

ECONOMIC SYSTEMS AND PARTICIPATION: AN ESSAY ON
THE PRACTICAL EXPERIENCES OF PARTICIPATION

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Present societies have become so complex and alienating that, in order to avoid a process of paralysis, they cannot but make their members partners in their functioning somehow or other; but true »participation« may challenge the logic of the relations of power — a logic on which these societies are based.

In the economic field, for example, the exercise of power is linked to the ownership of capital, the capital holders being either private persons or the state itself, which, at the level of the relations of production, means the subordination of the labour force to the capital. Self-management, which constitutes the highest form of participation, implies, however, that the decision-making power is no longer linked to the ownership of capital but to the exercise of labour; thus, the previous logic is called into question.

Moreover, self-management goes beyond the organization of the production system of production; it concerns society as a whole in all aspects of human activity. Consequently, it is a challenge to the foundations of the entire society.

Present societies face a dilemma: on the one hand, to allow some form of »self-management« in order to answer man's fundamental aspiration consisting in his will to »participate« in the decisions which concern him, and, thus, to avoid the process of paralysis; but, on the other hand, to arrange matters so that this »participation« will not compromise the survival of the existing system.

The close observation of the experiences of participation carried out in the existing socio-economic systems shows indeed that those who exercise power have simultaneously acknowledged that some participation was necessary (some sharing of power), but they have also looked for the means by which they could control it.

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A. CAPITALISM AND PARTICIPATION

The evolution of the social relationships in the capitalist system is the result of the complementary action of two factors. The most powerful of the two is certainly that which proceeds from the class struggle; the history of capitalism is indeed marked by a succession of people's victories wrested from the moneyed bourgeoisie after more or less violent struggles: the abolition of child labour (1841), the freedom to go into partnership (1848), the right to strike (1864), the right to join a trade union (1884), paid holidays (1936)... The second factor is the result of adaptations on the part of the capitalist system which endeavours to take over or to neutralize the aspirations of the working class in order to avoid social disruptions liable to risk the very existence of the system.

1) *Of participation when taken over*

What capital owners have to do is to keep the labour force in a state of subjection (that is to say: they maintain the relations that produce exploitation) by reducing the autonomy and the power of protestation of the trade unions so that social conflicts are defused through the increase in the motivations of the wage-earners and the decrease in their fighting spirit. Workers are asked to participate in a situation which alienates them in order to avoid the tension which would usually lead them to refuse it. Class collaboration is less dangerous for capitalism than class struggle.

The decision-making power must, however, remain unshared in the hands of the capitalists. Their decisions are merely presented in such a way as to make them acceptable to those who will put them into practice. This type of «participation» can take on different aspects: the workers' participation in some decisions in the enterprise (concerning the restructuring of the tasks, the organization of labour, the conditions of labour etc...) or the workers' financial participation in the results of the enterprise.

a) *French participation*

The workers' financial participation «in the fruits of expansion», to take up the terms used in the French Edict of 1967, belongs to the second category. The Edict distinguished four possibilities:

- the allocation of shares of the enterprise;
- the payment of the funds gathered from the participation in finance organisms unrelated to the enterprise (S. I. C. A. V. for example...);
- the creation of savings plans by the enterprises;
- the acknowledgement by the enterprise of a loan under the form of allocations of bonds or of frozen and interest-bearing accounts (for a period of five years).

This type of "participation" has not aroused great emotion on the part of the employers in so far as it does not call into question one of the essential foundations of the capitalist system which links the power of management and of decision-making in the enterprise to the ownership of capital. The "taking over" of the workers' aspiration for determining what concerns them consists in enabling them to acquire a very small share of the capital, which will allow the workers to participate in the power of decision-making in accordance with their right of ownership.

The social shares available to them will, however, never be sufficient to enable them to exert a decisive influence over the running of the enterprise: besides, the possibility they will have to take action at that level will not be as workers but as holders of social shares, which does not affect the internal logic of the capitalist system.

The distrust shown by the trade unions towards this type of participation clearly reveals that the working class is not fooled by a system actually conceived to settle the social conflict at the slightest cost.

b) *German co-management*

The German form of co-management which aims at making the workers participate in some decisions (co-decision) and in the control (co-supervision) of the capitalist enterprises proceeds from the same logic, that is to say: to integrate the workers into a system that exploits them, to avoid a situation of conflict which is always harmful to the interests of the system, and finally to develop and improve the relationships between employers and wage-earners.

The German co-management originated in the iron and steel industry, where, after having broken up the pools which had worked with the Nazis, the provisional Administration of the Occupation Authorities needed qualified representatives (in this case they were representatives of the wage-earners) in the Advisory Board of the iron and steel industry and in the inspection committees of the reorganized societies (law of 1946).

In 1951, the German legislation was to establish the acquired rights by organizing "qualified co-management" in the enterprises of more than 1000 wage-earners, both in the coal and steel industries. In addition to the General Meeting of the shareholders, two organisms were set up; first, the Inspection Committee¹ which was a "legislative" joint organ whose role was to define the general policy of the enterprise, second, the Board of Directors which was "an executive organ" composed of a technical manager, a sales manager and a work manager whose nomination had to be unanimously endorsed by the Inspection Committee.

The limited co-management that the law of 1952 applied to all enterprises of more than 500 wage-earners marked quite a definite retreat from participation under the previous system. The wage-ear-

¹ Cf. table 1 in the Appendix.

ners, whose number of representatives had been limited², had to collaborate with the employers in order to support the effort of production and to maintain the social peace.

The law of 1976, however, came back to a certain parity within the Inspection Committee³ but suppressed the appointment of work manager, the other directors being designated by the shareholders alone, if wage-earners and shareholders could not reach agreement.

In spite of the official parity between capital representatives and labour representatives, the former still play a privileged role in the German co-management⁴. The influence of the latter, and that of the trade unions in particular, have found themselves significantly limited. Having become the catalysts of social peace, the representatives of the wage-earners have acquired a rulers' mentality and have cut themselves off from their electors, who lose interest in the institutions of co-management, and, eventually, the employers' system has quickly integrated them.

Some kind of responsibility sharing has gradually been instituted in the Inspection Committees. The representatives of the wage-earners became »specialists« in social matters, while the representatives of the shareholders applied their skills to all the other matters relating to the life of the enterprise. This way, and in the name of the negotiated social relations, wage delegates let themselves be trapped in the policy of the enterprise whose economic choices are always subject to the logic of capitalism.

In fact, the employers cannot risk true participation without calling into question the difference of class existing between workers and owners of the means of production. Co-management leaves only formal power to the working class. It is conceived, indeed, in order to leave the actual power of decision-making in the hands of the capital owners. The environment of the co-managed enterprise remains capitalist and imposes its objectives and its restraints on it.

2) Of participation when neutralized

The cooperative movement in the capitalist system is another attempt at some form of participation, but this participation, which constitutes a foreign body within the capitalist socio-economic body, found itself »neutralized« by it.

The cooperative movement was born in the 19th century in Western Europe in reaction against what is usually called »the industrial revolution«. Some people refused to accept the generalization of the capitalist mode of production. This found expression in two different forms: rebellions against the new »mechanistic« techniques of production and the workers responsibility as contractors. It as in

² There were 3 wage-earners for 6 representatives of the shareholders.

³ Cf. table 2 in the Appendix.

⁴ In the German iron and steel industry, 2/3 of the presidents of the Inspection Committee are representatives of the shareholders.

the latter reaction that the cooperative movement originated. Its goal was to put »associate work« in place of »paid work«⁵.

In spite of its variety and of the differences brought about through the practical exercise of numerous and varied activities, the cooperative movement rests on a certain number of shared principles which are the fruits of cooperative thought or of the pioneers' realizations of last century. These principles may be expressed in a few simple rules:

- free joining (there is the »open door« principle)
- democratic control (the fundamental principle of »one man, one vote«)
- distribution of the surplus in proportion to the work done after having endowed the reserves
- unavailability of the reserves (which are collective and which cannot be shared)
- limit of the capital interest.

This set of principles constitutes an ideal concept which undergoes numerous distortions when put into practice and which turned out to be unable to transform the capitalist system of which it formed a part. The capitalist system was so hostile to the cooperative sector that the latter either withdrew into itself (isolation) or played the capitalist game (distortion).

Indeed, after more than half a century of functioning, we can bring to the fore an outline of two main categories of cooperatives:

- those which have grown and have become big enterprises with various activities and,
- those which have remained the same as when they were created both in their functioning and in their results.

a) The »distorted« cooperatives

Some cooperatives have adapted themselves to the capitalist system, whether consciously or otherwise, by adopting certain rules of functioning and a behaviour comparable to the capitalist enterprises with which they competed (maximization of results, accumulation of

⁵ Thus, four main types of cooperatives appeared:

- cooperatives of users of services provided by the group to which these people belong (Consumption, Housing, Social Security etc...)
- cooperatives of producers; they group workers together for the exercise of their jobs in common (industrial or agricultural production, production of "services")
- cooperatives of industrial contractors; they bring these men together for the exercise in common of some of their functions related to the activity of their enterprises (farmers, fishermen, craftsmen, liberal professions...)
- cooperatives for savings, credit or insurance; they are more or less linked to the three preceding categories (Crédit Agricole, Crédit Maritime, Crédits Mutuels, Mutuelles d'Assurances etc...)

⁶ To these general principles shared by the whole of the cooperative movement, other principles may be added which some categories of cooperatives have maintained.

capital etc. . .). Thus, they have distorted the initial cooperative concept. If, on the one hand, they have been able to overcome the restraints imposed by the capitalist environment, on the other hand, through association with it, they have acquired some habits which are distortions when compared with the original doctrinal purity. This is, so to say, the price of their growth and success.

The agricultural cooperatives, for example, are in fact the fruit of two joint concrete forces which were very far from any revolutionary ideal; first, the action of local notables who were seeking voters; second, the empirical will of the farmers, who were concerned with the protection of their interest against business or with the acquisition of shared equipment that would be too expensive otherwise.

The variety of the agricultural scope in France gave birth to different cooperative institutions in which the function of member of the cooperative is limited to the function of user of services. Agricultural cooperation may, of course, have played an important role in enabling the farmers to assemble in order to organize agricultural production, to finance the necessary investments, to compensate for the deficiencies of private business etc. . ., but nowadays it comes up against many new problems linked to the development of the land capitalist. It lies in two words: competition and integration. The cooperative movement cannot bring solutions to these problems.

Besides, some cooperatives have control of subsidiary companies which are sheer capitalist enterprises, or they take a financial share in the activity of other capitalist enterprises in which the members or the users of the «parent cooperatives» are not involved. In the first case, the «parent company» exploits the workers of its subsidiaries and, thus, becomes a capitalist enterprise through its subsidiaries. In the second case, it commits a double offence against the cooperative principles:

1 — the democratic principle of «one man-one vote» is of no more consequence since it is replaced by the capitalist principle of proportional votes to the social capital;

2 — the members of the cooperative join in activities they cannot control effectively.

Cooperatives of consumers or of users also move away from the ideal of self-management in so far as they behave like private employers towards their wage-earners; the supporters themselves of the cooperative movement acknowledge that these cooperatives «have not been able to institute relations with their staff that are fundamentally different from those which exist in private enterprises»⁷.

b) *The «isolated» cooperatives*

As for the «pure» cooperatives, they have refused the previous compromises on account of doctrinal loyalty, but they have seen their

⁷ ANTONI A. La contribution cooperative aux problèmes de la participation et de l'Autogestion. 2^e Conférence Internationale sur l'Autogestion-PARIS-1977.

development halted by the hostile capitalist environment. They either come up against capitalist competition and, if the sectors in which they work are profitable, they are soon compelled to disappear⁸, or they survive with difficulty if the sectors in which they work are not profitable enough to attract private capital.

Workers' production cooperatives which belong to this category have indeed mostly remained small enterprises with a low development (despite adequate financial results), working in economic sectors which achieve very little profit and which do not need major investment of funds.

There are numerous reasons, both ideological and technical, for the marginal situation of the «pure» cooperatives. There is, first and foremost, their refusal to be integrated into the capitalist system; and for some of them, their conservatism and their dull-growing doctrine, linked to their attachment to sometimes out-dated theories, add to this situation. There is also the more or less obvious hostility of the capitalist environment, the weakness of their own capital and the difficulty in obtaining credits from the banking sector, as well as the limitation on the sectors in which they can prosper (their lack of funds forbids them the access to the capitalistic sectors).

These cooperatives fit the ideal of participation as long as they do not use the services of wage-earners that are not members of the legal limits imposed by the Bourgeois Law, the guarantor of the capitalist order, and against the obstacles put in their way by a capitalist environment whose hostility they have not been able to reduce within a century of functioning.

«Distorted» cooperatives as well as «isolated» cooperatives have, when all is said and done, turned out to be incapable of transforming the capitalist society as Marx already foresaw when the cooperative movement appeared.

If the capitalist society undergoes no transformation, the cooperatives come up against the previously mentioned alternative; they either adapt to the market and to the rules of the game, which is still capitalist, to the detriment of the cooperative ethic, or they remain faithful to it, but are off-side, so to say, isolated or stifled by their environment. The pursuit of development and economic efficiency compels them to accept the rules of the capitalist game; the respect for the cooperative principles compels them to give up economic performance and to cut themselves off from their environment.

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True participation is completely inconsistent with the capitalist system since the logic of the participation is radically opposed to this system. The origin of power is not the ownership of capital but the

⁸ 1/4 of the workers' cooperatives of production disappear within the two years following their creation.

exercise of labour. Consequently, the capitalist system cannot tolerate experiences of self-management — under no protection from the state — and reacts either by rejecting them or by distorting them. The participation it tolerates constitutes only the increased integration of the workers into the capitalist mode of production.

B — SOCIALISM AND PARTICIPATION

Participation in the socialist system appears to be more ambiguous than in the capitalist system. Indeed, on the one hand, socialism represents a transitional stage towards a form of communism which quite looks like a generalized self-management, and on the other hand, during this period of transition, the state, though doomed to decline, is supposed to be a machinery exclusively in the hands, and at the service of the workers.

If the socialist state is really that of the workers, decisions can only be the product of their will and cannot be in conflict with their interests. The possible problem of a contradiction between the collective interest, embodied by the State, and the interests of the basic units of Society is dismissed, for it would mean that a bureaucracy has set itself up as a ruling class and has appropriated the levers of the State machinery to use them to its own advantage.

It is on this postulate that the centralized socialist system of the Soviet type rests, in which the problem of participation is simply a technical problem of working out the procedures of decision-making at the different levels of competence.

Moreover, during the socialist transitional stage, the necessity for determining priorities of development, and for adjusting the means used to achieve these aims — a necessity which transcends the individual objectives of the different basic units of society — implies a central planning able to create such an environment that the decisions of all the basic units will correspond to the demands of social interest.

How is it possible in such conditions to reconcile the requirements of decentralization that the principles of participation imply, with the requirements of centralization that the principles of the socialist transition imply?

If the latter prevail over the former, then a bureaucracy may develop. It may assume that it is the exclusive representative of the collective interest, which may give birth to some kind of «bureaucratic capitalism» of which the Algerian experience of participation might be an illustration.

If the former prevails over the latter, then many deviations may develop which have led some people to describe the Yugoslav experience as a «collective capitalism».

1°) Of participation when confiscated

The self-management of the agricultural estates or the socialist management of the enterprises in Algeria may be described as a con-

fiscated participation in as much as the Central Authorities maintain a rather strict control over the various organs of participation.

a) The self-management of the agricultural estates

The self-management of the agricultural estates was first of all a spontaneous phenomenon, but it was soon controlled by the Central Authorities. According to S. KOULYTCHISKY⁹, three phases mark its evolution.

The «emergence phase» (July, 62 to March, 63) comprises the spontaneous appearance of self-management in the agricultural estates that the colonists had left unoccupied when Algerian independence was proclaimed in (1962). The agricultural workers gathered into Management Committees were able, for some time, to exercise the economic power, all the more so since the Central Administration did not exist then. This administration reconstituted, however, quickly and tried to control the various movements born of the colonial war and of the independence.

The Edicts of March, 1963, which mark the beginning of the «integration phase» (March, 1963 — June, 1965) were thus to regulate the Algerian self-management, mark its limits, and progressively integrate it into the centralized system set up by the Authorities.

After the coup d'Etat on June, 19, 1965 («assimilation phase»), the project for self-management was abandoned for the benefit of the Land Revolution (based on the cooperative system), and of the Socialist Management of the Enterprises.

In the agricultural estates which are still self-managed nowadays, the power of management is in theory exercised by the General Meeting of permanent Workers¹⁰, the Workers' Board elected by the General Meeting¹¹, the Management Committee elected by the previous organs¹², and a bicephalous executive organ¹³.

This Executive Organ, indeed, consists, on the one hand, of the elected representative of all of the workers; he represents the estate and controls the enforcement of the decisions taken by the organs of self-management, and the Director, who represents the interests of the State Authorities, and who maintains the daily functioning of the estate within the scope of the decisions taken by the elected organs as long as these decisions do not conflict with the interests of the State.

⁹ S. KOULYTCHISKY "L'expérience algérienne d'Autogestion" in A. DUMAS: "L'Autogestion: un système économique?" Dunod, 1981. Phrases such as "emergence phase", "integration phase" and "assimilation phase" are S. KOULYTCHISKY'S.

¹⁰ Which controls the activity of the other organs of self-management.

¹¹ The role of the Board is to look after the internal regulation, hiring, redundancy and equipments.

¹² The role of the Committee is to work out plans for development, equipment, production and marketing, and to establish accounts of the year.

¹³ Cf. table 3 in the Appendix.

This shows the actual limit of the Algerian self-management in spite of the powers apparently granted to the workers in official texts. Indeed, the interpretation of the national orders is amply left to the Director's assessment. In fact, the State exercises a strict supervision over the organs of self-management through this man. The planning of production, credit, the supplying and marketing of goods are closely controlled by the State or by Agencies which represent it (National Agency for Land Reform, Marketing Agencies etc...)

Consequently, this »prefectorial« conception of self management¹⁴ involves a certain number of ambiguities, especially with regard to the respective capacities of the Director and the representative. The latter being a basic worker he, most of the time, has neither the training nor the information to enable him to judge the Director's action properly. The Director is a technician. This type of self-management also brings about some passivity on the part of the workers, who realize perfectly that participation is a mere pretence: the important decisions are taken in the name of efficiency by appointed or elected directors who are more concerned with their staying in their functions and pleasing the supervision Authorities than with their favouring the game of participative democracy.

The administrative supervision over cooperatives born of the Land Revolution (1971), which took over the plan for self-management in its promoters' minds, turns out to be much more rigid than over the self-managed estates, in spite of texts which grant those who work in the cooperatives a certain number of prerogatives concerning management. The room to manoeuvre left to the workers is extremely limited, and the functioning of the cooperatives is, in fact, regulated »from above« by the National Agencies which directly depend on the Central Authorities.

b) *The socialist management of the enterprises*¹⁵

The Socialist Management of the Algerian Enterprises which comes from the Edict of November 16, 1971, constitutes workers' partnership in, and initiation into, the management of their enterprises. This type of participation, which rests on the postulate according to which the basic workers and those at the head of the enterprise have similar interests, is simply conceived as a training school and as a participation in managing the enterprise but not as a participation in taking decisions in it.

Thus, the workers' Meeting, elected by the whole body of workers, does not really constitute an institution for participation. It may be dissolved by the Supervision Authorities, so that it gives advice and exercises an *a posteriori* control over the functioning of the enterprise¹⁶.

¹⁴ Cf. S. KOLYCHISKY already mentioned.

¹⁵ Gestion Socialiste des Entreprises.

¹⁶ General policy, control of the carrying out of the plan, financial management, personnel policy.

Five specialized and standing Committees¹⁷, proceeding from the workers' Meeting, assist the executive organs, which consist of the Board of Directors, in which representatives of the workers' Meeting share a part, and of the Director, appointed by the supervision Authorities, which in fact have the responsibility of managing the enterprise.¹⁸

It is difficult to put the Algerian Socialist Management into practice because of the existence of a private sector, incompatible with the principle of unity of the world of labour, because of the difference in size and status of public enterprises depending on numerous supervision Ministries, and because of the requirements of economic planning and of various administrative restraints external to the enterprise. For all these reasons, the Algerian Socialist Management leaves some questions in suspense and leads to some deviations in practice.

Indeed, the texts which deal with the Socialist Management of the Enterprises (S.M.E.), remain rather vague concerning the status of the workers as producers and concerning the attributions of the different organs of the S.M.E. Thus, these texts may give rise to major differences in their interpretation.

The workers, for example, have a dual status; firstly, their status as producers and administrators granted by the S.M.E.; secondly their general status as workers, which sometimes conflicts with previous one or, at least, limits its participative content.

Moreover, numerous questions about the relationships between the various organs of the S. M. E. remain unanswered: is the function of all the workers limited to the periodic elections of its delegates to the workers' Meeting? How can the workers control their delegates?

Must the delegates give an account of their mandates to their electors? What power of control does the Workers' Meeting have over the Board of Directors?

Imprecisions of the same nature can be found in regard to the relationships between the organs of the S. M. E. and the Trade Union: what is the autonomy of the Workers' Meeting towards the Trade Union which endorses the delegates' candidatures? The conditions under which the workers are elected limit the number of representatives of the workers' Meeting, which is often cut off from its electors because all the workers meet too scarcely.

Moreover, some deviations can be seen in the functioning of the S.M.E. The near totality of power remains concentrated in the Director's hands, who, as an agent of the State, applies the central directives, takes his own decisions without any dialogue (always, of course, in the name of efficiency) and does not assume responsibility for training and informing the workers. As for the workers elected to the Board of Directors, they are either union executives whose concerns are far from those of the basic workers, or they are basic workers without mastery over the information, who support the de-

¹⁷ Economic and financial affairs, social and cultural affairs, hygiene and security measures, personnel and discipline.

¹⁸ Cf. table 4 in the Appendix.

cisions taken by the Director since they cannot control them, and who acquire some autonomy towards their electors by taking advantage of their privileged situation.

What results from these ambiguities and deviations is, first, a relative apathy of the participative organs which function more as organs of protest or of advice than of participation, second, a certain passivity on the part of the workers, that the rulers maintain by retaining information. In fact, the Charter evades the problem of the social relations in the enterprise. It considers the union and similarity of interests between the managers and the basic workers as accomplished and final whereas the S.M.E. actually separates the managers, who hold the power, in the name of the workers' State, from the basic workers, who are linked with power only through an advisory procedure. As for the intermediary category of the executives, who are provided with a power linked to their technical abilities, they may either be inclined to favour the Workers' Meeting or the managers, which is what happens most often, or play the role of a screen — not the role of a link — between managers and basic workers, and this according to the relations of power.

The Algerian experience proves that the power acquired to implement the «economist» doctrine¹⁹ by a technocratic or bureaucratic elite which actually owns the means of production and the surplus, and by means of which it aims at developing the productive forces, always remains in the hands of this elite in spite of the development of the productive forces; and this does not alter the social relations, nor does it enable the workers to control the State machinery effectively. Certainly, the Algerian revolution quite eliminated the foreign ruling class, but it was profitable to another minority which, even if legally it no longer has private ownership of the means of production, actually behaves as though it were the exclusive representative of these means, and anyway it has the «private ownership» of the means of decision-making²⁰.

Thus, the workers just carry out orders and work towards developing the means of production that this minority manage.

The need for centralizing some choices does not, however imply that the process of decision-making has to be centralized in its turn. The centralizing of choices which are connected with the main lines of development amounts to clarifying these main lines, in particular through better information, and to giving them an overall formulation; moreover, the basic units of society should always participate in discussing and defining these choices. The inadequate politicization or training of the basic workers, which provides the central bureau-

¹⁹ This economist doctrine presupposes the primary of productive forces over social relations of production throughout history. It considers that the increase in the capacity to produce and the economic growth need a continuous development of the productive forces, this development implying a restructuring of the relations of production through the fitting in of these relations with the new stage of development of the productive forces.

²⁰ The phrase is used by Y. BOURDET and GUILLERM in "Clefs pour l'Autogestion" Seghers, 1975.

cracy with excuses to decide in the workers' name, constitutes an improper confiscation of powers belonging to the basic workers.

2°) Of participation when subjugated

In the late 40s, Yugoslav communists considered that the Soviet type of a centralized system, which they had adopted after world War II, had not greatly altered the condition of the workers, who, since they had been subjected to central directives, were still the objects of the economic organization without being able to become the actors of it.

Furthermore, Yugoslavia's experience since 1945 showed that, once the revolutionary enthusiasm had subsided, workers, were progressively less and less concerned and tended to become passive. Only a radical change seemed likely to get them more actively involved.

Consequently, the Yugoslav Communist Party decided to separate the collective ownership of the means of production from their management, and to entrust all the workers of each unit of production with this management²¹. Since 1950, numerous texts²² have been added to the initial law, and have progressively extended self-management to all the sectors of public, economic, and social activity.

a) The Yugoslav system of self-management²³

The Yugoslav system of organizing society and regulating the economy has undergone a see-saw motion. After having given up centralized planning, the Yugoslavs resorted to decentralization and market mechanisms in the 60s. The unfavourable consequences of this excessive «liberalism»²⁴, that is to say a low rate of growth, unemployment, inflation, the growth of social inequalities, an increase in banking power...²⁵, compelled the Yugoslavs, from the 70s on, to look for a steadier system of organizing society and regulating the economy.

Thus, the Yugoslav Constitution of 1974 organized society as a pyramid of associations which the members join of their own free will, on the basis of a true equality and where, in theory, everyone

²¹ Fundamental law on the management of the enterprises by the workers, June 25, 1950.

²² The Constitutions of 1963 and 1974 in particular.

²³ It is obvious that we cannot in a few lines give an account of all the history and richness of the Yugoslav experience of self-management. On the subject, the reader can refer to the numerous works by B. HORVAT and more precisely to: HORVAT B. (Marković M. and Supek R.) "Self governing socialism" New-York: IASP, 1975; HORVAT B. "The Yugoslav economic system" NY.IASP, 1976; HORVAT B. "The political economy of socialism, a marxist social theory" Sharpe Inc. N.Y. 1982.

²⁴ That A. MEISTER has described as a regression towards capitalism "Où va l'autogestion yougoslave" Anthropos, 1970.

²⁵ Cf. A. DUMAS "Problèmes théoriques et pratiques de la formation du capital dans un système socialiste autogestionnaire. Le cas de la Yougoslavie" Travaux du Centre d'Etudes de la Coopération et de l'Autogestion n°3, Université de Montpellier I, 1972.

can participate in the choices that concern him. Such an organization rests on the idea that each individual or group of individuals has different specific preoccupations which may be expressed in different ways²⁶ and in different fields, such as labour, of course, but also the social surroundings in which one lives, social relations etc...

As far as the enterprises are concerned, they had been gathered into self-governing units of production in 1950. The management of these enterprises, whose means of production became the property of Society²⁷, was entrusted to the whole of the staff that worked there and was provided either through direct intervention in small units or through an elected workers' Board in big enterprises. Thus, in the enterprises where they worked, the workers could decide as to the nature, the volume and the prices of their production, within the framework of the planning and of the central economic policies, and according to the state of the market. The only reserve in the workers' freedom consisted in the levy of the State on the »profit«²⁸ made by the enterprise; but after 1961, the self-managed units were able to get almost the whole of the profit they had made.

The law of 1976 allowed the self-managed units to split into self-governing »Basic Organisations of Associated Labour« in which the number of workers is restricted enough to enable all of them to participate directly in the activity of their unit regarding its production, investments, and relationships upstream and downstream as well as regarding the sharing out of the net income made by the unit. The BOALS whose activities were complementary could join with one another to form one or several Organisations of Associated Labour (OALs whose general functioning preceded, and still proceeds nowadays, from contract freely established between BOALS.²⁹

The right to manage belongs to all the staff of each Organisation, but is exercised through an elected workers' Council³⁰ whose competence concerns the following matters, among other things:

²⁶ It is called the "pluralism of interests" in the Yugoslav terminology.

²⁷ The constitution of 1963 defines "social ownership" as the negation of both private property and property of State control.

²⁸ It is called "net income" in the Yugoslav terminology.

²⁹ Public services are also organized on the same model. They are constituted of associations of Organisations of Associated Labour of Communes (self-managing communities of interests) and are supplied with money by those who use them or benefit by them. See tables 5 and 6 in the Appendix.

³⁰ All the workers elect the workers' Council, have the power to dismiss it, discuss the plan for paying the salaries, decide on hiring workers or making them redundant. The periodic sessions of the workers Council are open to all workers. They can ask questions but they do not have voting rights: the decisions of the Board, are taken by the majority of the members who are present. Mandates last two years and the Boards are half re-elected every year. The law stipulates that three members out of four must be designated among those who work in production.

— the election of its President; the designation of the members of the Management Board³¹, and the appointment of the Director of the Organisation since 1965³²;

— the adoption of the internal regulation of the Organisation (the Management elaborates it);

— the discussion and approval of the reports of the Management Board;

— the decision to invest and the sharing out of the net income between the internal funds (self-financing, reserves, collective expenditure and the funds used to pay the wages.

— the Organisation membership of the economic associations and the adoption of contracts that can connect the Organisation with others or with the local associations and communities.

b) *Some difficulties encountered by the Yugoslav form of participation*

In practice, the functioning of the Yugoslav organization of self-management comes up against a certain number of difficulties³³. Indeed, there is a discrepancy between the social plan that Yugoslav self-management embodies and its actual implementation³⁴. The basic workers lack initiative and remain passive. The sluggishness of a bureaucracy or of a technocracy, which are present at every stage and over which the workers cannot exercise an effective control, hinder their vague impulses of participation.

Thus, those whom the system favours, the »recidivists of power« always appear in the delegate system and use their technical abilities, their elective mandates or their privileged status to re-introduce hierarchic relations that, yet, the plan for self-management rejects.

1) The grounds for a hierarchy in competence proceed, on the one hand, from the contradiction which exists between some urgent decisions to be taken and the slow democratic procedure, and, on the other hand, from the basic workers' insufficient knowledge regarding numerous technical problems. Consequently, it seems necessary to es-

³¹ The Management Board, among whom 1/3 of the members is re-elected every year, is a technical and financial organ of management which stands beside the Director.

³² The Director, who provides the actual Management of the Organisation carries out the decisions taken by the Board, and represents the Organisation outside, used to be appointed by the authorities before 1965. The members of the management Board and the Director attend the meetings of the workers' Council in order to provide the information needed to be able to conduct discussion.

³³ We do not pretend here to take stock of all Yugoslav self-management or to make an inventory of all the problems which may crop up at each of its numerous levels; but we want to stress those problems which concern the exercise of power within the economic organizations.

³⁴ This discrepancy can be illustrated by the sporadic strikes to protest against the decisions taken by the elected representatives and technocrats. These strikes do not challenge the Yugoslav social plan itself but its implementation and the discrepancy between what is officially said and what is actually done. It is shown by N. JOVANOVIĆ ("La grève et le projet autogestionnaire en Yougoslavie" *Sociologie du Travail* n°4—1980).

establish hierarchic levels of command linked to the levels of competence of the individuals.

In fact, the presence of technicians in any social organization should not necessarily lead to a technocratic hierarchy. The elements which constitute any organization are linked by an analogy in their functions. The appearance of a technocracy implies that this analogy in functions is replaced by such a hierarchic analogy³⁵ that it becomes impossible to call into question the delegation of power from which »those who have the knowledge« benefit, and who produce their own language³⁶ which cannot be understood by »those who do not have the knowledge«³⁷.

The maintenance of this technocratic hierarchy in Yugoslavia would proceed from:

— the lack of training and of information on the part of the members, in particular at the lowest levels because of the executives' reluctance to dispense the training and the information necessary to the good functioning of the self-managed enterprise³⁸;

— the continuous activity of management whereas the organs of self-management intervene only at the close of periodic meetings³⁹;

— the habit of manipulating the workers »by constantly presenting difficulties as imputable to factors beyond the control of the management Board rather than as the consequences of causes within the enterprise«⁴⁰;

— the existence of conflicts at the very heart of the enterprises, especially between the immediate aspirations of the workers and those of the executives whose career is much more dependent on the growth of the enterprise than is the career of the workers⁴¹;

— the passivity of the trade unions which »still have the role they had in the previous period of State control, that is to say the role of a piece of machinery meant to discipline the workers«⁴².

Thus, what results from a survey conducted by Meister⁴³ is that more than one quarter of the workers consider that the rulers and the technicians impose their will on the enterprise. The decisions are prepared by the experts, proposed by the Director, and confirmed by the workers.

³⁵ H. LABORIT ("La nouvelle grille") says that the various elements which constitute the human body play their respective roles according to the finality of the whole with no hierarchic relations between them ("the mind does not have control over the heart").

³⁶ The language of management for example.

³⁷ This enables "those who have the knowledge" to shut themselves away in their ruling position so to say, and to leave the "un-initiated" out of it.

³⁸ S. MOZINA "Participation des membres d'organismes d'autogestion à la prise de décision" Revue de l'Est n°2—1972. The author shows that in the Yugoslav enterprises the workers' influence on the running of their enterprise is in increasing function of their qualifications.

³⁹ V. RUS "Influence structure in the Yugoslav enterprise" Industrial Relation n° 2 — 1972.

⁴⁰ R. SUPEK "Experiences et problèmes de l'autogestion yougoslave" in A. DUMAS "L'Autogestion, un système économique?" Dunod, 1981.

⁴¹ S. MOZINA op.cit.

⁴² R. SUPEK op.cit.

⁴³ A. MEISTER "Où va l'autogestion yougoslave?" Anthrops, 1970.

2) Besides, a hierarchic system depending on holding an elective mandate is superposed on the hierarchic system depending on being competent. The surveys conducted in Yugoslav enterprises, by Zupanov and Tannenbaum in particular⁴⁴, prove indeed that the relation between those who elect and those who are elected usually duplicates the relation between those who rule and those who are ruled. To keep up such a hierarchy would essentially proceed from the absence of a review of the representatives elected in the Boards either because it is rather difficult to recruit new candidates (problem of militancy and of training), or because the laws concerning the mode of representation are inadequately applied (the elected representatives come to like the exercise of power and their rotation is no longer maintained since their tasks, by becoming more and more complicated, require those who have trained themselves to keep their seats).

3) Lastly, the persistent hierarchic relations within the self-management enterprise may result from holding a privileged status such as that of member of the League or that of member of a main Trade union. Some people can indeed take unfair advantage of their belonging to some »parallel organizations« in order to impose their points of view, to train and supervise the workers, and even to substitute themselves for the workers regarding the decisions to be taken, especially if they can have access, thanks to their privileged status, to well-informed sources external to the group concerned.

The »élite« in power, whatever its origin, does not willingly accept abandoning the prerogatives that the exercise of power confers on it, and it may cling to the material and political privileges linked to it. The delegate system, which proceeds from the structure of the various systems, expresses the specific interests of each of the groups only, the latter being deprived of the possibility of expressing their interests globally. The bureaucracy obtains increased power out of this splitting up of the expression of the interests of the basic groups, and out of the intertwining delegation networks that grow more and more complicated all the time. Being no longer able to control the activity of the »recidivists of power« the basic workers can do nothing else but »trust« them.

In fact, the Yugoslav authorities have institutionalized some kind of social organization based on participation at every stage, but at the same time they have »subjugated« the organs of this participation and »stifled«⁴⁵ the possibilities of expression these organs had.

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Consequently, it seems to us that one of the main obstacles to participation in the socialist systems corresponds to the appearance of a bureaucratic and or technocratic elite, and to the survival of a hierarchic phenomenon.

⁴⁴ ZUPANOV and TANNENBAUM: "Distribution du contrôle dans quelques organismes industriels yougoslaves", Sociologie du Travail n° 1 — 1967.

⁴⁵ Cf. L. TADIC "L'autogestion étouffée" Revue Autogestion n° 6 — 1981.

The difficulties met in Algeria as well as in Yugoslavia in looking for a true participation in all the sectors of social activity, and in the economic sector in particular, clearly prove that the problem of bureaucracy has not yet been mastered and that, eventually, setting up institutions that favour democracy is not enough to eliminate its negative expressions.

The situation of Poland today is a dramatic illustration of the resistance of this elite to any kind of participation which would challenge what its power has acquired. After having tried through laborious compromises, but in vain, to contain and channel the powerful current which expressed the aspirations of the workers to participate in the decisions that concerned them, the Polish ruling class finally resorted to constraint and force in order to protect its privileges.

CONCLUSION

The study of the practical experiences of participation in present socio-economic systems shows that neither capitalism nor centralized socialism make an actual democracy of choices possible. If we consider democracy as a form of overall participation, the only experience which is most similar to it appears to be the Yugoslav socialist system of self-management. And yet, neither the Yugoslav experience nor the other experiences can constitute in themselves models to be imitated.

The dichotomic vision of capitalist and socialist systems does, in fact, lead to the alternative, or dilemma, between private ownership and collective ownership of the means of production, as far as the structures of decision-making are concerned. The following question is therefore quite naturally raised: which one of the two terms enables a better participation? Such a question restricts participation to playing the role of a means intended for ensuring the survival of the system, whereas participation corresponds to a basic need of man and must be conceived as an objective in itself.

Thus, the choice of the structures of decisions liable to promote participation cannot be limited to the previous alternative. In other words, bringing into play a true participation does not boil down to choosing between collective ownership and private ownership of the means of production; but it poses the problem of another choice, which does not necessarily match the previous one, it is the choice between the private ownership and collective ownership of the means of decision-making.

In fact, the observation of how the capitalist and the socialist systems function proves that the means of decision-making usually remain private ownership. Must we conclude from this that power cannot be shared and that the collective exercise thereof is impossible? The participation of everyone in collective choices may indeed appear as a sheer utopia to some people; and yet, "tous les grands progrès de l'humanité ont toujours été des utopies réalisées"⁴⁵.

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⁴⁵ André GIDE "Les Nourritures Terrestres".

APPENDIX

Table 1
THE GERMAN QUALIFIED CO-MANAGEMENT (1951)

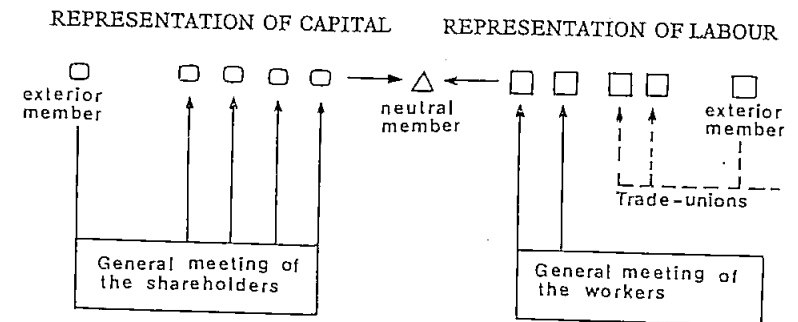


Table 2
THE GERMAN JOINT CO-MANAGEMENT (1976)

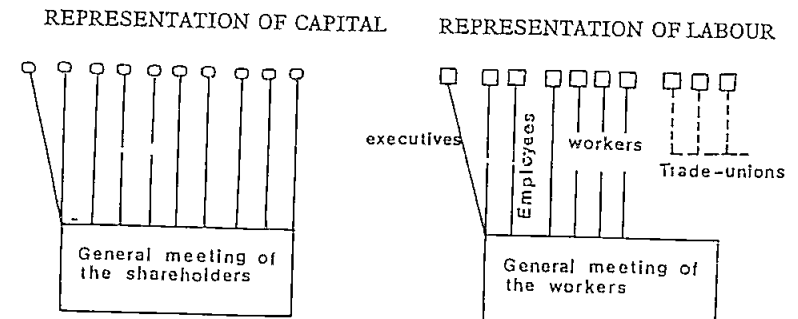


Table 3
THE SELF-MANAGEMENT OF THE ALGERIAN
AGRICULTURAL ESTATES

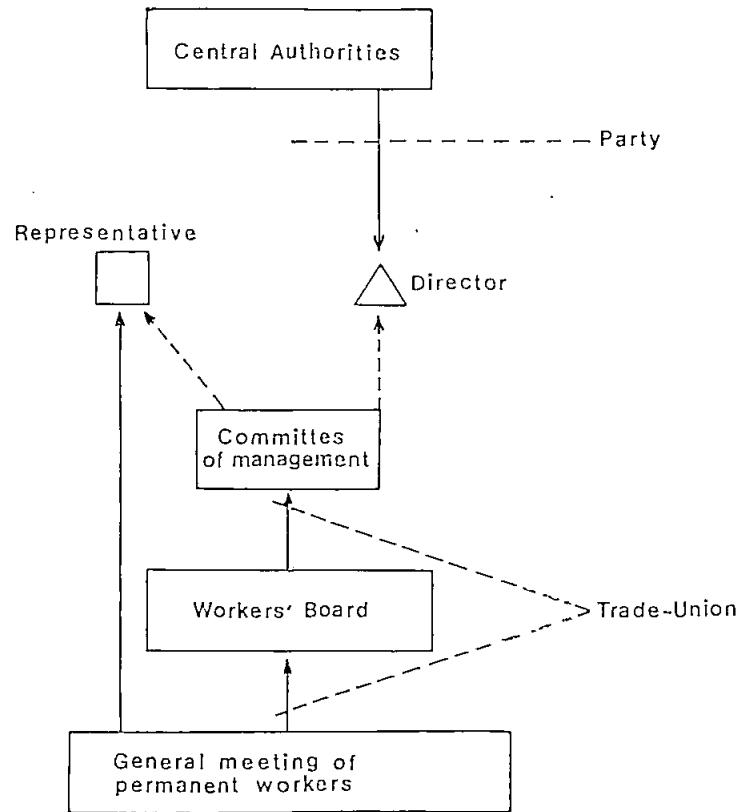


Table 4
THE SOCIALIST MANAGEMENT OF THE ALGERIAN ENTERPRISES

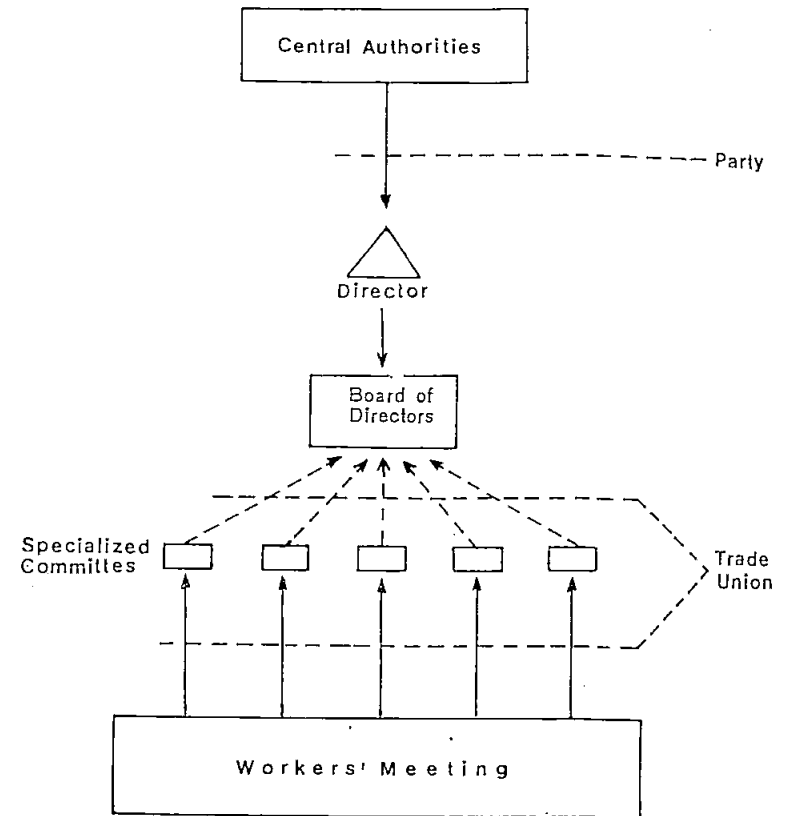


Table 5

SELF-MANAGING COMMUNITIES OF INTERESTS IN YUGOSLAVIA

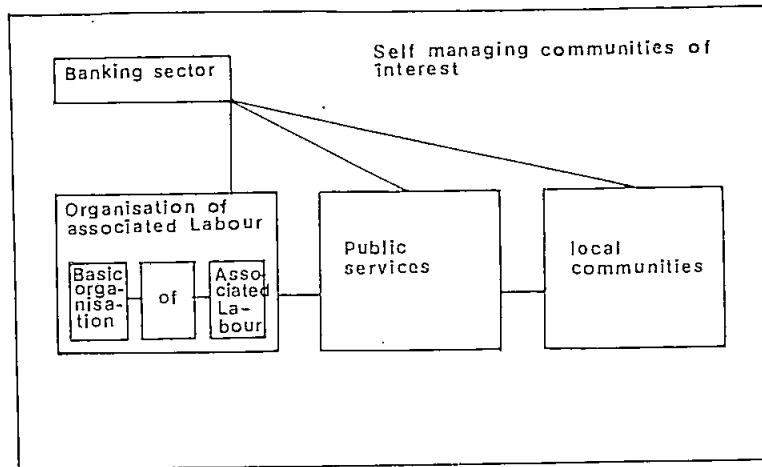
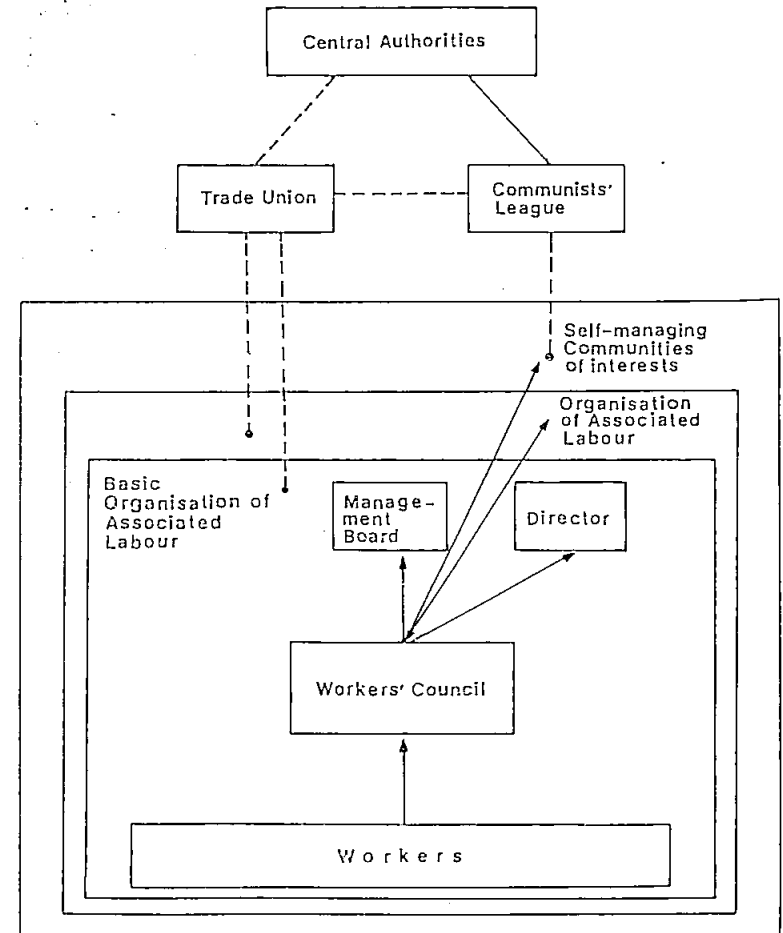


Table 6

YUGOSLAV SELF-MANAGEMENT



EKONOMSKI SISTEMI I PARTICIPACIJA: ESEJ O
PRAKTIČNIM ISKUSTVIMA PARTICIPACIJE

André DUMAS

Rezime

Proučavanje praktičnih iskustava participacije u savremenim socio-ekonomskim sistemima pokazuje da ni kapitalizam ni centralistički socijalizam ne omogućavaju pravu slobodu izbora. Ako demokraciju shvatamo kao oblik sveukupne participacije, čini se da je jugoslovenski socijalistički samoupravni sistem jedino iskustvo koje je najbliže ovom pojmu demokratije. Pa ipak, ni jugoslovensko niti bilo koje drugo iskustvo ne može da se pretoči u modele koji bi se imitirali.

Dihotomna vizija kapitalističkih i socijalističkih sistema doista vodi alternativni ili dilemi o privatnom ili kolektivnom vlasništvu nad sredstvima za proizvodnju, ukoliko se strukture odlučivanja razmatraju. Tada se, sasvim prirodno, nameće sledeće pitanje: koji od ova dva oblika vlasništva omogućava bolju participaciju? Ovakvim se pitanjem participacija ograničava na sredstvo namenjeno preživljavanju sistema, a participacija odgovara osnovnoj čovekovojoj potrebi i mora se koncipirati kao cilj imanentan čoveku!

Tako se izbor struktura odlučivanja koje mogu unaprediti participaciju ne može ograničiti na prethodnu alternativu. Drugim rečima, uvođenje prave participacije ne svodi se na izbor između kolektivnog i privatnog vlasništva nad sredstvima za proizvodnju, već ono postavlja problem drukčijeg izbora, koji se nužno ne poistovećuje sa prethodnim, a to je: problem izbora između privatnog i kolektivnog vlasništva nad sredstvima za odlučivanje.

Ispitivanje načina funkcionisanja kapitalističkih i socijalističkih sistema pokazuje, u stvari, da sredstva za odlučivanje obično ostaju u privatnom vlasništvu. Da li moramo na osnovu ovoga da zaključimo da se moć ne može deliti i da je kolektivno posedovanje moći neostvarivo? Učešće svih u kolektivnom izboru zaista se nekim ljudima može učiniti kao čista utopija; pa ipak: »svaki veliki progres čovečanstva uvek je bio utopija koja se ostvarila«.*

* André Gide, *Les Nourritures Terrestres* (Zemaljska hrana).

Jiří Kosta

ABRISS DER SOZIALÖKONOMISCHEN ENTWICKLUNG
DER TSCHECHOSLOWAKEI 1945—1977

Suhrkamp Verlag, Frankfurt am Main, 1978

Deset godina nakon tzv. čehoslovačkih događaja iz 1968. godine poznata zapadnonemačka izdavačka kuća Suhrkamp, u okviru svoje edicije koja je posvećena istorijatu društveno-ekonomskog razvoja pojedinih zemalja, objavila je studiju čehoslovačkog ekonomiste J. Koste pod nazivom *Društveno-ekonomski razvoj Čehoslovačke u periodu 1945—1977*.

Autor je preko dvadeset godina (1956—1968) radio kao istraživač i predavač u Čehoslovačkoj, gde je bio jedan od uticajnijih zagovornika korenite reforme privrednog sistema. Nakon drastičnog raskida sa tekovinama tzv. praškog proleća, u koje je svakako spadao i radikalni preobražaj nacionalne ekonomije, ulaskom trupa Varšavskog ugovora u ČSSR, J. Kosta se nastanio u SR Nemačkoj i postao profesor Univerziteta u Frankfurtu.

Iako se nije upuštao, s obzirom na karakter ove studije, u opširnija teorijska razmatranja privrednog razvoja *in abstracto*, J. Kosta nije propustio priliku (što je metodološki sasvim ispravno) da implicitno definiše svoj pristup ovoj problematici. On je pristalica jednog šire shvaćenog koncepta društveno-ekonomskog razvoja koji se ne ograničava samo na posmatranje i analizu ekonomskih činilaca, već uzima u obzir i delovanje neekonomskih faktora.

Polazeći od toga, J. Kosta ističe da profil i dostignuća u privrednom razvoju jedne nacionalne ekonomije nisu samo rezultat funkcionisanja njenog privrednog sistema i odraz njene privredne strukture, prirodnih uslova i raspoloživih resursa odnosno međunarodnog ekonomskog okruženja, već i fizionomije političkog sistema, načina odlučivanja i sistema upravljanja, motivisanosti stanovništva u privređivanju i slično.

Shodno tome autor je izvršio takvu periodizaciju posleratnog razvoja čehoslovačke privrede koja je direktno izvedena iz ozbiljnih zaokreta i promena u razvoju društveno-političkog i ekonomskog sistema zemlje. Primenom tog osnovnog kriterijuma razlikuju se četiri razdoblja: 1. period narodne demokratije u kojem je preovlađivao sistem tzv. mešovite privrede (1945—48); 2. period preuzimanja sovjetskog modela razvoja zasnovanog na sistemu centralističkog planiranja i upravljanja (1948—65); 3. period reforme koji je karakterisalo nastojanje da se razvije decentralizovani eko-