Though all the problems involved have by no means been solved, much practical experience of self-management has been gained in Yugoslavia, especially in industrial enterprises, but also in other fields.

Of particular interest is the fact that these experiences have been subjected to marxist theoretical analysis.

The following is an abridged version of an article on these questions by Vojislav Stanovcic, which appeared in the Yugoslav journal “Socialist Thought and Practice”, No. 58, November 1973.

There were great differences between political practice and constitutional provisions. One of the major discrepancies was, for instance, that the executive bodies of government at every level, though subordinate to the representative bodies under the constitution and law, were in fact the principal vehicles of legislative initiative. The representative bodies adopted the policy, laws and measures that were moved by the Government in a more or less formal way, without going into detail, without a real debate and critical analysis. The freedoms and the rights of citizens were guaranteed by the Constitution and far greater in comparison with the classical bourgeois constitutions (greater in terms of a series of economic and social rights); but, whereas some rights (to social insurance, health protection, education) were broadly utilised, the material foundations and the general social climate and prerequisites for a number of others were lacking.

Under the Nationalisation Act of 6 December 1946, privately owned enterprises were nationalised in forty-two branches of industry and transport. Under an amendment to this act (what is known as the Second Nationalisation) of 29 April 1948, all enterprises which were of significance for the federal or republican economies, as well as particular public services (health institutions, public baths, hospitals, cinemas, printing shops, etc.), and later (by Act of 31...
December 1948) tenement buildings and lots, were also nationalised.

Upon the foregoing constitutional grounds and in keeping with the concepts of revolutionary transformation towards socialism, not only were the means of production nationalised, but also management over them too, was centralised.

An extremely important characteristic of the system was the centralisation and concentration of power (in the federal organs) and of resources (for production, reserves, financial funds, taxes, and other resources), and the fairly rigid hierarchical subordination of the lower bodies of government to the higher ones. Another important characteristic of the social political relationships consisted in that the Communist Party performed its function of guiding and leading the community, for the most part, through the medium of the organs of state government, through the administrative decisions and by measures passed by these organs. This stage, later known as the administrative period or “period of administrative socialism” was inevitable because of the severe class-ridden and political conflicts, because of the conditions which had to be created in order to lay the foundations for the further development of socialism, to abolish private ownership over the basic means of production and to consolidate the power of the working class and working peasants.

BUREAUCRACY OR SELF-MANAGEMENT?

Towards the end of the nineteen forties bureaucracy began to be subjected to political analysis and criticism. The target of criticism was the method of work of the bureaucracy: bureaucratisation. But it was soon realised that the essence of bureaucracy lay in the system of political and social-economic relationships in which the wielders of power rise over society and begin to rule society, in which the product of labour created by the working class is not controlled by the working class; that government “in the name of the working class” may be distorted into “government over the working class” if the working class fails to engage in the management of economic and social affairs, in general. Proceeding from the tenet that the working class must emancipate itself, from Marx and Lenin’s idea of the withering away of the state, of “the incorporation of the masses into managements” by means of associations of producers, and of communes as territorial organisations of the community based on the preponderance of working class interests and on the direct participation of the producers, the Yugoslav communists sought an alternative to the administrative system, which was stifling the initiative of the masses and retaining control over the results of the labour of the working class, thus slowing down its emancipation from wage-labour relationships (in regard to the State).

Early in the nineteen fifties, theoretical studies of these subjects widely revived interest in Marx’s, Engels’ and Lenin’s original works. An outlet had to be sought from certain obvious contradictions caused by the administrative system of management (poor initiative, low productivity, poor quality of production, irrational investments, swelling administrative machinery which secured numerous material and other privileges for itself, difficulties in adequate foodstuff supplies, adverse political and economic consequences of the system of compulsory deliveries of agricultural products, etc.).

Towards the end of 1949, the first attempts were made to mobilise the working class directly by forming workers’ councils in the enterprises. As the new concept gradually matured, an act was passed in June 1950, regulating the management of state economic enterprises and broader economic associations by the workers. This initiated a new and in many ways original phase in the development, concepts and institutional forms of socialist Yugoslavia.

In order to define by means of a single word the social-economic and political system in Yugoslavia since 1950, we should use the term: self-management. The concept of self-management socialism, which gradually developed as self-management intensified and expanded in practice, determined in a radically new manner
the roads and forms by which to attain to the basic socialist objectives and brought about changes in the relationships among the basic political subjects.

Certain fundamental values and initial pre-requisites upon which the system has been built, which have been explicitly explained or implicitly given and self-understood, were, among other things: socialism, as a form of social organisation more highly-developed than either capitalism or any other historical form of society, must demonstrate its superiority in practice in a manner reflecting upon the life and social status of the working class and every working man; socialism is being built for man: hence the status of the working man in the community must be a measure of the development of socialism, whereas the many statistical indices as rates of economic growth, the degree of fulfilment of economic plans, the extent of organisation of the peasants in producer co-operatives, and the like, must be regarded in the context of the general social status and degree of enjoyment of personal and political, economic and social right and freedoms; the future socialist and communist society will be a society in which the State has withered away: even though the State is necessary in modern society and indispensable in performing certain functions on the road of the development of socialism primacy must be given to society and not to the State, which means that the State is merely one of the media and one of the forces by means of which the working class builds up the socialist community by availing itself of its power. The concept of the political system has been elaborated as a category which is broader than the State, one element of which, however, important it might be, is the State. The framework within which the socialist social relationships develop -- which is broader than the State and, in general, broader than the administrative-territorial units conceived along statist lines is the social-political community. The concept social-political community (the commune, district, province, republic, federation) is extremely important in order to understand that the relationships of authority and the bodies of authority are reduced to one element in these communities, an element which must be suppressed by gradually withering away if a genuine socialist community of the working people is to be built.

The social-political organisations, especially the League of Communists, do not operate exclusively through the State. The administrative method of governing society, although it is present and still indispensable, is neither the most suitable and most rational, nor can it by its nature produce socialist social relations. Because of this, the social-political forces, the subjective socialist forces, are an autonomous social factor. They may assume a critical attitude towards the decisions made by the state organs. They secure a given degree of autonomy to the State organs within the latter's established functions, but they also demand of them to be accountable to the community.

Finally, the rights and freedoms of the citizens, especially the right to self-management, the right to manage the fruits of one's labour, to the inalienability of
of the income from those who create it, the right to distribution according to labour and according to the products of labour, in addition to other political and personal rights, have been conceived of as the essential component of the social relationships of socialist self-management whose scope and substance cannot be arbitrarily changed by the State. These rights are protected by the State, but the State cannot impair them without overstepping the functions allotted to it by society. These rights are a constituent part of the political system, and do not derive from state decisions, for they are a fact, they are something given for the promulgation of state acts. One of the institutional expressions of this concept is also judicial control over the work of the administration, the possibility of administrative litigation, according to which a citizen may move a suit in court against administrative acts, or, to put it in simple terms, a citizen may sue the State if his rights have been violated by state organs. This also finds expression in the institution of the liability of the State to pay damages if officials cause damage to citizens by their acts.

One of the concepts which was highly accentuated during the nineteen fifties is de-statisation. It was accompanied by the concept decentralisation of government which, to put it roughly, took two most important forms: decentralisation of state power by transferring a greater number of functions and prerogatives from the higher to the lower bodies of government, and decentralisation of decision-making in the economy by transferring competences to the bodies of self-management in the enterprises and to various economic and non-economic communities as forms of association at higher levels, that is in broader territorial and economic entities. Though these two processes have been regarded as a form of de-bureaucratisation, they were of an even wider scope and of deeper significance within the context of self-management.

SELF-MANAGEMENT AND THE STATE

From the outset, self-management has been conceived of far more broadly than merely as management of economic enterprises by the workers. Part of a broader social-political concept, it was of major political consequence. In the first place it meant the materialisation of Marx's idea on associations of producers, on the producers becoming masters of social production and reproduction, as well as the realisation of the idea on the political and economic power of the working class. The winning of political power during the revolution, and the alliance established between the working class and peasantry headed by the working class and its vanguard, were taken to be merely part of the tasks of establishing working class power -- the dictatorship of the proletariat -- whereas the other part of the task had still to be materialised: it was necessary to put the idea of economic power, economic sovereignty of the working class into practice.

Socialisation of the means of production, or to be more precise, their nationalisation and the establishing of state ownerships over them, was regarded merely as an inevitable pre-requisite and not as the final act in setting up the political and economic power of the working class. The danger threatening from bureaucracy to which Marx and Lenin called attention on many occasions, was clearly perceived. But, it was still necessary to dispossess bureaucracy of the results of labor gained by the working class, and to keep doing so in a protracted process.

The autonomy of the enterprises implied the exclusion of practical intervention on the part of state organs in the affairs of management and in the work of the enterprises (save inspection and other supervision to ensure legality) and confined state guidance to the enactment of legislation and other general acts. This went to pare down that part of the state administration in charge of economic matters. Most of the experts from a great number of directorates, general directorates and similar departments in the various ministries (a great number of economic ministries had been founded during that period) were transferred to the enterprises.

Considering nationalisation of the means of production to have been merely the first step, and state ownership the legal foundation for state management of the economy a concept of social, and not of state ownership was evolved in Yugoslavia as a type of ownership conducive to self-management. Social ownership implies that neither the State nor enterprises nor individuals can own these means. Social ownership in essence signifies that the means of production used by the different workers'
collectives have been given to them to manage but not to own. Society remains legal title holder to these means, the managers of them being under obligation to manage them with the care of good businessmen in their own interest and in the general social interest; not to impair them but, if possible, to add to them (the obligation of amortisation and the obligation of allocations for expanded reproduction), and to meet different social obligations out of the results obtained in working with them. Thus, actually the means of production which are social property have been entrusted to the workers to manage and to use, but in accordance with certain social norms and under the obligation to reach agreements with other associations of producers and other social factors as to the conditions under which they should be used.

SELF-MANAGEMENT AND LOCAL AFFAIRS

The concept self-management, as the basic social relationship of society as a whole (and also the very logic of the development of ‘workers’ self-management’ not only as management over the process of production and social distribution, but also as management of social affairs determining the bounds within which self-management evolves in the enterprise), from the very beginning, raised the question on the influence of the organised producers upon political and economic decision-making in the broader communities -- from the communes up to the Federation. Because of this, as early as 1952, special bodies were set up in the representative organs of authority (the people’s committees) in the different more developed municipalities and districts. These bodies were elected exclusively by the producers, establishing a system of two chambers in the representative bodies of the lower communities. These were called the councils of the producers, and were given juridical sanction under the Constitutional Law of January 1953, becoming an obligatory component in the make-up of all the representative bodies, from the commune up to the Federation. The deputies to these bodies were elected by economic branches according to their share in the overall national income and not according to the number of workers they employed. This criterion assured the greater presence and dominance of the industrial workers and manufacturing industries, whereas the interests of those branches which did not offer prospects of speedy economic development, were less present and less able to find expression. The councils of the producers together with the general political councils (the municipal council, the republican council, the Federal Council) had a common jurisdiction and each of them also had their own particular jurisdiction.

‘GENERAL INTEREST’ AND PARTICULAR INTERESTS

Although we have stated that the deputies to the councils of producers were not representatives of particular industries and enterprises or of professional occupational interests, a certain change in assessing specific interests, by comparison with the previous phase of so-called administrative management, was of importance for the pattern and dynamism of the social-political system and political life. Namely, during the previous phase everything was done in the name of ‘the general interest’, which was interpreted by the political leadership, and any emphasis placed on the narrower interests either of enterprises, industries, regions, profession or any other category, was branded in the name of this general interest as particularism, egoism, localism. It was held that there were no contradictions between the general interest and the specific interests and that the community established after the revolution was conflict-free. This idea was strongly championed by the general theoretical concepts of socialism as a conflict-free society, a society which had resolved all the social conflicts by its very inception.

Yet all the realistic analyses of relationships and behaviour, every least objective survey of reality, indicated that many vestiges of the old society were still present and that the conflicts which had accumulated in the past did not vanish automatically. Moreover, it was seen that even the new relationships produced new types of conflicts: that nothing could be invested or built in one place, unless resources were taken from another; that the requirements and expectations were enormous and the available material resources were limited; that there was a gap between
requirements and possibilities; that the amount of social wealth was limited, but that those who aspired to it were numerous, and that conflicts hence necessarily emerged over the distribution of this social wealth; that the contradictions and conflicts would not simply vanish or be suppressed, but that they had to be studied and steered into institutional channels along which to be resolved, lest they should accumulate elementally and result in eruptions, or should have to be settled by political arbitration, which is always the cause of smouldering dissatisfaction. On the basis of this knowledge it was soon found that what was called 'general interest' was very often subjectively and arbitrarily determined, that what should be accepted as the 'general interest' often depended upon the position of a single person; later experience also exposed the deep errors in the interpretation of the general interest, which could have been avoided had everyone concerned been able to state his objections, views, criticism.

Owing to this, the political attribute attached to the positions advanced in regard to the specific, particular views and interests, was changed. Special interests were accepted as legitimate and ways were sought to articulate them, to bring them to the attention of the competent quarters that were making decisions about them. There were even situations which left the impression that only special interests were considered and that little thought was given to the general and common interests.

The autonomy of enterprises, their operation on the basis of economic criteria, signified that those employed in them bore the consequences of both their good undertakings and acts, as well as of their faulty estimations, plans and their realisation. This had a direct bearing also upon the personal incomes. Therefore, it was rightly assumed that the workers' collectives would not regard the interests of the enterprises as of no consequence, nor would they agree to have these interests suppressed, curtailed, no matter the name in which this might be done or sought. The working people confirmed their preparedness to make major sacrifices for the general interest in accordance with the principle of solidarity and mutualism, but they were not willing to reconcile themselves with any relationship that meant the dispossession of some in order to favour others, nor were they ready to accept the 'general interest' that was neither evident enough, nor explained with sufficient forceful arguments. The confrontation between enterprises as economic entities on the market, and the many adverse manifestations with which the market is fraught, unless controlled and regulated, accentuated the differences between interests, approaches, and citizens. In the political field, this gave vigour to political life, spurred dynamism and debate in the representative bodies and moved the people at large to fight for a particular cause, to participate more actively in the life of their enterprises, their cities, their regions and republics.

The greater degree of individual freedoms, the greater choice offered the citizens (the election of deputies, and the goods to purchase, the literature to read, and places to live in, the professions to devote themselves to -- which had in essence been administratively regulated and determined in the previous phase) give rise to clearer individual and personal interests in social life, but often also to the detriment of the general interest. Yet individual interests, as a rule, were never able to exercise broader social influence; rather than being of major social significance or influence, they merely added colour to the climate of everyday life.

All this goes to show that the institutional complexity of the system was but a pale picture of the actual complexity (in the national, religious, language, cultural, historical, economic sense) of the Yugoslav community. Indeed, the system strove to give expression to the entire complexity and to ensure, at the same time, the prevalence upon democratic foundations of that which led to progress, to socialism, to that which constituted the concrete historical interest of the working class.

SELF-MANAGEMENT AND SERVICES

During the nineteen-fifties, self-management extended to two more fields. From purely industrial organisations it spread to work organisations in the social services (education, health, scientific institutions, media of public communication, etc.). What was known as social self-management (the term later lost this distinctive, narrower connotation) developed in all these services. Because of their nature, of their being services of public interest, one section of their bodies of management was elected by the employees, the other representing the social community (delegated by the representative bodies and pertinent expert and social-political organisations). This was done so that the staff in these organisations (this is also the case with the communal waterworks, city refuse disposal, and with other utilities) would not be able to place their group interests, or the in-
terests of their organisations, above the interests deriving from the purpose for which they were founded.

The second field in which self-management developed in the nineteen-fifties was local self-government, or communal self-government. The concept commune, or opština, became one of the key concepts in the development of the self-managed community. Not only is the commune not regarded as an exclusively local organ of state government, but it is also not exclusively or primarily an organ of government at all. It is a social-political community in which the working people and the citizens generally satisfy most of their requirements and discharge most of the affairs of social significance. Marx's concept of commune was an inspiration for the development of the Yugoslav commune. In order to answer to its tasks, the commune was conceived of as a territory large and economically strong enough to be able to discharge the functions given it. Because of this, the number of communes has steadily diminished, and today there are about five hundred. Being poor, many communes in Yugoslavia are still not strong enough economically or financially to pay for education, the health service, the social insurance service and various other services autonomously. Owing to this, they depend on subsidies which they receive from the broader social-political communities, which in many ways confines their constitutional rights and limits their self-management.

As the communes strengthened, many instrumentalities were introduced so as to engage the citizens in the functioning of direct democracy: these include referendum (fairly frequent in the communes), the meetings of the electorate, communal conventions, and the like. Since the resources by means of which the commune resolves certain problems are provided by the citizens (in the form of taxes, rates and voluntary contributions), the interest they display in the use that is made of these resources is an important element in their political activity.

The commune has been conceived of also as the basic social-political community. In other words, it discharges all those constitutional and legal functions of the social-political communities that are not explicitly within the competence of other social-political communities. The constituting of representative bodies in the broader social-political communities also starts from the communes as their base.

The following major changes have taken place in the basic political institutions. The role and significance of the representative bodies and their relation to the executive au-

thorities has grown since 1953, in that the executive authorities have been in the position to carry out the policy formulated by the representative bodies. The executive is subordinate to the legislature. The governments have been replaced by executive councils as the executive organs of the assemblies. This has resulted in the frequent critical assessments of the measures of policy moved by the government, in frequent summons (based on deputies' questions or on the motions of assembly committees or chambers) to government rapporteurs to render account or to explain certain occurrences or measures.

The executive bodies have lost the halo of sacrosanct dispenser of interpretations of what is and what is not the general interest. The practice of the assembly system of rule has been initiated.

The work of deputies in the representative bodies was unthinkable without changing the relationship between the electorate and the deputy. The deputy became dependent in the political sense to a much greater degree upon his constituency, while the choice among several candidates for a single seat rendered the election of a particular candidate uncertain and dependent for a good part on his capabilities, political reputation and upon his conduct in the assembly, and on whether he maintained close ties with his electorate or not.

Various other measures, such as the limiting of re-election, the practice of discouraging the holding of several offices simultaneously by a single person, and also legal provisions prohibiting it, rotation for the greatest number of offices, have helped to increase the influence of the electorate and the circulation and inclusion of young, capable people in political and social life.

This survey of the changes that have occurred for the most part during the nineteen-fifties and early 'sixties would be incomplete but for another thing. Namely, a great number of autonomous economic and political entities (in the first place enterprises, institutions of the public services, at the communes as the most numerous and basic social-political communities, etc.) regulate their fundamental relations and functions, rights and duties, individuals and as organisational units by means of their internal autonomous acts, the most important of which are the statutes of the work organisations, and the statutes of the communes and ordinances for various matters (distribution, investments, personal incomes, labor safety, labor relationships, admittance into employment, etc.). The statutes, ordinances and similar acts constitute the so-called 'autonomous law' which is a novelty in Yugoslav legislation; on the
one hand, theoretically, it is one of the ways by which to supersede classical law and to set social relationships upon other foundations. The State sanctions these acts only in the final event, if anyone should violate them; it does not interfere directly with their enactment and concrete tenor.

NATIONAL PROBLEM

During the implementation of the system in the course of the further development of society, Yugoslav theory, in the nineteen-sixties, also set out some critical observations. In the first place, the new distribution of competences and functions generally between the Federation and the republics soon rendered the constitutional decisions inadequate to the existing relationships. The right of federal authorities to redistribute the national income and to reallocate it from one republic or industry to another caused discontent. For the first time in some twenty years of development, the possibility of a majority vote being imposed, arose, especially since the Federal Chamber, which was the most important changer, was composed according to the principle of a given number of inhabitants electing one deputy. Accordingly, the republics with the largest populations had the greatest influence in the carrying of the most important political and other decisions. For certain other, primarily economic causes, this unleashed nationality problems and problems concerning inter-republic relationships. Certain rectifications were made in 1967 and 1968 by means of constitutional amendments which reinstated the Chamber of Nationalities as the most important general political chamber, in which all the republics enjoyed parity representation, while the two autonomous provinces also had a fixed number of deputies.

SELF-MANAGEMENT AND THE NATIONAL ECONOMY

Another critical observation which was emphasised in the theoretical and political discussions pertained to the development of relations among the subjects of self-management. It was argued that self-management as had been established was fairly atomised, that a satisfactory degree of autonomy and a sense of business had been accomplished by different enterprises, but that co-ordination among them was inferior, that adequate means of planned guidance along the lines of self-management had not been found. Consequently, the problem of horizontal and vertical integration of self-managed organisations was necessary, which was often emphasised as a demand for integral self-management.

Furthermore, it was pointed out that, whereas the working class had relatively complete control over the part of income that remained to it upon meeting various obligations, it did not nearly have satisfactory control over the part that constituted various allocations to which it was bound. These were the funds which are allocated in accordance with the decisions made by the social-political communities (chiefly pursuant to laws which prescribe various taxes, rates, reserve funds, etc.) and resources which are given to various financial institutions (banks, insurance offices, commerce, etc.), to the autonomous centres of financial power, as they have been called in theoretical disquisitions.

The political and constitutional decisions now on public discussion are held to round off and complete the concept of the social-economic and political system propounded by the self-managed socialist community in Yugoslavia. The basic problems and the fundamental solutions are bound up with two groups of questions: first, the regulation of inter-nationality relationships, which have proved to require a continuous search for new institutional and political solutions as changes take place in society; secondly, the completion of the system of self-management so that the working class, the producers, self-managers will really master the overall conditions of socially-owned production and expanded reproduction, and so that the constitutional provision defining the concept of the political system as based upon the power and self-management exercised by the working class and by all the working people, may really be put into effect.