of people restricts their participation. Self-management as a completely open but modern system of social organization cannot be achieved without massive and intensive participation by the people and massive and intensive participation cannot be achieved in a primitive environment. A developed environment and developed individuals are necessary for massive and intensive participation.*¹⁴

We have come to this conclusion through our investigations which revealed that the smallest degree of democracy in the process of decision-making was recorded in the communes of rural type where the illiteracy rate of the population is high.

The system of communication and information emerges as one of a whole range of objective factors which *determine* citizens' participation in the commune. Namely, even in communes where all other conditions for successful participation exist, it is not achieved precisely because there is a lack of an adequate system of communication and information. This inadequacy manifests itself in the fact that the system of communication and information is not compatible with the decision-making model. Namely, democratic patterns of decision-making cannot be assumed without a system of communication which transmits all relevant information to the most distant points. In order to achieve massive and intensive participation, information must be complete, true, adequate to the environment to which it is intended, and prompt.

Besides this, this system of communication must be capable not only of transmitting information in one direction but also of receiving messages, reacting and compiling new data and transmitting them out again. Our investigations have shown that the most significant shortcoming of the system of communication and information in the commune is precisely its singularity of direction. It transmits information from local bodies to citizens but not vice

¹³ See: Pavle Novosel: »Politička kultura u SRH«. (Political Culture in Croatia).

¹⁴ When speaking of participation we do not refer to participation by individuals or groups in the forms of common life in the commune but willing, conscious and value-motivated participation by individuals and groups. The essence of self-management and its historical significance is precisely to carry out the socialization of politics by developing such personalities and incorporating them in the decision-making process and management of everything that is common.

versa. In addition to this, the information is incomplete, not prompt and inadequate to the degree of people's knowledge, or their ability to receive such information.

Thus, this democratically conceived model of decision-making in the commune lacks massive and intensive participation due to the fact that the system of communication and information has not attained an equal or at least nearly equal degree of development and democratization. The meaning of informing people is to mediate in raising the general level of knowledge in the commune and to distribute this knowledge among the members of the commune in as democratic way as possible.

Another significant determinant of massive and intensive participation in the commune is the *distribution of social power*. Our investigations have shown that the most favourable conditions for massive and effective participation are in communes where social power is distributed democratically, while communes where select economic and political groups hold the greatest quantum of power in their hands lack favourable conditions for developing massive participation. Even if such participation has occurred it has remained without results because the outcome of decision-making has always resulted from the decisive influence exerted by groups having power in their hands. The non-democratic distributing of power has occurred in underdeveloped communes where groups of local leaders have concentrated all power in their hands — the oligarchic type. However, non-democratic distribution of power has also occurred in communes which are singularly or unevenly developed. Namely, in communes where there is one large economic enterprise while other branches are undeveloped the greatest power is concentrated in the hands of the margin. In such communes, even if participation by other groups exists, it remains without adequate effect. This is one of the interesting examples of the transformation of economic power into political power.

There are a whole range of more or less significant factors which condition the extent and degree of participation, but we have endeavoured to draw attention to the most characteristic ones.

Finally I deem it necessary once more to emphasize that the goal of self-management is not participation which represents only a performance in massive political scenes but a conscious, motivated participation whose ultimate result is the *i m p a c t* on social decisions.



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THE ECONOMICS OF ORGANIZATIONAL IDEOLOGY: THE PROBLEM OF COMPLIANCE STRUCTURES IN WORKERS' MANAGEMENT

In the long run one of the enduring consequences of workers' management may be the legitimation of inherently repressive industrial authority structures and the effective reinstatement of the political innocence of forces of production (Habermas, 1970 : 89).¹ This important potential development is likely to derive from several interrelated theoretical and practical sources. First, a basically economic approach to social theory — as distinguished from economic theory and analysis — has tended to guide empirical research and social policy in countries professed to various forms of workers' participation. Economic approaches to social theory rest on assumptions the sociocultural organizations may be treated within the same frameworks as economic organizations and implicit premises that economic values are preeminent and thus lie beyond the scope of critical inquiry. Social policy rests on a corollary assumption: economic organizations may be easily reformed or redesigned in accordance with sociocultural goals through the introduction of principles of representation characteristic of political systems.² Second, social theory and social policy have proceeded from a commitment to the proposition that economic and sociocultural goals may be realized concurrently, without substantial modifications of organizational compliance structures. This proposition, often treated as a confirmed hypothesis, derives from functionalist premises that multiple goals and compliance structures contribute cumulatively to organizational effectiveness, adaptation and integration. Lastly, one finds a distinct tendency within theoretical and applied research to neglect conflict and tension in at least three spheres. Conflicts between workers and managers are often neglected, while tensions and

¹ Habermas (1970) uses the phrase «the political innocence of the forces of production» in reference to views expressed by Herbert Marcuse (*One Dimensional Man*, 1964) that technology and science are neutral instruments that may be employed for progressive ends if guided by new institutions and values. Habermas also proposes (ibid.) that concepts of work and interaction replace those of forces of production and relations of production. In this essay Habermas is concerned with conflicts and adjustments between types of «rationality» (purposive-rational action and symbolic interaction), which parallel spheres or elements of organized activity in economic enterprises. Such conflicts and adjustments, of central concern to organization theory, are discussed below.

² Ideas underlying the critical treatment of mechanisms for political representation in worker managed organizations have benefited from discussions with Frederick C. Thayer of the University of Pittsburgh, including an opportunity to review early drafts of his book: *An End to Hierarchy and Competition: Organizing the Politics and Economics of Survival* (New York: Franklin Watts, forthcoming). The central thesis of the book is that theories of political representation and systems of electoral politics are fundamentally deficient because they have been derived from organization theories which are inherently repressive. This thesis, which must be qualified at several points (e.g. in terms of existing knowledge about social stratification), is implicitly advanced by Hirschman (1970) in terms of his analysis of the politically repressive consequences of firm competition. Rosenstein (1969) argues a similar thesis in reference to workers' participation in Israel, Yugoslavia and England.

inconsistencies between types of organizational goals and compliance structures has received almost no explicit attention at all.³

In socialist and non-socialist systems alike social theory and social policy have failed to address systematically conflicts and tensions between goals and compliance structures within organizations whose primary aim as economic units has been the production of goods and services, their exchange, and the manipulation of monetary policies (Etzioni, 1961b : 134). For the most part theory and applied research has not begun to understand and resolve conflicts between economic and sociocultural goals, utilitarian and normative modes of compliance, rational and nonrational elements of economic activity, and different systems of rationality. One requisite of a viable system of workers' management would appear to be the expansion of »institutional rationality« — as distinguished from systems of »purposive-rational action« characteristic of modern economic enterprises and other formal organizations — which involves a removal of restrictions on social communication, decreasing repressiveness, and the creation of conditions for »further emancipation and progressive individualism.« (Habermas, 1970 : 119)

The performance of various systems of workers' management and industrial participation has been disappointing nearly everywhere (Derber, 1970; Strauss and Rosenstein, 1970). While research on workers' management in Yugoslavia (Rus, 1970; Kavčič, Rus, and Tannenbaum, 1971; Adizes, 1971) tends to support neo-human relations theories of participative management developed in North America, most of these approaches are based on a predominant concern with organizational control and the manipulation of instruments and symbols for purposes of obtaining worker identification, loyalty and commitment (Katz and Kahn, 1966; Likert, 1961, 1967; Tannenbaum, 1968). Self-managed socialism, when evaluated in terms of original goals of individual creativity and emancipation, has experienced considerable goal-displacement (Supek, 1971a; Popov, 1971). The argument of this paper — which rests on the assumption that the achievement of sociocultural goals of workers' management remains an objective possibility — is that such difficulties may be traced to shortcomings of social science and social policy as these have been applied to the description, construction and evaluation of systems of worker participation. (1) Theoretical and applied social science in socialist and non-socialist systems (but particularly the latter) has been based on a number of assumptions and values which as yet have not received critical examination. Social science, like other human activities, may be subjected to criticism as an ideology and treated in terms of its ideals, the interests by which it is motivated, and its assumptions, postulates and total view of social reality (Radnitzky, 1970 : XII—XIV, II, 131—39). As fields of empirical social science, organization and administration theory are particularly prone to market pressures and social sanctions, the latter of which

³ Recent contributions by Ward (1967), Futobtn and Pejovich (1970), and Moore (1972) treat conflicts between managers and workers in the form of relationships between investment and wage payments, the latter of which constrain managerial utility functions. Adizes (1971: 116—24, 247—48) analyzes conflict within worker managed enterprises, but from a psychological point of view as applied to deviant behavior of managers and workers in »horizontal« organizations. While value conflicts have been analyzed at a general level in recent works on socialist systems (Andors, 1971; Schurmann, 1971; Bernardo, 1971; Fleron and Fleron, 1972), there are few studies of organizational conflict in socialist enterprises which treat relationships between effectiveness, control and compliance (Etzioni, 1961a; 1961b; 1965). One reason may be that latter works are qualified by the claim that the framework and findings are applicable solely or primarily to Western societies. For a brief analysis of goal-compliance structures in China see Eckstein (1970: 489—91).

assume the form of enforced instrumental values of logical empiricism. Empirical social theory, while obviously different from political ideologies in form, content and grounds of legitimation, may nevertheless be subjected to analysis as an ideology. Organization and administration theory, irrespective of doctrinal sources and societal origin, seem particularly inclined toward the assimilation of economistic and econological approaches to social organization (Fleron and Fleron, 1972; Mason, 1972). (2) Systems of workers' management which have enjoyed comparatively favorable conditions for the realization of sociocultural goals in industrial settings — including Israel and Yugoslavia, which constitute somewhat special cases — have suffered from a comparative lack of recognition of conflicts and tensions that accompany efforts to pursue economic aims while, concurrently and within essentially unmodified industrial settings, they seek to achieve sociocultural goals and values. These conflicts and tensions may be subsumed under the heading of problems of dual compliance structures (Etzioni, 1961a: 55—6, 80—88). (3) Unresolved problems associate with dual compliance structures persist and may become more acute. While these problems derive in part from properties of organizational ideologies consciously or inadvertently held by social scientists, managers, and public officials, they are also a result of deficiencies inherent in relationships between social theory and social policy. Existing knowledge has not been applied effectively to the purposeful creation of systems of organization committed to stated sociocultural goals and values of workers' management. Future developments in relationships between social science and social policy are likely to focus on the construction of theories of organizational choice (Trist, et. al., 1963) in which structural, behavioral and normative approaches are employed simultaneously. With respects to normative approaches it is likely that economic analysis will play an increasingly critical role, given the relatively greater importance of scarcity in organizations which may deem it necessary to sacrifice material benefits for the effective realization of sociocultural goals (Boulding, 1971). Entrepreneurship may come to be defined in predominately sociocultural terms for purposes of normative as well as behavioral theory (Barth, 1963; Feldman, 1969). Various approaches to organizational choice may be grouped under the heading of problems of planned organizational change (Lippit, et. al., 1958; Jones, 1969).

Several qualifications should be introduced at this point. The purposes of this paper do not include formal criticism of the type which begins by making assumptions about the improbability or unreality of professed goals of social organization, subsequently proceeding to demonstrate with selected empirical references that a system is less than perfect. While references are made to empirical research on self-management in Yugoslavia and elsewhere, this is a theoretical paper based on research completed by others. This paper has no pretensions to introduce confirmed empirical generalizations about a highly diverse and complex system of workers' management affected by different cultural patterns, economic and political conditions, and attitudes toward work. Second, the main purpose of this paper is normative — it focuses on problems associated with the interpretation of organizational life, as well as alternative modes for the analysis and pursuit of organizational objectives. In this context I take as axiomatic the proposition that the responsibility of the social scientist extends beyond conventional methodolo-

gical categories of description, explanation and prediction of organizational continuities and change. An essential element of social theory is the critical examination of all values, including social science itself, so as to consider alternative organizational states and the »objective possibilities« which inhere within social systems (Weber, 1964: 173—74). Objective possibilities are »conjectures the cogency of which can be demonstrated by positive and controllable knowledge of events . . . by means of this category one can judge the adequacy of his imagination to reality.« (Ramos, 1970 : 29). Consideration of the objective possibilities of organizational change cannot exclude empirical social theory and research; nor can empirical theory stand without being subjected to philosophical criticism. In the absence of efforts to integrate empirical and critical social theory we are left with residuals of historicism, including the kinds of narrow empiricism which Pateman (1970) among others has rightly associated with the conventional wisdom of contemporary theories of participation and industrial democracy. Social science, an eminently practical activity, describes, explains and changes social reality.

WORKERS' MANAGEMENT AND ORGANIZATIONAL IDEOLOGY: SOCIALISM AS HUMAN RELATIONS

Ideology refers to ideas of individuals and classes, groups, and organizations (Bendix, 1956, 1964). Individual, class and group ideologies manifest varying degrees of coherence, while organizational ideologies express »systematic sets of ideas with action consequences serving the purpose of creating and using organization.« (Schurmann, 1971 : 18). Ideology may be treated as one factor governing organizational effectiveness and increasing the »probability of achieving both organizational and societal goals«. (Arian and Press, 1966 : 9) Organizational ideologies are closely related to stages of economic development and industrialization (Bendix, 1956). Historically, entrepreneurial ideologies have preceded ideas set forth to justify managerial control, while values embodied in both entrepreneurial and managerial ideologies differ according to the degree of autonomy enjoyed by entrepreneurs and managers with respect to government regulation. It has been argued (Eckstein, 1970) that the relative potency and content of socialist ideology changes with higher stages of economic development and levels of technology. Moral incentives and votive modes of organizational compliance give way to material incentives and utilitarianism in the process of societal modernization. For the moment we shall make no effort to compare ideologies of managers, workers, and political authority, from authoritarianism to direct democracy (Scott and Hart, 1971).

Workers' management, as originally proposed and elaborated within the socialist tradition, is not merely an ideology of management employed to legitimize managerial in industrial organizations. Workers' management thus differs in major respects from managerial ideologies developed elsewhere. Distinguishing characteristics include a commitment to workers' control, as compared with joint-consultation and joint-decision making models (Strauss and Rosenstein, 1970: 204—05), efforts to develop a comprehensive system of worker representation within organizations of all types, and a commitment to humanistic values of individual creativity and dealienation (Korać, 1966; Marković, 1966; Petrović, 1967).

Theoretical foundations and doctrinal sources of worker-managed socialism are well known and have been documented in a number of general works on the subject (Neal and Hoffman, 1962; Dorđević, 1965; Milenković, 1971). It is nevertheless important to review major ideal-typical characteristics of workers' management (Županov, 1964; Supek, 1971b).⁴

(1) Centralized state bureaucracy is the chief obstacle to efficient allocation of resources, the latter of which may be achieved by decentralization and direct management of economic enterprises. Direct management and decentralization presuppose enterprise autonomy, depoliticization of economic decision-making, market relations and the abolition of central production and investment planning. (2) Worker-managed organizations have both economic and sociocultural aims, including the realization of the right of self-management and the universal development of human creative abilities. Accordingly, workers' management embodies both »rational« and »natural« forms of social organization. (3) The structure of organizational roles is based on the principle of polyfunctionality, according to which individuals perform roles as workers, electors, representatives and managers. Self-management, a »postbureaucratic« organizational form, abolishes classical distinctions between manual and intellectual labor. (4) Polyfunctional role relationships between workers and managers appear at all levels of organizational hierarchy, creating conditions for social conflict. Organizational-functional units interact horizontally, as distinguished from vertical interactions characteristic of other elements of worker-managed organization. (5) Representative roles are interchangeable, with legislative functions performed by individuals previously engaged in manual, intellectual and managerial activities. The system of representation within worker managed bodies represents a modification of classical distinctions between executive and legislative power. (6) Informal authority relationships and primary group interaction characterize self-managed organizations and tend to perform an integrative function which facilitates commitment to organizational goals. (7) There tends to be a relatively uniform division of social power between socio-professional and socio-economic groups, encouraging demands for equality of representation among all categories of workers and introducing heterogeneity among organizational-functional groups.

Stated goals and values of workers' management may be compared and contrasted with organizational ideologies developed elsewhere. Workers' management seeks concurrently to pursue economic and sociocultural goals, focusing on the emancipation of the individual worker, the development of social community, and the performance of conventional functions of production and exchange. Individual, organizational and societal goals are pursued concurrently, a fundamentally different approach to organizational design as compared with traditions of scientific management in the North Atlantic (Taylor, Fayol) and more recently in the Soviet Union (Afanasyev, 1971). Scientific management neither addresses problems of the individual nor explicitly treats relationships between organizations and society. Attention to informal authority relationships and primary group interaction introduces limited parallels with human relations approaches of Mayo, Warner, Arens-

⁴ The problem of generalizing formal characteristics of self-management is formidable, if only because it is difficult to interpret the immense literature on the subject. Denitch (1971) notes that over 300 works on self-management had been published by 1970. Under such circumstances it is useful if not essential to construct ideal types.

berg and others. The role of the individual in industrial organization is nevertheless not instrumental, merely; the individual is also an end. Workers' management within the socialist tradition was formulated on behalf of workers, and not merely as a means to assist managers in legitimizing hierarchical authority relations, obtaining worker identification and commitment, and achieving greater organizational effectiveness and control.

Workers' management, designed in part as a contrast to orthodox socialist political economy, differs markedly from industrial ideology in the Soviet Union, where a preoccupation with economic goals has not facilitated a concern with the status and role of the individual in organization. Social theory itself has played an important role in the subordination of the individual to modern organizations. Administrative theory as developed by social scientists in the North Atlantic is inherently repressive. Its utilization in socialist countries «as a set of techniques for ordering human relationships has had a subversive effect on the communist goal of creating a more humanized society.» (Fleron and Fleron, 1972) The development of workers' management is nevertheless the only comprehensive effort within or outside the socialist world to address explicitly the problems of organizational repression and individual alienation. Original goals and values of worker-managed socialism represent a special case among all major ideologies of organization.

Evidence accumulated in recent years suggests that workers' management, workers' control and other systems of workers participation are gradually being eroded, both as organizational ideologies and forms of social organization (Derber, 1970; Strauss and Rosenstein, 1970; Supek, 1971a). Conflicting conceptions of self-managed socialism have been documented (Pašić, 1968), each of which represents a particular set of ideas concerning organization. A basic difference between conflicting ideas of workers' management derives from commitments to self-management as a means, or an end; a key issue is whether sociocultural goals or economic ones ought to serve as the chief or sole aim of worker managed bodies. Various ideological groups, separated in one way or another over issues of ends and means (Milenkovitch, 1971: 281—88), may be classified according to their ideas on organization: (1) Managers and government officials committed to conventional aims of economic organization (production, exchange, economic efficiency) and concerned primarily with the legitimation of managerial authority and control; (2) political leaders and selected economists committed to development planning and an organizational ideology of administrative management — in effect an ideology of industrialization through government control; and (3) groups professing neither an industrial nor managerial ideology, but one which focuses on humanistic ideals of individual creativity and emancipation within organizations. The latter groups, which include professional intellectuals, students and workers, may also be found in other countries in which workers' management an participation in various forms have been entertained seriously in recent years.

The analysis of relationships between ideological groups and organizational change is beyond the scope of this paper.⁵ Nevertheless it is apparent

⁵ An effort has been made elsewhere (Dunn, 1972a, 1972b) to analyze relationships between ideology and organizational change, using a group classification scheme which includes: (1) official (establishment) groups; (2) liberal socialists; (3) conservative socialists; and (4) socialist humanists. Milenkovitch (1970; 280—88) develops a similar classification.

that changes in workers' management — both as a system of social organization and as an increasingly fragmented organizational ideology — involve basic conflicts between economic and sociocultural goals and utilitarian and normative compliance structures. Self-managed socialism, together with orthodox socialist organization theory, has encountered serious problems in seeking to realize more humanized industrial organizations. This can be attributed in large measure to the fact that workers' management, like human relations, is based on an undifferentiated or unidimensional ideology of dual compliance. Until problems and complexities of dual compliance are more fully understood workers' management will likely face future conflicts and tensions, most of which to date have been resolved in favor of advocates of managerial ideology. In practice economic organizations have tended to reduce tension between conflicting goal-compliance structures by developing more congruent structures in which economic goals and utilitarian compliance modes predominate. Recent comparative research on organizational compliance suggests that congruent goal-compliance structures have been inherently effective (Jones, 1969), corroborating original hypotheses that effectiveness is a central explanatory variable of organizational change (Etzioni, 1961a).⁶ Practical and theoretical implications of dual-compliance structures in socialist systems help to explain the paradox that »an idea made prominent in the nineteenth century by social critics has become embodied — though with substantial modifications — in modern managerial ideology.« (Strauss and Rosenstein, 1970: 201) Conversely, it is difficult to avoid the conclusion that contemporary forms of workers' management increasingly resemble one more approach to human relations.

THE ECONOMICS OF ORGANIZATIONAL IDEOLOGY: THE PROBLEM OF DUAL COMPLIANCE STRUCTURES

The major problem of workers' management is dual compliance, which itself rests on relationships between sociocultural goals and economic change. In this context several questions may be raised. Is workers' management, as originally conceived, a viable organizational form? Do structural and behavioral characteristics of worker-managed enterprises retard or facilitate economic aims, and in what measure? To what extent will preferred and actual organizational characteristics withstand economic and social change? What is the likelihood of achieving and maintaining humanistic values within worker-managed enterprises? While it is beyond the scope of this paper to treat these questions in any reasonably comprehensive fashion, it appears that answers depend on our capacities: (1) to test the validity of propositions which assert that the realization of sociocultural goals — including the creation, maintenance and propagation of a humanistic organizational culture — contribute to the achievement of economic goals; and, conversely, (2) to exa-

⁶ Data gathered in a research at the University of Pittsburgh earlier this year tends to support originally posited relationships between organizational (in)effectiveness and (in)congruent goal-compliance structures. Content analysis of some 120 cases of organizational change, including worker managed enterprises, yield conclusions that incongruent goal compliance structures tend to result in unsuccessful or dysfunctional changes. Methodology was that of *post facto* comparative research proposed and employed by Jones (1969). There are serious methodological difficulties in using this approach, including imprecision of measurement, inadequate techniques for the analysis of variance, and insufficiently operational concepts. As such conclusions are suggestive.

mine critically propositions which hold that the realization of economic goals through increased control and effectiveness promotes, or at least does not retard, a more humanistic organizational culture.

Prospects for the development of a humanistic organizational culture in worker managed organizations depend on characteristics of compliance structures. The original ideology of workers' management, based on unidimensional views of mutually reinforcing effects of normative and utilitarian compliance modes and moral and calculative behavior, neglects the fact that the incidence and longevity of dual compliance structures is rare and limited (Etzioni, 1961a: 55—6). Dual organizations, including wartime military units and certain types of unions, represent somewhat special cases. In dual organizations two patterns of compliance tend to occur with the same or comparable frequency, as distinguished from the predominance of one compliance mode in other organizations. In single compliance structures deviation from directives and norms is accompanied by an increase in the application of the same type of power (coercive, utilitarian, normative) for purposes of control, while in dual organizations deviation is followed by the exercise of a different type of power, sometimes in an alternating and circular fashion (normative-utilitarian-normative). Dual compliance structures are unstable; values and expectations of organizational effectiveness, subject to various environmental constraints, facilitate the movement of dual organizations toward single compliance structures in which one mode predominates. Moreover, organizations tend to move toward congruent compliance structures which, once established, resist incongruence (*Ibid*: 14). In economic organizations this movement typically assumes the form of dominance of instrumental elites within the organizational hierarchy, a corresponding commitment to economic goals as ultimate foci of organized action, the development of expressive leaders from the ranks of workers, and a tendency for social and psychological strains to emerge in foremen and workers' representatives who are trained or expected to perform both expressive and instrumental roles (*Ibid*: 108—20).

Implications of empirical research on the viability and effectiveness of systems which incorporate dual compliance structures — together with evidence on single compliance structures which are incongruent — suggest possible sources of structural and behavioral conflict in worker-managed organizations. Dualistic properties of worker-managed organizations — including »rational« and »natural« organizational elements and simultaneous commitment to economic and social goals — parallel characteristics of ineffective organizations described elsewhere in terms of value conflict. In research on socialist systems similar patterns have been found in organizations in China (Schurmann, 1971), while conflicts between moral and material incentives in Cuban economic organizations have also been documented (Bernardo, 1971). At a somewhat higher level of abstraction others have described contradictions and tensions between »goal culture« and »transfer culture« in socialist systems (Johnson, 1970). The record of performance in achieving sociocultural goals in industrial setting has not been encouraging, with the possible exception of China and, for a brief time, Cuba (Fleron and Fleron, 1972). Simi-

lar observations may be made with regard to social change in Third World countries.⁷

Considering the findings of theoretical and applied research on compliance structures it is not altogether clear why systems of workers' management and participation, including Yugoslavia, have been employed uncritically as illustrations offered to support argument concerning the prospects for democratization of industrial authority structures and the establishment of a participatory society. Evidence from Yugoslavia, Britain, Israel, Norway and the United States has been offered by a number of observers to support such argument. A recent work by Pateman (1970) summarizes much of the literature on the subject⁸ and attempts to demonstrate the validity of several key propositions among which the following two will concern us here: (1) participation is a stable, cumulative and integrative process; and (2) democratization of authority structures in economic organizations promotes political efficacy, individual security and participation, without adverse consequences for productivity and economic efficiency. Using selected findings on workers' management let us review these propositions.

Participation in self-managed organizations seems neither stable nor cumulative. Participation tends to be integrative, to the extent that worker identification and commitment seems causally related to informal communications between representatives and workers (Kavčič, et. al., 1971; Rus, 1970), but factional: increasingly one finds evidence of organizational stratification and conflict based on differences between workers and management (Tović, 1971; Klein, 1972). That participation lacks stability, or regularity of interactions over time without discontinuities which may interfere with cumulative beneficial consequences, is apparent from worker unrest. Workers engaged in more than 2,000 strikes and some 1,200 work stoppages between 1958 and 1967 (Perko - Šeparović, 1968). The pattern of concentration of strikes and work stoppages suggests that the majority of worker unrest has occurred in the wealthiest and most industrialized areas. Survey research (Bertsch, 1972) suggests that achievement motivation is comparatively high in northern industries, and comparatively low in less economically developed southern republics. Labor productivity is also higher in the north. The association of factors seems clear: efficiency, efficacy, achievement motivation and organizational conflict. A major adaptive response to worker unrest has been the institutionalization of procedures for conflict resolution (legalization of strikes) and the creation of opportunities among workers to exercise more influence on the determination of wages. The mode of organizational

⁷ Theoretical and empirical research on Third World countries reveals similar dualities. Economic anthropology has recently contributed a number of significant studies on conflicting spheres of economic and sociocultural values and their adjustment (Firth, 1967). At least one study (Feldman, 1969) finds that the effects of economic change on newly established organizations in Tanzania are considerably greater than anticipated. The interesting feature of these studies is that they address explicitly the problem of conflict between spheres (Barth, 1967). While the mutual relevance of conventional economic analysis, economic anthropology and organization theory is not well established, it seems clear that the analysis of conflicts inherent within dualistic social systems is important for workers' management. Economic anthropology may have more relevance for the analysis of contemporary socialist systems than has been recognized. It has been argued (Cohen, 1967: 115) that the introduction of market relations into complex socialist societies, involving a process whereby economic and noneconomic spheres are »brought into relation with one another while allowing some autonomy for economic criteria of evaluation«, creates a conception of industrial society which is »nearer to the anthropologist's conception of primitive and peasant societies«. Joy (1967: 34) submits that economic anthropology is relevant for the study of choice and conflict in primitive societies and modern socialist systems.

⁸ Pateman's study summarizes findings by Sturmtal (1964), Blumberg (1968), Kolaja (1965), Goldthorpe et. al., (1968), Trist et. al. (1963), and others.

compliance to decisions is remunerative and non-coercive, with material incentives providing a primary motivating force for changes in organizational behavior, including participation (Jezernik, 1968).

Although there is little evidence to suggest organizational stability and integration in self-managed enterprises, the process of participation might nevertheless be cumulative. The system might promote changes in the direction of overall participation through organizational conflict (the evolutionary notion of »creative friction«). For several reasons such patterns do not appear to be present. The sequence of participation — from lower-level to higher-level participation — is indeterminate and problematic. While overall participation in industrial decision making has increased rapidly, and in some enterprises as high as 40 percent of workers may be members of decision making units at any one time (Adizes, 1971: 36) major production decisions (higher-level participation) seem increasingly to be made by Directors, Staff, and Management Boards (Rus, 1970). Further, many decisions are made prior to meetings of Workers' Councils and legitimized subsequently without change (Golčić, 1970). Adizes (1971) reports a direct relationship between participation and organizational effectiveness: capacity to make and implement decisions fell with increased participation in collective decision making.

Participation in collective decision seems to be negatively related to economic efficiency, casting doubts on the validity of the second proposition. Higher level participation has affected efficiency adversely, one result of which has been organizational adaptation through changes in informal authority structure. Several studies (Jezernik, 1968; Golčić, 1970; Pateman, 1970) suggest that workers are prepared to forego legal rights to higher level participation in exchange for increased wages resulting from managerial expertise and enterprise efficiency (Rus, 1970).⁹ The main issue underlying worker unrest appears to be ineffective management and inadequate communications, not low wages per se, although the two are interdependent.

Democratization of authority structures, while promoting increases in participation in decision affecting labor relations and working conditions (lower-level participation) and complex interactions between functional groups in organizations, does not appear to have facilitated independence, security, and personal efficacy. General worker alienation has been found to exist at significant levels among workers in a representative cross-section of Yugoslav enterprises (Obradović, 1967, 1970). Results also suggest that expectations of promotion is lowest among individuals in mechanized industries, and highest in handicraft industries, that expressed needs for participation are slightly higher among management personnel than among workers, and that the majority of individuals (both managerial and production) in all types of industry are alienated. One implication of research on attitudes toward work and participation is that inefficacy, insecurity and alienation seem to be primarily functions of technology, notwithstanding findings in one study (Rus, 1970) that distribution of desired and actual influence is not related to different levels of mechanization. Changes in formal structure of ownership, in authority structure, and in ideology do not appear

⁹ For contrary evidence see Kolaja (1965) and Riddell (1968). A study by Tanić (1961) suggests decreasing higher level participation in seven factories over a period of ten years (Kolaja, 1965: 23). Pateman (1970: 95) seems to misinterpret Kolaja's report of the Tanić study.

to affect individual attitudes and the conditions for learning to participate as much as the organization of work, the pattern of technology employed, and the types of organizational goals defined internally and by the demands of the environment.

Problems and complexities of workers' management derive from the organization of production and scale of technology employed, but also from changes in the economic and sociocultural environment of industrial organizations. Democratization of industrial authority structures presupposes decentralization of enterprise decision making. Economic competition under conditions of market production nevertheless seems to be one of the chief inducements to specialization and concentration of decision making among Directors, Heads of Departments, and Technical Staff (Farkaš, 1971). Similar patterns have been found in a wide variety of worker-managed systems (Derber, 1970). Greater uncertainty in an increasingly competitive economic environment thus promotes patterns of higher-level participation and tends to encourage withdrawal of workers from specialized decisions affecting productivity and efficiency. Negative relationships between participation and efficiency are complicated by the fact that decentralization of investment and production decisions in industry, a necessary condition for democratization and debureaucratization of the economy, has meant a declining central political capacity to direct the course of economic and social development (Milenkovitch, 1971: 167—87).

Workers' management as an ideology of dual organization is based on an unidimensional view of compliance with neglects conflict and the effects of economic change. Patterns of compliance in worker-managed organizations — as difficult as there are to generalize — seem to conform to »normal« compliance structures in economic organizations elsewhere. In such organizations economic aims are paramount, utilitarian compliance modes predominate, calculative behavior is the norm among managers and workers, and organizational elites and leaders are instrumental in their orientations. At the same time it appears that opportunities for lower level participation may increase worker identification and commitment, possibly enhancing productivity and firm effectiveness (Kavčič, et. al., 1971), although more analysis of economic factors is needed before conclusions may be reached about the effects of limited participation on wages, investment, productivity and profits. The chief contributions of workers' management nevertheless seem to be economic: (1) realization of relatively greater control and effectiveness in economic organizations by means of increased lower level participation; (2) the recruitment of workers from agricultural areas and their adjustment to modern industrial organizations (Rosenstein, 1969), and (3) provision of a forum for conflict resolution (Strauss and Rosenstein, 1970: 198). While workers' management is committed in principle to the realization of dual aims of productivity and exchange, on the one hand, and creation of conditions for humanization of organizational cultures on the other, worker-managed enterprises do not appear to be very different from firms elsewhere.¹⁰

Social theory and social policy has seriously neglected the impact of economic change on sociocultural goals of workers' management, in Yugo-

¹⁰ Rus (1970: 150) notes that the typical distribution of influence in Yugoslav firms, as measured by control graphs, differs little from that of enterprises in the United States.

slavia and elsewhere, one results of which is an inability to compensate for goal displacement and unintended consequences of economic activity. Until we are better able to analyze inconsistencies and trade-offs between economic and sociocultural values in industrial organizations it is difficult to envision the expansion of organizational choice and the development of approaches to planned organizational change. In short, the creation of more humanized organizations depends on the effective use and adaptation of existing modes of analysis, including economics.

ECONOMICS, ENTREPRENEURSHIP AND ORGANIZATIONAL CHOICE

One of the ironies of workers' management is that many of its advocates, supporters, and analysts increasingly manifest or imply a commitment to economic and ecologic social theories; at the same time the implications and potential usefulness of adapted modes of economic analysis for understanding organizational choice are often ignored.¹¹ Enhanced opportunities for organizational choice presuppose the development of approaches to planned change which convert results of social theory and research into meaningful programs of purposeful organizational design. In worker-managed enterprises organizational choice depends heavily on the effective adaptation and application of conventional economic analysis to problems of choosing between various sociocultural and economic alternatives and estimating their consequences. Unfortunately, relationships between sociocultural and economic values have often been conceptualized in mutually exclusive terms, from dichotomous categories set forth in theories of modernization to propositions which tend implicitly to convey the view that normal (congruent) compliance structures are evolutionary universals in economic organizations. Such approaches, which have properties of conservatism and methodological functionalism that have been associated with elitist theories of democracy (Pattman, 1970: 1—21), are derived from an economic paradigm: growth, productivity, economy and efficiency typically constitute values to be optimized, subject to sociocultural costs and constraints. The development of integrated socioeconomic approaches to organizational design may permit the reversal of objectives and constraints, goals and compliance modes, ends and means, facilitating prescriptions of structural and behavioral changes deemed desirable under different conditions. In short, the propagation and maintenance of humanistic organizational cultures may be adopted as a primary organizational aim, subject to material costs and economic constraints.

The adaptation and utilization of economic analysis depends on perceptions of the relevance and implications of economics for social theory and research. In this context let us focus on several methodological considerations necessary for the construction of an outline of a possible socioeconomic approach to worker-managed organizations. Decisional approaches incorpo-

¹¹ Proponents of humanistic approaches to social organization sometimes reject both economic paradigms and economic analysis (Fleron and Fleron, 1972), which seems to rest on the assumption that techniques and social philosophy, while historically interdependent, are necessarily (epistemologically) inseparable. It has been observed (Medow, 1966: 405) that »By separating the concept of an optimal allocation of scarce means from market processes and also from a broader concept of macroeconomic rationality, the use of mathematical methods in economic science has freed the humanistic ideals of the Enlightenment from their long association with the market and has returned them to the political sphere.«

rating behavioral elements have been developed for the analysis of the capitalist firm (Cyert and March, 1963), while theoretical research on labor-managed economics has been available for some time (Horvat, 1964; Ward, 1968; Vanek, 1969; Pejović, 1969). Although the scope of this paper does not include a review of this theoretical literature, it seems clear that its main problem focus has been economic efficiency. Organization theory has been guided by similar concerns, primary among which is organizational effectiveness, defined essentially or ultimately in economic terms. In each case economic values (maximization of profits per worker or firm) and econological ones (managerial control, productivity and effectiveness) serve as the basis for defining utility functions and optimal organizational performance.

Workers' management, based on stated goals which correspond to characteristics of dual organizations, manifests in practice patterns of compliance which vary between congruent utilitarian structures and those in which economic goals and normative modes of compliance operate as a constraint on effectiveness. The conceptualization of the dynamics of compliance — defined in terms of congruence, optimization and effectiveness — seems to pose unnecessarily rigid alternatives. Although this was not the intent of the formulation, which was proposed specifically as an alternative to functionalist-survival models based on concepts of maximization (Etzioni, 1961a: 78—9), (in)effectiveness follows as a direct result of (in)congruence. In contrast to this approach, which is based on or tends toward a somewhat dichotomous view of effectiveness and compliance, it is possible to develop concepts of comparative effectiveness and relative congruence. These may be supplemented with two additional concepts: economic tension and sociocultural entrepreneurship (Barth, 1963; Feldman, 1969).¹² Economic tension may be used as a substitute for perceived (in)effectiveness as a central intervening explanatory variable in explaining change in dual organizations. The adoption of sociocultural entrepreneurship as a concept of social organization frees us from assumptions that managers seek only to maximize commercial profits. Entrepreneurship is a specific aspect of a role in which action involves »a single-minded concentration on the maximization of one type of value«, which may be economic or sociocultural (Barth, 1963). In economic needs, sociocultural values and social stratification:

The occasional need for repudiating relationships points to possible connections between entrepreneurship and factionalism or social stratification. Both these forms of social division imply limitations or discontinuities of obligation and commitment. They are thus social barriers which may give strategic scope to certain kinds of enterprise, and may even be generated by the entrepreneur when the advantages he gains ... outweigh the cost of repudiating the relevant relationships.

(Bart, 1963: 9)

¹² Neither Barth nor Feldman use the term »sociocultural entrepreneur«. Barth (1963: 6) employs the concept of entrepreneurship within a social context, submitting that »it characterizes a certain quality or orientation in this activity which may be present to greater or lesser extent in the different institutionalized roles found in the community ... It is with the factors encouraging and channelling, or inhibiting such activity, that we shall be concerned«. Entrepreneurship may be used for both descriptive and normative purposes.

While we may expect that entrepreneurship will differ according to the type of social organization in which it is exercised, the concept of entrepreneurial activity thus defined opens analysis to the possible reversal of objectives and constraints in worker-managed enterprises.

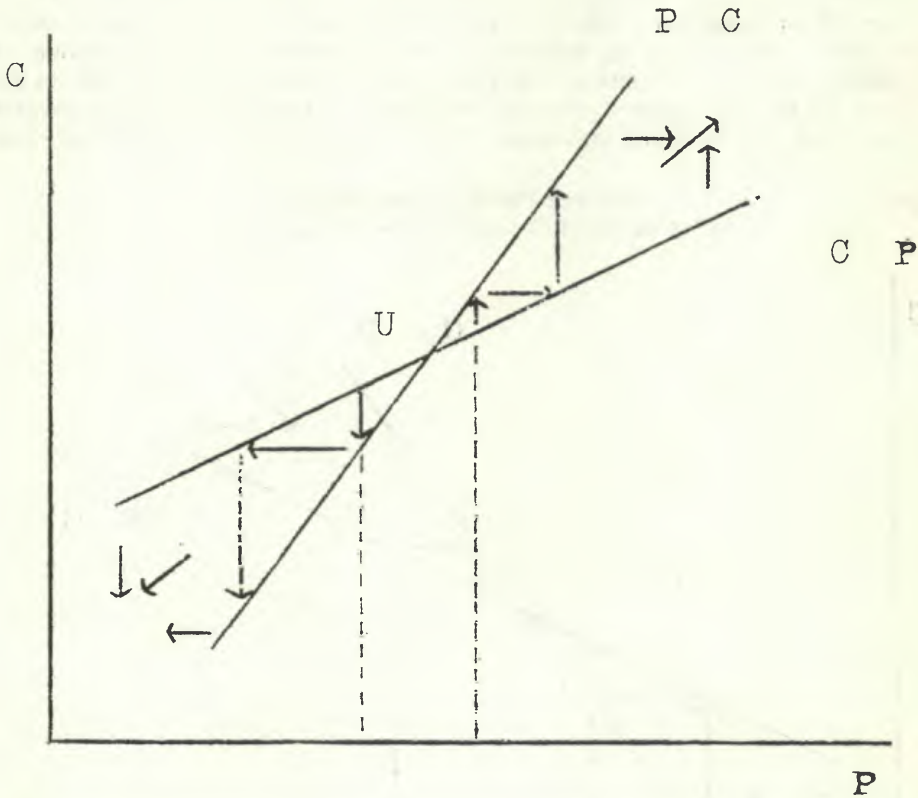
The concept of economic tension is applicable to situations of choice in which the optimization of sociocultural values results in relatively incongruent compliance structures and economic costs. In principle economic tension may be measured according to the material benefits foregone within worker-managed enterprises by the pursuit and observance of sociocultural goals and values, including participation itself. Stated in another way, the opportunity cost value of sociocultural entrepreneurship is equivalent to material benefits foregone (Feldman, 1969: 97). Economic tension tends to promote conflicts of interest in the process of maintaining or adjusting sociocultural values. Processes of adjustment to economic tension typically promote a less homogeneous organization, manifested in the form of functional group interaction, organizational stratification, closure of communications, and alienation of individuals and groups. In systems of workers' participation, irrespective of their doctrinal foundations, economic tension has tended to facilitate a redefinition of organizational goals in more exclusively economic terms and a departure from dual compliance structures. Much of this process of change may be explained in terms of managers who are, in effect, commercial entrepreneurs who concentrate their attention on spheres of sociocultural and economic conflict where discrepancies of evaluation are greatest, limiting the influence of functional groups which seek to assert the predominance of sociocultural values through »politicization« of decision making.

The inclusion of economic tension in approaches to organization theory permits us to avoid the treatment of »external« economic factors such as competition and scarcity as exogenous to systems of workers' management. Accordingly such approaches: (1) are based on the assumption that in dual organizations sociocultural and economic values are properly considered as interdependent and mutually causative; (2) the nature of entrepreneurship in dual organizations differs significantly from similar activities in organizations with single compliance structures, since commercial profit and sociocultural profit may both define aspects of managerial roles; (3) an understanding of values in dual organizations implies knowledge of decisions made, but also of alternatives foregone and the consequences of such choice; (4) the central problem of choice in dual organizations involves decisions about sociocultural and economic alternatives; (5) in principle we can measure economic tension by calculating the direct material opportunity costs of a choice involving sociocultural values; and (6) we can also evaluate, but probably not measure, sociocultural tension by estimating the indirect social costs of a choice involving economic goals and values. (Feldman, 1969: 97) The estimation of indirect social costs is a task for sociology, while the calculation of direct material opportunity costs is the purview of economic analysis. The adaptation of economic analysis and its integration with social theory will facilitate the examination of problems of economics means to social ends (Lowe, 1969; Medow, 1966).

The analysis, design and evaluation of dual organizations can also benefit from the application of general equilibrium models from economics, as-

suming it is possible to devise indices of mutually causative factors associated with sociocultural and economics spheres of activity. In this respect two prevailing approaches to workers' management may be described in terms of equilibrium models. The first approach, which posits the possibility of full participation in organizational decisions at all levels, shares properties of models of unstable equilibrium and cumulative causation described by Kaldor, Swan and Myrdal (Streeten, 1969: 69—77). The full participation model has been set forth in two recent works on participation and industrial democracy (Pateman, 1970; Blumberg, 1968) and is represented by Figure 1.

Figure 1 **Full Participation Model**
(Unstable Equilibrium-Cumulative Causation)

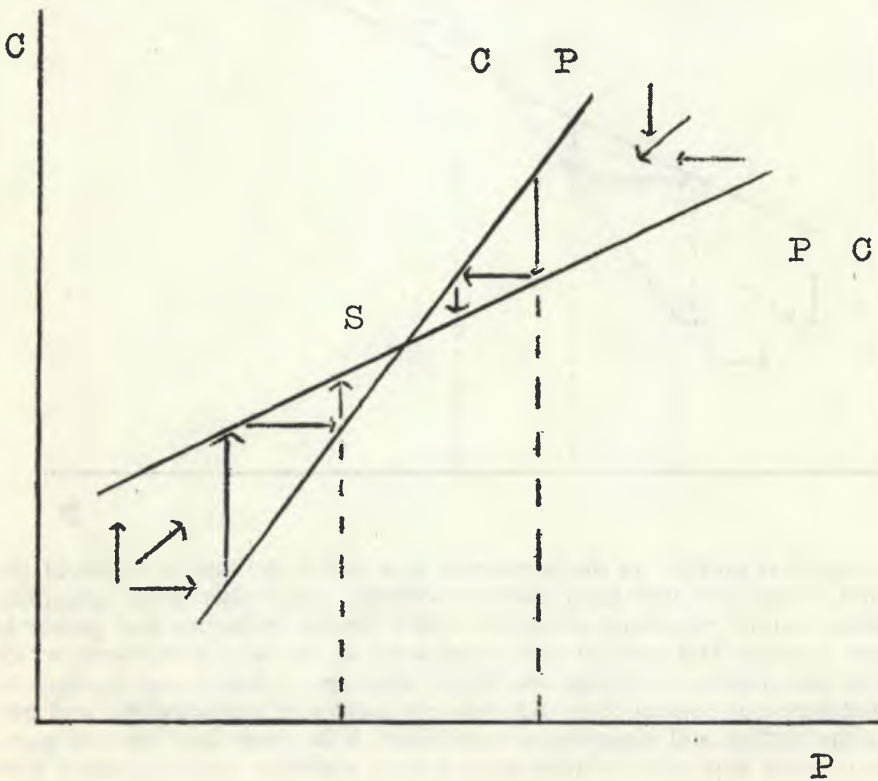


Participation is plotted on the horizontal axis and is defined in terms of the rate and scope of lower level (labor relations) and higher level (planning, marketing, public relations) activities which involve influence and power in decision making. The vertical axis represents an index of conditions which promote and depress participation. While there are fundamental methodological problems in constructing independent indices of participation and participation-creating and -depressing conditions, it is clear that the full participation model expresses relationships among variables which interact with

positive feedback and cumulative causation. The higher the rate of participation, the greater the magnitude of satisfaction and efficacy as participation-creating conditions, and the higher the rate of participation. Lower level participation creates conditions for social learning which prepare workers for higher level participation. The point of intersection U in Figure 1 represents an unstable equilibrium which, given a change in the magnitude of participation or its conditions, may promote a cumulative process of change upwards to full participation.

A limited participation model is represented by Figure 2 and may be illustrated by reference to approaches to participation within the neo-human relations tradition (Adizes, 1971). Here it is assumed that response coefficients have been reduced so as to produce a stable equilibrium at point S notwithstanding the operation of mutual causation within relatively confined ranges. Conditions promoting or depressing participation are less responsive to increases in participation, which in turn is less responsive to participation-promoting and -depressing conditions. An alteration in the magnitude of conditions or of participation will not produce a permanent change in direction. By way illustration, limited increases in participation — e.g. greater consultation with workers on managerial decision, or greater lower level par-

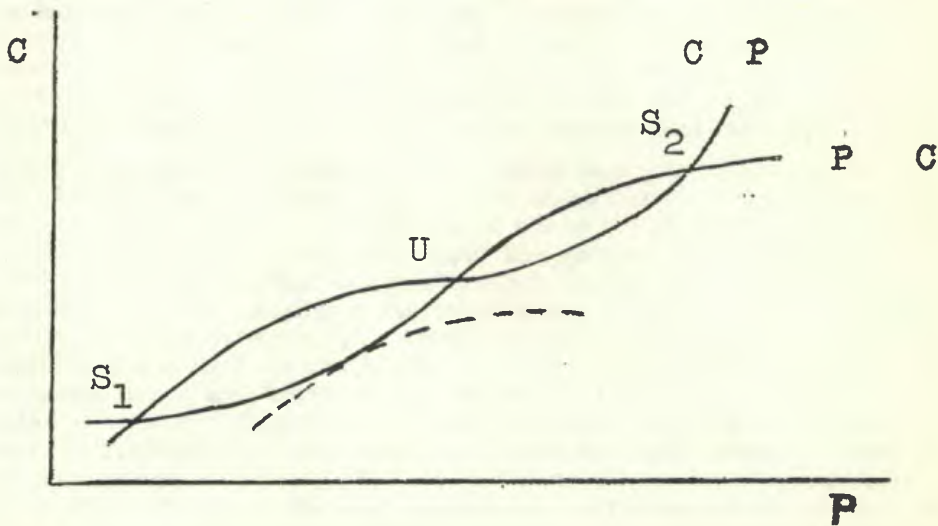
Figure 2 **Limited Participation Model**
(Stable Equilibrium-Circular Causation)



participation in labor relations decisions — promotes increased worker identification and commitment, increased productivity and higher overall organizational effectiveness. Beyond a certain point, however, participation tends to be dysfunctional for such organizational objectives as productivity and efficiency. Increasing the rate of participation in higher level decisions extends the time of decision making and decreases the frequency of output of decisions concerning sales and marketing in a highly competitive product market. Perceptions of economic tension or ineffectiveness among managers and workers intervenes to promote withdrawal and acquiescence of workers in decisions of specialists and professional managers. Participation changes conditions of participation in such a way as to reduce the rate of participation to former levels at point S.

A complex participation model seems closer to reality (Figure 3), but also raises difficult problems for empirical social theory. In this model we have multiple equilibria, designated a points S_1 and S_2 , together with a broad area which represents possibilities of unstable equilibrium between the two stable points. The movement from S_1 to U in Figure 3 may be accounted for by: (1) a time-lag in social learning; after a certain length of time under conditions of increased participation workers will begin to develop efficacy

Figure 3 **Complex Participation Model**
(Multiple Equilibria-Non-linear Causation)



required for higher rates of participation; (2) the introduction of experiential learning and forms of group interaction as elements of enterprise policy may change the magnitude of relationships between C and P to such an extent that cumulative causation moves upward to point U; (3) introduction of systems of representation may accomplish the same purpose, as perhaps will (4) the design of sociotechnical systems and the creation of functional task groups. The process of change from U to S_2 might involve: (5) increase in

acquisitive motivation among workers after a period of enterprise effectiveness and high worker income, which in turn promotes acquiescence of workers in specialization and professional management due to motivations of maximizing income per worker; and (6) satisfaction with income may promote organizational slack and decreasing motivation to participate. Eventually perceptions of relationships between organizational ineffectiveness and lower income may promote participation, effectiveness, higher income, increased acquisitive motivation, acquiescence and so on, maintaining the system in a state of circular causation and stable equilibrium at point S.

In constructing equilibrium models which express spheres of values it would be desirable to adhere to criteria offered as a description of »institutionalized rationality«. (Habermas, 1970: 93) including the development of an index of characteristics which includes symbolic interaction in the form of open communications, role internalization and individuation, interaction among functional groups, application of conventional sanctions against deviations from social norms, reciprocal expectations about behavior, intersubjectively shared ordinary language, and emancipation of the individual from the growth of productive forces and the extension of organizational control. While construction of such an index would point directly to major problems of dual organization, it is unfortunately very difficult to operationalize such an index without recourse to participation itself as an indicator of symbolic interaction. It should be recognized, however, that participation may be calculative. Increases in the rate of participation may also involve the institutionalization of control over strategic and instrumental choices which would constitute a wider system of purposive-rational action. Nevertheless, one aspect of symbolic interaction is participation, which may be defined according to the rate of consultation, influence and power associated with decisions in a given time period, and according to the scope of participation in higher and lower level decisions and in interpersonal and group interaction.

An index of participation-promoting and participation-depressing conditions has been constructed below. If the index satisfied criteria of independence (which it does not) it would be possible to calculate net relationships between conditions promoting and depressing participation. The following list represents a possible means of identifying and classifying such conditions, although numerous possible relationships are neglected. The index is stated in terms of categories which permit positive and negative variation, rather than obstacles and limitations, on the one hand, and catalysts and facilitating factors on the other. Each category may be converted into paired opposites (e. g. high/low rates of investment, increased/decreased capability to offer pecuniary incentives, high/low acquisitive motivation, premodinance of commercial/sociocultural entrepreneurship, etc.). Following the presentation of the index is a listing of positive and negative feedback relationships expressed or implied in recent research on workers' management.

1. Total Participation

Rate of participation (consultation, influence, power) per time period.

Scope of participation

Interpersonal and group

Higher level

Lower level

»Economic« Conditions Promoting or Depressing 1.

2. Conditions of Production

Capitalization and investment

Level of technology

Specialization and professionalization

Productivity and efficiency

Comparative advantage in domestic and foreign competition

Rate of profits

3. Utilitarian Power

Capability to offer pecuniary rewards (wages)

Capability to offer non-pecuniary rewards (housing, vacations, enterprise, recreational facilities)

4. Calculative Involvement

Acquisitive motivation

Satisfaction with pecuniary and non-pecuniary rewards

Satisfaction with participation

Identification with management as remunerator

»Non-Economic« Conditions Promoting and Depressing 1.

5. Normative Power

Symbolic rewards

Expressive and instrumental leadership

Enforcement of social norms through conventional sanctions

Capacity for organizational education and social learning

6. Moral Involvement

Commitment to social norms

Role internalization and individuation

Responsiveness to symbols

7. Organizational Structures and Processes

Hierarchy in role relationships

Role specialization and differentiation

Centralization of influence

Application of technical rules

Openness of communications

Commonality of language (ordinary language/language of specialists)

Role strain

8. Policies (Paired Opposities)

Commercial/sociocultural entrepreneurship
Economistic/sociocultural definition of organizational goals
»Depoliticization«/»politicization« of decisions
Training/education and group learning.

Positive Feedback

1. Organizational effectiveness is associated with total influence received and exerted by managers and workers, irrespective of differences in scope and rate of participation (distribution of influence). (Rus, 1970)
2. Participation by workers in lower level decisions creates conditions for social learning which promote satisfaction and political efficacy, which in turn promote higher level participation. (Pateman, 1970; Elden, 1972)
3. Participation in functional task groups increases interaction, commitment, efficacy and productivity up to group of approximately thirty members, at which point participation begins to be dysfunctional. One member of each group must also be a member of another group and he must also be able to exert influence and communicate. (Likert, 1970)
4. Scarcity and economic crisis tend to promote higher rates of participation and commitment, resulting in efforts to take up economic slack. (Derber, 1970; Hirschman, 1970)
5. Lower level participation may facilitate greater discussion and awareness of non-pecuniary rewards, knowledge of which in different firms provides a means of communication which may be used to evaluate managerial effectiveness and increase accountability. In labor-managed economies this may lead to increased responsiveness of managers to workers and to greater lower level participation. (Furobotn and Pejovich, 1970; Moore, 1972)
6. Polycentric centers of social power increase participation and total reciprocal influence among professional and functional groups, increasing managerial accountability and organizational effectiveness. (Rus, 1970)
7. Structural (sociotechnical systems, System 4, electoral systems) and behavioral (experiential learning, sensitivity training, T-groups) reforms and programs promote lower and higher level participation, although full participation presupposes a fundamental alteration of organizations as social systems, including equalization of status, wealth and power and the mitigation or elimination of economic competition. (Thayer, 1973)
8. Mitigation of economic competition through inter-organizational support (government subsidies to select industries) reduces demands for specialization and increased production. This maintains and perhaps facilitates participation. (Farkas, 1971)

Negative Feedback

1. Workers' and managers' aspirations for equality, greater influence and participation tend to diminish over time because of mutual perceptions that

organizational effectiveness in technical and non-labor relations decisions demands specialization and professionalization. (Rus, 1970).

2. Increased higher level participation by workers promotes psychological strains among managers of »horizontal« organizations. Managers display dysfunctional behavior in the form of withdrawal from participatory situations. Centralization of influence among managers tends to promote dysfunctional behavior among workers in the form of malingering, work stoppages and strikes. Both forms dysfunctional behavior reduce organizational effectiveness. (Adizes, 1971)

3. Participation in managerial bodies is associated with comparative lack of commitment to participation as a value and comparative alienation. Non-participants are more committed to participation as a value and are relatively less alienated. (Obradović, 1967, 1970)

4. Increased demands for profits through international product competition promote joint ventures with foreign firms. Comparative specialization and professionalization of foreign partners in managerial bodies creates closed communication patterns and lowers effective rates of participation. (Farkas, 1971)

5. Increased competition in product markets increases the importance of time and flexibility in decision making. Values of efficiency and commercial entrepreneurship promote compensatory responses by managers, who limit time expenditures on participation by closed communications and prior consultation before meetings of worker-managed bodies. (Derber, 1970; Golčić, 1970)

6. Economic efficiency and greater firm profits result in increased satisfaction with wages and working conditions, which promotes participation. (Derber, 1970) Participation itself promotes lack of satisfaction and alienation, although this may be subjects to a time lag. (Obradović, 1967, 1970)

7. Effective lower level participation in achieving demands for wages and control over working conditions preempts the functions of labor unions and depresses participation in the form of group interaction. (Dahl, 1970; Elden, 1972)

8. Professionalization of management increases economic effectiveness, but imposes barriers to communication and interaction and depresses participation. (Derber, 1970)

9. Workers' representatives expected to participate in both managerial and labor relations experience role strain and limited effectiveness. Exceptional leaders who can perform both expressive and instrumental roles are rare. (Etzioni, 1961a)

10. Participation by functional groups with social aims creates conflicts between sociocultural and economic values and »discrepancies of evaluation.« (Barth, 1963) Entrepreneurs tend to concentrate their activities in areas where discrepancies of evaluation are greatest, so as to limit obstacles imposed by the assertion of values by contending groups. The latter seek to limit participation of functional groups with social aims.

The above formulation seeks to raise problems of organizational choice within a framework that accomodates conflicting values spheres characteri-

stic of dual organizations. This paper purposefully excludes discussion of behavioral approaches to organizational design, including laboratory experimentation, experiential learning, and sensitivity training. Likewise, structural approaches (sociotechnical systems) have not been discussed systematically, notwithstanding the fact that structural and behavioral approaches are essential elements of organizational choice. The objective possibilities of reforming or revolutionizing organizational life depend on the effective integration of economic and sociological analysis. Organizational choice will expand under the influence of such efforts, but it is also necessary to develop critical methodological approaches which link social search to strategies and tactics of planned organizational change (Bennis, 1966; Jones, 1969; Clark and Ford, 1970). A critical metatheoretical problem nonetheless remains: in seeking to increase the potential for organizational choice we confront the possibility that efforts may be transformed into new types of purposive-rational action and domination. »The question is not whether we completely *utilize* an available or creatable potential, but whether we *choose* what we want for the purpose of the pacification and gratification of existence... we are only posing this question and cannot answer it in advance.« (Habermas, 1970: 119—20).

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