NEMA PROBLEMA

How the workers of Majdanpek managed themselves rich

March 1977

Report of a study project on self management in Yugoslavia (February 19 - March 22) by participants and staff of the 1976/1977 International Diploma Programme Industrial Relations and Labour Studies (Institute of Social Studies, the Hague, the Netherlands).

PREFACE AND ACKNOWLEDGEMENTS

This is a report of a study project on Yugoslavia carried out by participants and two staff members of a post-graduate programme in Industrial Relations and Labour Studies. This programme has a duration of six months. The first three months are devoted to general labour studies, followed by two months of specialisation with the final month devoted to a project on a specific theme.

It has become a tradition to conduct the latter collective study in Yugoslavia, at the express wish of the programme participants. Throughout the period of study the world's main patterns of labour relations have been explicitly or implicitly surveyed, and at the end of the programme there was a strong desire to study a country which was applying innovative industrial relations approaches more intensively. Subsequently, it was unanimously agreed that Yugoslavia was the most challenging innovator at present. It should be clearly stated that this high degree of interest in Yugoslavia was based on scientific curiousity and did not include a desire to copy the Yugoslav system. The purpose was, rather, to analyze central labour relations questions in the perspective of a system different than the one to which we are accustomed. Moreover, the definite attraction of Yugoslavia as a ground for such a study was the ongoing experimentation on returning control of fate and conditions to the workers and citizens.

In our quest to understand self management we did not carry out a research project - in order to do that more extensive prior study and substantially more time would be required. This report is a reflection of the observations, questions which were raised and the resulting interpretations amassed during this exploratory project. General and detailed observations are contained within this report which the various study groups within the project wished to have recorded.

The report has been called Nema Problema, a phrase which developed special significance during the course of the project. According to the

Yugoslavs, Nema Problema (there is no problem) is both a superb way to face and solve problems and an invaluable principle in reaching agreement with one another. It was applied to us collectively and we tried to reciprocate. Nema Problema became a watchword and we are grateful to the many Yugoslavs who have helped us throughout this project. We would like to express our appreciation to Darya Fleré and Menka Ninčić for their seemingly tireless efforts during our visit which extended far beyond their professional role as translators. A special word of thanks should go to Professors Grosdanić and Lukač of the Political Faculty of the University of Belgrade, who came to Holland to introduce Yugoslavia in a one week programme, the Dean of the Political Faculty, Professor Stojković, and other staff members, the many functionaries of various instititions in Belgrade and, above all, the workers, citizens and officials of the Commune of Majdanpek, who put themselves completely at our disposal and acted as perfect hosts, both by explaining the intricacies of self management in a commune and also making our stay in Majdanpek pleasant both socially and culturally.

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Study groups within the project were:

1. Work organisation and the process of self management
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   See Chapter II, pages 8-20.

2. Distribution of income and employment
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   See Chapter III, pages 21-29.

3. The role of trade unions in Yugoslavia
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   See Chapter IV, pages 30-36.

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   See Preface & Acknowledgements, Chapter I, pages 1-7 & Chapter V, pages 37-40.

Report edited by Suzanne Parker

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I. IDENTIFYING CURRENT ISSUES IN SELF MANAGEMENT IN YUGOSLAVIA

The Yugoslavia Project was set up as follows. At the onset one week was utilized to get acquainted with the history and main characteristics of the present self management system of Yugoslavia. This introduction was followed by a two day programme in Belgrade to receive information on the current issues in self management through discussions with policy makers at the level of the Republic of Serbia. Thereafter, a four day visit was made to a commune, Majdanpek, to study specific aspects of self management in detail within work organisations at the communal level. The fourth phase of the project was the evaluation of the observations, accomplished both through discussions with Yugoslav experts upon return to Belgrade and direct preparation of the reporting of the observations upon return to the Institute of Social Studies.

Preparations before going to Yugoslavia

A full week was devoted to preparation for the visit to Yugoslavia. (See appendix for the detailed overall programme of the project). Professors Grosdanić and Lukač presented a series of lectures which included the history of self management, the various phases in the evolution to the system of self management as it exists today, the underlying principles of self management as incorporated in the new Constitution of 1974, the central role of the Basic Organisations of Associated Labour (BOAL) and the way these basic organisations are incorporated in the decision making procedures at the Communal, Provincial, Republic and Federal levels. The role of the trade union, League of Communists, Socialist Alliance of Working People, the role of the State, and other organs were also covered during this period. Much attention was paid to the new delegation or delegates' system. Self Management and Investment Control in Yugoslavia, an Institute of Social Studies research publication, (forthcoming 1977), was used extensively as a background text for the understanding of Yugoslav self management. Since general information on self management in

Yugoslavia is reported in this book and other publications we have not elaborated on it in this report.

A segment of the preparatory week consisted of designing the work programme. During brain storming sessions individual participants formulated the kind of questions which he or she would give priority in carrying out observations in Yugoslavia. In turn, these questions were grouped, as far as possible, compared, common denominators, thoughts and eventually common themes were established. Finally, the group split into four sections on a thematic basis. One group would focus on work organisation and self management, and prepare questions on the functioning of self management at the BOAL level, particularly, following up questions that remained unanswered from the readings and lectures of the preparatory period. A second task force would concentrate on employment and income distribution, drawing lines beyond the BOAL level, probing into questions of income distribution, employment and unemployment at the communal level, between workers within particular sectors, between such sectors, and, additionally, would investigate the role of employment and income distribution as elements in republic and federal planning. A third group would focus on the role of social political organisations, again at various levels. Lastly, a small group was formed which would coordinate the tasks within the first three groups, and would also carry responsibility for the integration of the reporting.

Participants became members of these respective groups on a voluntary basis - it was coincidental that the numerical composition of the groups was balanced. Each group prepared a series of questions for each meeting scheduled to take place in Belgrade and Majdanpek. It was left to each group to organise itself, to distribute the tasks of question asking and reporting. During regular intervals plenary meetings were held during which the work groups exchanged opinions and made requests of one another regarding the collection of data of mutual interest. The format of the meetings held in Yugoslavia did not include lectures by the Yugoslavs. All sessions opened with questions by

members of the respective taskforces. Since we were aware that it would be impossible to get a comprehensive picture of any aspect or institution within such a relatively brief time period we chose this form of organisation and, therefore, were able to clarify and enlarge upon subjects of particular interest to group members.

Preceding our visit to the Commune of Majdanpek a short programme was held in Belgrade to prepare ourselves in greater detail. One aspect - a visit to the War Museum - enabled us to obtain further insight regarding the historical background of Yugoslavia and its relationship to the present social and political systems. The historian who conducted our tour of the museum accurately summarized Yugoslavia's history as, "14 centuries of struggle against occupying forces". This history of social and military oppression contained Crusaders tracking and fighting throughout the country, and centuries of occupation by Turks, Austrians and Hungarians. Conflict was not limited to uprisings against the foreign oppressors but included peasant revolts against landlords documented as early as 1573. We were particularly impressed by this evidence of peasant uprisings against their feudal landlords continuing until the mid-18th century as powerfully illustrated in many paintings at the Museum. The inequality of weaponry was also represented. In one striking painting, dated 1573, we saw the leader of the peasants during a public trial. Our guide informed group members that the verdict of this trial was to crown this leader before his peers. It must be mentioned that the iron crown was first heated to ensure a very brief reign. The cruel measures employed by the Turks to quell Serbian rebellion were illustrated, in one instance, by a tower constructed of dissenters' skulls. After five hundred years of continuous guerrilla warfare against military and feudal exploitation the occupation of Yugoslavia by the fascists during the period 1941-5 was met with determined organised resistance by the people whose goal to expel the fascists and to build

a new society based on the principle of self determination was neither ameliorated nor abandoned. Thus, the principle of self management established a firm base during this partisan war in which enormous solidarity, joint creativity and joint decision making were organisational precepts. This actualisation of self management, though in a military context, extended in history much further back than merely the German occupation and laid a firm historic foundation for the development of self management in civilian life.

According to representatives of the League of Communists in Belgrade self management socialism became a living ideal during the partisan war after which the victorious partisans maintained this strong commitment to build a new society regardless of any personal sacrifice which this would entail.

What about the post-war generation, who have not shared this experience? In the view of the League of Communists the post-war younger generation faces a new challenge. The socialist revolution continues, with its many challenges not limited to military issues. In brief, the main challenge is whether political forms created twenty years ago are adequate for the future. This burning question is a major issue for the League of Youths, which plays an important innovative role while remaining within the limits of the statutes of the League of Communists. For both the League of Youths and the older generation communists the decisive challenge is the same, namely, how to change relations in production in such a way that the workers have a decisive say in the following three basic questions: What is the relation between people in production, how are decisions taken in production, and, what is the relationship between workers and the income they create? Ultimately, social relations in production should be the creation of the workers themselves. This is not a slogan, but a practical struggle which is waged primarily at the BOAL level by the basic organisation of the League of Communists. One should not judge the achievements by criteria of an ultimate utopia, but by the efforts made in Yugoslavia to do that which is attainable within the general orientation as described.

Basically, the trade union must be seen in the same perspective. The main function of the union is not to defend short term interests of individual workers, but to help all workers realize their self management rights. A current issue of particular importance to the trade union is its changed attitude to income distribution. For quite some time the union has been fighting for the principle of maximum personal income, now the priority has shifted to another problem, namely, how to relate income to performance. The union has observed that the difference in wages is less than the difference in results of work. It is now searching for yard sticks to measure the quality and quantity of work, viewed more important than skill, status, education, qualifications, etc. The objective is that each worker should receive an income in direct relation to his contribution to the income of the enterprise. At the enterprise level the same yard stick should be used, with the income of enterprises relating to their contribution to the income of a group of enterprises in a particular sector. The union is encountering many difficulties in effecting this change since the workers are used to the traditional criteria. Moreover, these criteria have been interwoven in all self management agreements. All compacts on income distribution, and related self management agreements are now being changed. In accord with this new principle the previous limitation on maximum income has been dropped although a minimum income will continue to be regulated.

According to the Economic Chamber, a traditional party in the establishment of the social compacts for income distribution, this new criteria of relating income to quality and quantity of work first emerged from the top level of the trade union. The Economic Chamber applauded this new move since it has always felt that income should be judged by economic criteria since income unrelated to productivity produces inflation. While economic criteria must come first the need for certain minimal social standards is recognized, for instance, in order to protect the weak members of the society. The same argument was used by the Secretariat of Labour. At this secretariat we were informed that the first social compact for income distribution at the republic level was concluded in 1972. Signatories

of the compact were the Republic Trade Union Council, the Republic Economic Chamber and the Executive Council of the Republic, which involved the Secretariat of Labour in the drafting. This compact was filled with ratios, maxima and fixed proportions for the allocation of surplus to personal income, joint consumption, business funds and reserve funds respectively. In 1975 a new compact was concluded, now signed by the Serbian Trade Union Council, the Economic Chamber of Serbia and the Assembly of the Republic of Serbia, which implemented the principles of the delegates system and reduced the impact of executive organs in decision making. The Secretariat of Labour continues to assist in the preparation and official registration of compacts. The name of the compact has also changed and is now termed "The Social Compact on the Yard Sticks for the Distribution of Income". They no longer deal with ratios, formulae, etc., but produce general criteria which in turn is worked out completely by the BOALs on a communal and regional basis. At the regional level the Trade Union Council, the social political delegates and the joint BOALs conclude a self management agreement which is more concrete than the yard stick at the republic or federal levels. The emphasis is shifting increasingly to the BOAL. An example of the current style of compacts is found in one which states the more an organisation earns the more funds should be set aside for extended production. The distribution of gross income in fixed proportions has been abandoned and is now left to the BOALs.

The Trade Union, the Economic Chamber and the Secretariat of Labour all agree that the main practical challenge for Yugoslavia today is how to increase productivity which is reflected in the nature of the new social compacts. One should not, it was explained emphatically, judge the nature of these compacts against official communist ideology, but rather against the background of practical developments which are stages in the process of transformation to a self managing society.

These were some major recurrent issues with which we were confronted during our first observations in Belgrade.

In the following three sections reports are filed by work groups incorporating observations in Majdanpek and the proceeds of general discussions in Belgrade.

The Commune of Majdanpek, located in close proximity to the Rumanian border, is a rural commune with an increasingly important mining industry. These mines have been developed over the past one hundred years alternately by Belgians, French, Austrians and during the war by the Germans. Under foreign ownership during this period there were many strikes, there was unrest, there was exploitation. Efforts were never made to develop the capacities of the miners. In 1944 the mines were nationalised, a rather simple procedure since the German owners had abandoned their property. Mining has now become the major and almost single source of income for the Commune of Majdanpek with as much as 93% of income in the social sector resulting from the mines, the remaining 7% is derived from forestry, agriculture and cattle raising. The per capita income of Majdanpek is U.S. $ 1500 whereas the Serbian per capita income is U.S. $ 900.

The Communal Assembly of Majdanpek has a total of 110 delegations as follows:

1) Chamber of Associated Labour - 50 delegations
2) Chamber of Socio-Political Organisation - 30 delegations
3) Chamber of Local Communities - 30 delegations

70% of the delegates in the Communal Assembly are direct producers. There are 14 Local Communities in the Commune, including the two Urban Communities of Majdanpek (population 12000) and Donji Milanovac (population 4000).

The Commune has its own statute and programme of action approved by its Assembly.

II. WORK ORGANISATION AND PROCESS OF SELF MANAGEMENT

Seeds for the growth of self management in Yugoslavia were sown during the Partisan War which while liberating the country from the occupying forces was successful in bringing about a social revolution. Peoples' Committees set up during this national struggle in liberated areas may be treated as prototypes of self management institutions which were to be legally established in 1950. The cultural background of the country with a predominantly peasant population which did not welcome central control was another contributory factor facilitating the development of self management, which in Yugoslavia represents a process of growth involving constant change and modification embracing the entire society - a process which the Yugoslavs still prefer to term 'an experiment'.

Dr. Stambuk of the Political Faculty of the University of Belgrade placed this process in a clear perspective when he listed the four fundamental principles underlying this changing process, viz:

a) extension and development of self management;

b) equality amongst all peoples irrespective of their nationalities, creeds, etc.;

c) dominant role of the worker in society;

d) policy of non-alignment in foreign affairs.

Taking the above fundamentals as the basis for development, he went on to explain the concepts of development and efficiency as understood in the Yugoslav context. The concept of development differs from that of the West in that it consists not only of growth (the Yugoslav growth rate is higher than that of most Socialist countries), but specifies growth through self management and peoples' participation. Efficiency alone is not the criterion for development since they place more emphasis on the necessity for involvement by all concerned in production, etc. In the complex process of decision making with its apparent course for delays the psychological factor of involvement by workers is a feature which in the long run has a more salutary effect on efficiency.

The levelling of income amongst various categories of workers is considered to be a disincentive in Yugoslavia where the 'quality and quantity of work' forms the basis on which distribution is determined. Hence, the social compacts at Republican and Communal levels do not set down upper limits of income for those workers whose quality of work cannot be easily measured.

Majdanpek copper mines

The work organisation of Majdanpek Copper Mines comprising the five BOALs forms part of the composite work organisation of BOR, which has 13 such work organisations represented in it. Chart I gives the composition of the Majdanpek Copper Mines work organisation in relation to the BOR composite work organisation.

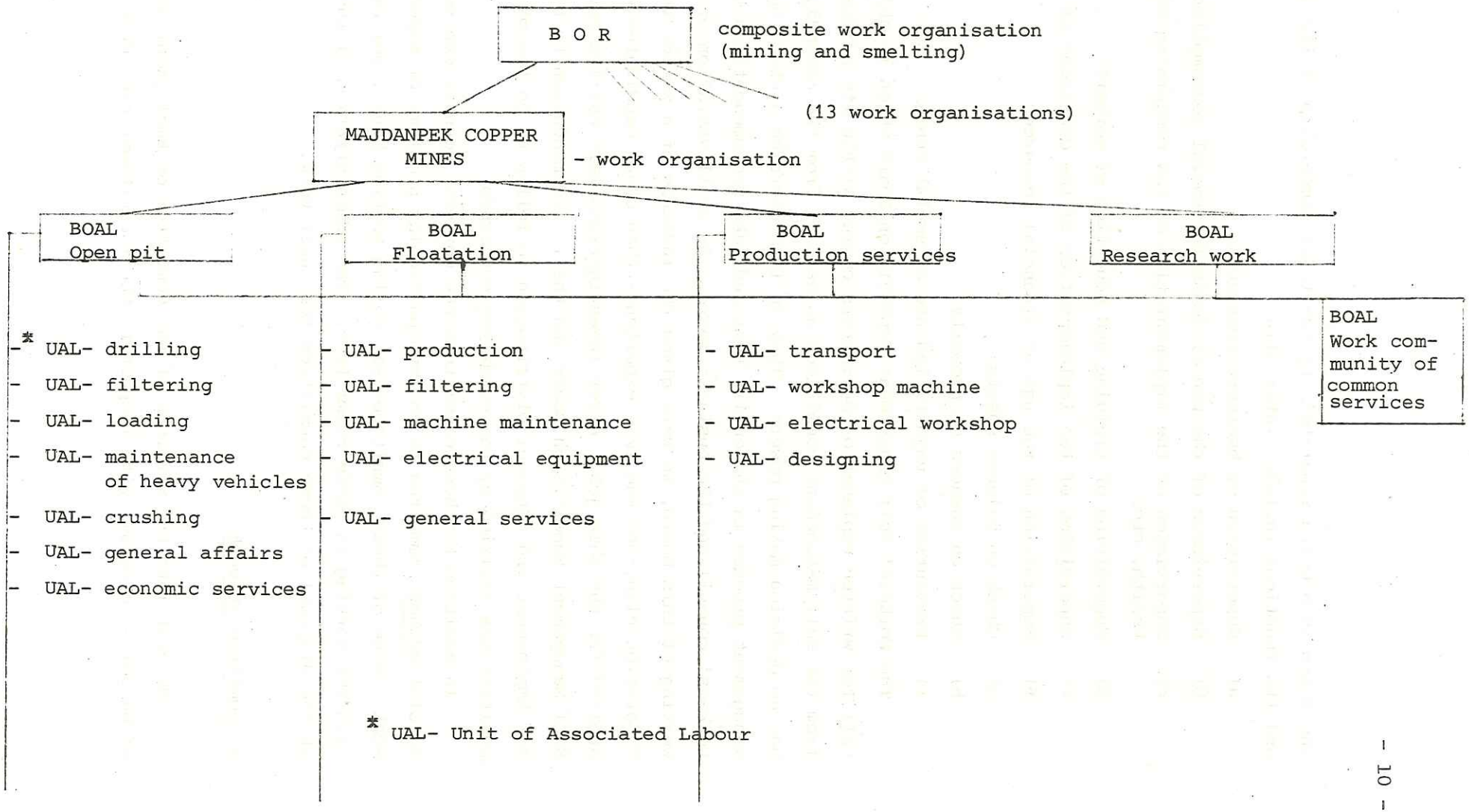
The first workers' council in the copper mines (nationalised in 1945) was established in 1950. There was a break in the process in 1953 when the old mine was shut and intense explorations were begun which led to the opening of the new mine in 1961. The workers' council started functioning again from this year.

BOAL in the copper mines

Out of the total of 5 BOALs in the copper mines, we delved into the working structure of two, i.e. open pit mines and the floatation plant. The detailed structure of the self management machinery is given in Chart 2. The BOAL workers council is elected by the Basic Units of Associated Labour which comprise the workers' assembly. The arrangement of electing the various committees (numbering 8 in this instance) simultaneously with the election of the workers' council has been in operation since 1975. Most of these self management bodies are widely published except for a relatively new organ, the Workers Self Management Supervision Board.

CHART I

MAJDANPEK COPPER MINES IN THE BOR COMPOSITE WORK ORGANISATION



The Board is selected separately by the total membership of the BOAL, and its functions include, inter alia:

a) Supervision of business contracts

b) Supervision of the use of funds for social consumption

c) Supervision of the implementation of law concerning safety, health, etc.

d) Supervision of training and education of workers

e) Supervision of the implementation of the decisions of the workers

f) Supervision of the use of financial resources

g) Check on balance sheets

h) Check on damages on property

i) Prevention of unjustified use of social funds

The Workers' Self Management Supervision Board which is able to call for written explanation on matters coming within its purview from the self management committees as well as from the assembly but has no decision making powers. They, in fact, exercise a check on the self management process in the entire BOAL and make recommendations to the workers' council and the business board. As an illustration of the working of this board, we were given the instance of a worker in the Floatation Plan, who had less experience than other candidates who had applied for the same job. After investigations were carried out by the Self Management Supervision Board and their recommendation to the Committee for Employment and Manpower Distribution to follow up on the matter the position was ratified by the committee concerned.

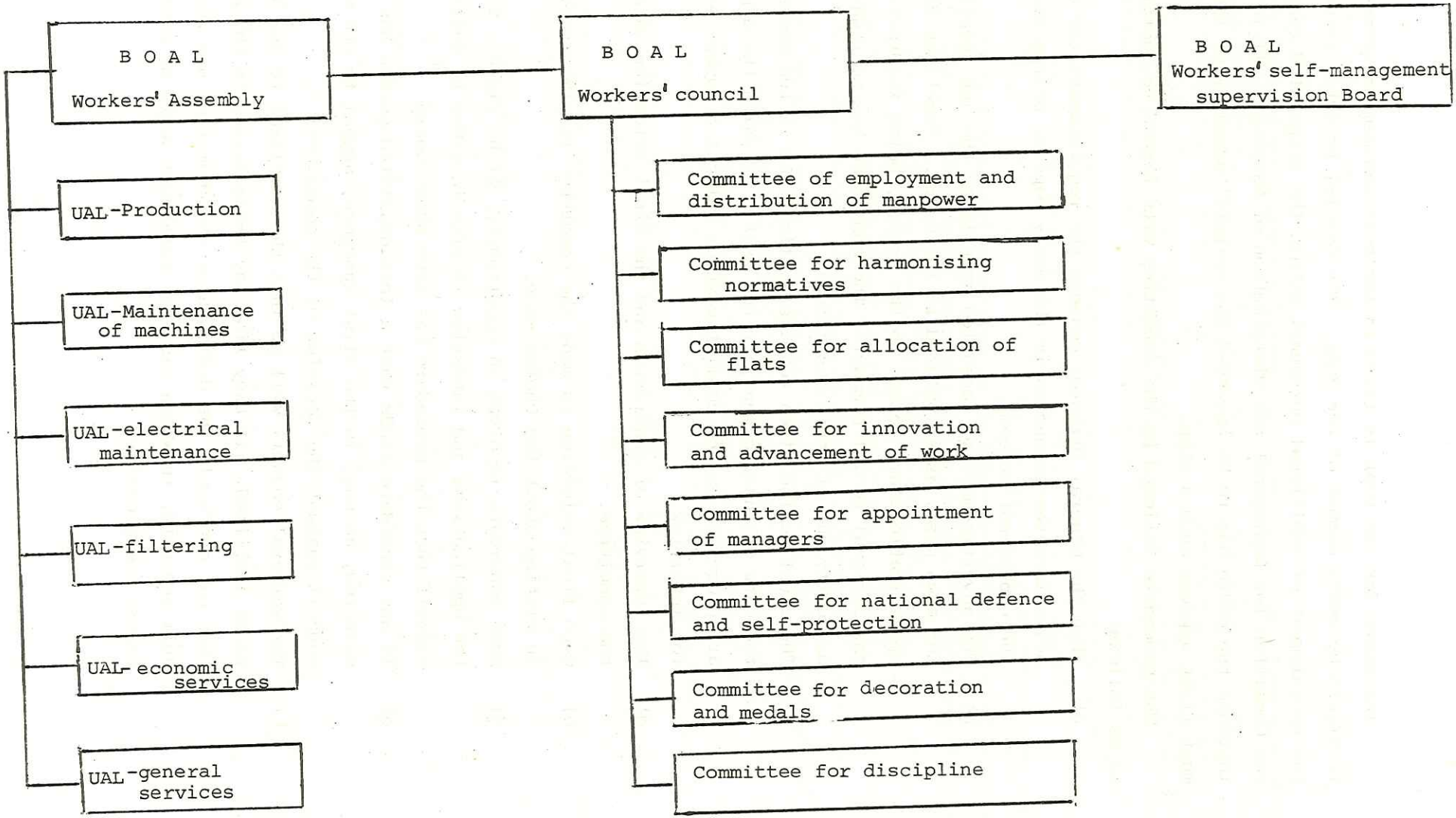
In addition to these committees the workers' council can set up a special ad hoc committee to go into particular problems or aspects of the BOAL. None of these committees sit during working hours, nor are members paid for working in these committees. The administration of the BOAL is at the disposal of these committees for their work.

A committee at work

We went into the workings of the Committee on Employment and Distribution of Manpower in detail with respect to the recruitment procedure.

CHART 2

DETAILED STRUCTURE OF SELF-MANAGEMENT IN FLOATATION PLANT



The cadre for the BOAL is fixed in the self management agreement which is signed by every member of the BOAL. The General Director recommends the recruitment of additional personnel within the stipulated cadre to the Committee for Employment and Distribution of Manpower. If in any instance the cadre has to be exceeded the workers' assembly of the BOAL must first approve such a step.

The procedure followed by the committee with regard to recruitment is as follows:

a) When the General Director conveys the requirements the committee advertises the vacancies in the daily papers, or registers with the employment bureaus.

b) The advertisement of vacancies stipulates the job specifications for each post, as stipulated in the S.M.A. Sometimes these specifications are common to the region, being incorporated in the regional social compact. The committee has no right to change or modify any of their conditions.

c) The usual period given to make applications is two weeks from the date of announcement, at the expiry of which the applications are processed by the committee which selects a number of candidates for interview.

d) The interview of candidates and the final selection is done by the committee.

e) Once final selection is made the committee informs every candidate in writing about the choice made.

f) Each candidate is given an opportunity, if he wishes, to examine the applications and interview records in order to satisfy himself that the procedure has been above board.

g) If any candidate finds that a less qualified person has been selected, he may, in the first instance, appeal to the workers' council against the decision of the committee.

h) The workers' council will go into the complaint to see whether it is justified. If they find any irregularity in the selection they may over-rule the decision of the committee and declare it null and void, in which case the committee would be asked to repeat the procedure.

i) If the candidate is still not satisfied with the decision of the workers' council, he can appeal to the Tribunal for Self Management which will give a ruling on the question.

j) The final recruitment is done by the committee.

BOAL Workers' Council

The election of workers' councils in the BOAL representing the various Basic Units of Associated Labour is done through secret ballot. A coordinating committee consisting of representatives of the BOAL Workers' Council, the League of Communists and the Trade Union goes into the question of preparing the list of candidates. The list of candidates selected by this committee is made available to the workers in the BOAL for their discussion. A second list modified according to the suggestions of the body of workers is again circulated for further discussion after which the final list containing more names than the number to be elected is decided upon. Everyone working in the BOAL including the managers and experts enjoys the right to vote at the election; all can be elected to the council, except the General Director and Technical Director.

Workers of varying skills and experience, educational background and belonging to socio-political organisations are elected to the workers' council. Chart 3 illustrates this. In the Floatation BOAL the picture is roughly the same.

CHART 3

WORKERS' COUNCIL OF THE OPEN PIT MINE - BOAL

Of the total membership in the Workers' Council (23) .....

16	are members of the League of Communists
5	have completed self management courses
3	attended political school
1	completed academic training
1	completed two years academic training
4	are clerical workers
12	are highly skilled workers
5	are skilled workers

Position of managers and experts

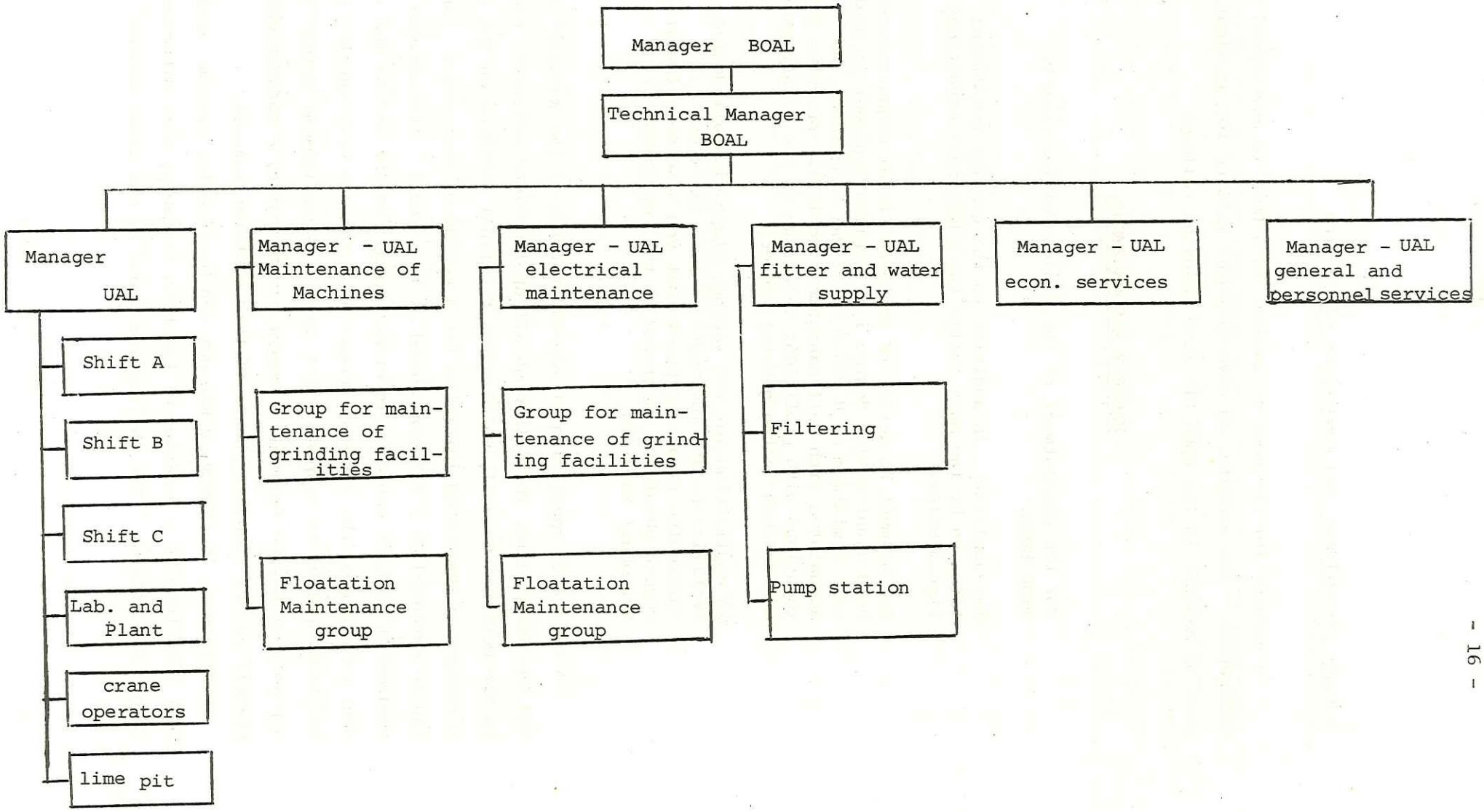
Individuals with requisite qualifications who are interested in and support the socio-political development of the country may be appointed as managers in BOALs. Organisational and technical matters are decided by them within the existing rules and regulations. A manager in the BOAL is accountable to the self management body for the business being pursued. The manager is the chief executive officer of the BOAL. If at the end of the year business results have not kept up with the expectations, some managers may be recalled on a decision by the BOAL Assembly. Others would be given a vote of confidence. Spheres of self management and managerial do overlap in certain areas at least as far as the BOALs at the copper mines are concerned. Technical, business and organisational activities are carried out by the managerial and supervisory staff who, of course, may commit errors. In such situations the President of the Workers' Council and other bodies would speak to the managers concerned and propose solutions which are normally accepted and carried out by the managers. If a self management body in the BOAL takes a decision contrary to the law, the manager has the duty to point it out and the right to refuse to carry out such decisions, giving his reasons in writing. In such cases the self management body seeks the advice of the legal experts within the organisation.

Where discipline is concerned, the managers have no authority to take any punitive action. They must refer such cases via a written statement to the Committee for Discipline which conducts an analysis and thereafter the necessary action.

The Annual Production and Financial Plans of the BOAL are adopted by the Workers' Council, and the mangerial staff has to decide the method of implementing these plans since they are responsible for operational decision making. Plans cannot be changed by the managers. Only the Workers' Councils have the right to change a plan adopted. The managerial and technical staff are accountable to the Workers' Council for the materialisation of their plans. The management structure of a BOAL is given in Chart 4.

CHART 4

MANAGEMENT STRUCTURE - BOAL - FLOATATION PLANT



Manager recruitment and conditions of service

A vacancy for the post of manager in a BOAL is advertised in the newspapers. For example, an advertisement calling for applications for the post of manager in the Open Pit Mine reads as follows:

VACANCY ANNOUNCEMENT

> For the appointment of the Manager of the Open Pit Mine BOAL.
>
> The applicant, in addition to the general conditions foreseen by law must fulfil the additional conditions listed below:
>
> He/She must be active in socio-political organisations; hold a university degree i.e. Diploma Engineer in mining; have a minimum of 8 years practical experience; be acquainted with self management socialist practice and relations with proficient knowledge of the relationship of business in the general economy.
>
> An application for the vacancy along with all degree certificates and documents of past experience, a curriculum vitae and proof that you have no criminal record should be submitted to the Department of Personnel Services.

A committee consisting of representatives of the Workers' Council and the Trade Union looks through all applications and makes recommendations to the Workers' Council, which makes the final decision on the appointment. A manager is appointed initially for a period of four years. His term can be extended by a further period of four years - the maximum term of employment in this capacity is eight years. At the end of the initial four year period the current manager must compete with outside applicants who have applied in response to a vacancy advertisement before his appointment may be renewed. However, in practice, a manager who has proven himself always stands a chance of this contract renewal.

Although, in theory, a manager can be recalled anytime during his four year term by a decision of the BOAL Assembly, this situation is rarely encountered. One explanation would be the close association

maintained by the manager with the Trade Union and other socio-political organisations since he normally consults such bodies on a day to day basis in his role. Although the position of manager requires technical/professional qualifications along with practical experience there appears to be a general dearth of personnel of this calibre. After serving in this capacity for the maximum period a manager never faces the situation of being unemployed since he is either employed in the same organisation in another capacity or selected for appointment outside the organisation.

Vacancies in the Business Board, an executive organ of the work organisation, are also advertised in a similar manner. The text of such an advertisement is given below:

WORK ORGANISATION-COPPER MINES

MAJDANPEK

The Workers' Council of Majdanpek Copper Mines has vacancies for the posts of:

1. President of the Business Board

2. Deputy President of the Business Board

In addition to the general conditions, applicants for both posts must fulfil the following conditions:

They must be socially and politically active; be professionally skilled; be experienced in the management of a work organisation; be acquainted with the development of self management, socialist relations and business activity of economic enterprises.

Applications and documentation supporting the fulfilment of these conditions should be submitted to the Vacancy Committee of the Workers' Council of the Copper Mine, Majdanpek, addressed to the Department of Personnel Services, Majdanpek within fifteen days of publication of the competition.

Social attorney (ombudsman) for self management

This is a one man independent body instituted at various levels beginning at the communal level. He/She is appointed by the Communal Assembly.

Anyone in the Commune who feels that his self management rights have been impaired can appeal to the Social Attorney for Self Management who is responsible for ensuring that the process of self management within the Commune is carried out according to the requirements of the law.

The Social Attorney for Self Management in the Commune works in close collaboration with those in the Republic and Federal levels. Although in theory the Republican Attorney has the authority to take over cases handled by the communal attorney, such instances never occur. When a matter brought up to the communal attorney relates to an issue common to the Republic or Federal level, he, himself, refers such cases to the attorney for that respective level.

Relations with central institutions

The Secretariat of Labour at the republican level is directly involved in the preparation of the social compact at the Republican level. Whereas, in the case of the Social Compact of 1972 which was signed by,

a) The Republican Trade Union Federation

b) The Economic Chamber and

c) The Executive Council of the Republic

the document had to be registered with the Secretariat of Labour. In the Social Compact of 1975 one of the signatories was the Assembly of the Republic in place of the Executive Council. The Secretariat of Labour only participated in the preparation of this document.

The social compact at the regional level incorporates the basic principles enunciated in the Republican compact, and provides the basis for the self management agreements at the level of the commune and the BOAL.

Relation of BOAL self management extending beyond BOAL level

Labour laws are introduced at the Federal and Republican levels. There is, for instance, a law on mutual relations in associated labour which lays down in keeping with the Constitution the general outline

leaving room for regional and communal levels to formulate their own regulations without going against the basic principles. Similarly, (a labour safety law Republic) sets down the general principles while making allowance for practical solutions to be decided at local levels on these basic standards.

The control and supervision of these laws are carried out by the Inspectorate of Labour, which has its lowest level at the commune. The Inspectorate of Labour comes within the purview of the Republican Department of Labour.

Concluding remarks

What impressed us most during this brief study was the fact that while the Yugoslav system of self management is being improved on and streamlined with additions and modifications at regular intervals, everyone involved in this country is willing to call it an 'experiment'. There is no attempt to portray self management as a perfect system to be followed by another country.

Before we conducted our observations we had great apprehension regarding the position of the manager who we had assumed was a 'hired employee' of the Workers' Council in the BOAL. After meeting both managers and workers in the BOAL we were convinced that managers do not function with the "Sword of Damocles" hanging over their heads.

Another significant and salutary feature noted was the involvement of all classes and levels of people not only in the actual process of participation, but also in its promotion through study, seminars, discussions, training and research. The role played by the intelligentsia in Yugoslavia in this respect is outstanding.

III. DISTRIBUTION OF INCOME AND EMPLOYMENT

In this section we are concerned with the question of income distribution and employment in the self management system in Yugoslavia. Our main areas of concentration were:

1) income distribution amongst sectors and enterprises;
2) and, income distribution amongst workers within the same enterprises.

Income distribution amongst various sectors

A contributory factor in increasing income is investment. We, therefore, asked questions on investment at various institutions during the course of our visit. At the Serbian Economic Chamber in Belgrade we discovered that the richer sectors contribute a portion of their profits to the State which, in turn, utilizes 1-2% of this revenue for development of the poorer sectors. Sectors requiring State support include food production, raw material production and energy source development.

The Trade Union does not play a direct role in influencing the income of self employed farmers and craftsmen. These self employed groups may join cooperatives and develop their own sector with minimal influence exerted by the Trade Union.

The investment criteria adopted by the Serbian Institute of Planning is based on the Constitution of 1974 and the Law of Associated Labour of 1976. The analysis, discussion and adoption of plans originates at the communal level. The experts of the commune also draft communal plans in coordination with various enterprises. The Organisation of Associated Labour may disregard elements common to all enterprises while the enterprise has the responsibility for implementing these plans. Until 1965 this led to problems of excess capacity since investment decisions were made at the plant level. Many plants with the same type of production were expanding at the same time thereby creating this problem. Additional problems were faced since certain plans were initiated under pressure

from the local population without considering the profitability of the projects.

Decisions for investment are not taken by any single body and are based on various factors involved in planning i.e. profitability, market situation, employment, etc. On the Republic level priority is given to investments in projects of general public importance. The economic policy of the Republic ensures that plans are implemented and the targets achieved.

Another round-about way of looking at income distribution amongst sectors is the price of products in different sectors. High prices for a product may imply higher income for producers of that product. This question of price was raised to assess the extent of control on income through control of prices. In an effort to reduce inflation price control has mainly been confined to staple food items which creates a less flexible upward movement of income in this sector. Less rigid or minimal control in other industrial sectors permits market forces to take full effect in encouraging or discouraging production.

A more direct answer to the question of distribution of income amongst rich and poor sectors of the economy was given during our visit to Majdanpek. It was stated that on the Federal Republic level a special fund for less developed communes has been created with revenue from richer communes. The resulting growth rate of less developed communes is often higher than that of their more developed counterparts. A special fund at the level of the Republic has been created for income distribution in an indirect way through provision of health services, education, social welfare and unemployment benefits to all communities. Efforts to create an infrastructure for the agricultural sector have been given attention. For example, at Majdanpek it was mentioned that forestry was encouraged since it could create 500 jobs. There are three work organisations in this field including a wood processing plant. There is currently an insufficiency of funds needed to process wood beyond crude board stage. It is planned that by 1980 this timber industry will be more developed with expansion into a furniture making industry. Debates have been in progress during the past year at both the community and enterprise levels regarding the role of the commune in investment decision for the

non-productive sector. A community of interests will be the organ to initiate problem analysis and to take steps in solving it. The over riding factor is the amount of income in the productive sector since this is the main source of funds for expenditure in the non-productive sector. Last year in Majdanpek, 100 million dinars (12% of the total income of the commune) was spent in the non-productive sector for building apartments, a cultural centre, enlarging health facilities, etc.

Distribution of income with an enterprise

At the enterprise level in Majdanpek we were given the 'Open Pit BOAL' as an illustration. In an opening statement we were informed that the prerequisite for distribution of income within a basic organisation is to earn some income in the first place. This 'Open Pit BOAL' derives its income from selling its product - copper ore - to the 'Floatation BOAL'. From this total revenue 'Open Pit' must cover its material costs and depreciation of big machines and trucks. Once these costs have been met what remains is income. This income also represents a certain social due which includes collective needs such as science and research. When this due is met the remainder is net income. This net income is used by the BOAL for personal consumption, joint consumption and business development. The criteria contained in the self management agreement are considered for the distribution of income within the organisation. In 1976 the ratio 3:2 was set for personal consumption and business funds respectively. Conversely, the reserve fund contribution was 21% of the income. The social and personal needs of the workers are met with the joint consumption fund which has covered 90% of the cost incurred in construction of town buildings including the hotel, sports field, roads, etc.

The main criteria for income distribution is the performance of each individual worker and solidarity among workers is expressed in the form of joint consumption. The income of workers depends on ability, nature and skill of work. Since all workers have more or less the same needs without having the same abilities higher skilled workers contribute

more to the joint consumption fund. This does not imply that they receive more benefits from the use of this fund. For example, the housing facilities for workers are aportioned in accordance with the number of family members.

The Commune of Majdanpek plans to spend 24 million dollars within the next five years for joint consumption, which is a form of income. Funds are pooled from only two BOALs, namely, the 'Open Pit' and 'Floatation Plant'. The 'Open Pit' will contribute 50% of the expenditures which amounts to 20% of their income. This money will be spent for the construction of sport centres, homes and apartments for miners, roads, etc.

Since the fundamental step in decision making concerning income distribution lies in the social compact for income distribution (Republic level) we asked how much leeway does the social compact give in terms of income distribution within a basic organisation. Social compacts signed by the work organisation regarding income distribution leave room for flexibility. They determine the minimum income and the maximum proportion of income that may be allotted to the business fund - 5% must go into the reserve fund. If the 'Open Pit' is unable to contribute the full 5% the 'Floatation Plant' will assist in meeting this obligation.

Concerning the basic structure of wages the ratio between the lowest and the highest according to qualification, individual performance and the performance of the BOAL as a whole is 4:1. The highest personal income in the 'Open Pit BOAL' is 8000 dinars per month and the lowest is 3000 dinars monthly. Those who are earning under 80400 per annum are exempt from tax payment.

Each job performed in production is alldted a number of points depending on the amount of efforts contributed and the nature of the job i.e. whether the work entailed is strenuous or light, etc. Previously the structure and value of points was regulated by the social compact. Now it is not determined in advance since it also depends on performance. The number of points allotted to different jobs may remain

the same, but the value of points varies from month to month according to available income, performance and the extent to which the plan is carried out. Income may increase of job performance improves, conversely, points remain the same for the same job in different BOALs while the value of the points may vary from organisation to organisation. A board has been set up to coordinate production and income problems arising from this point system. New methods may be devised to improve the method of remuneration.

Questions arose frequently concerning the yardstick used in determining payment of income according to performance or productivity. It was mentioned that personal income of the skilled workers was higher than that of engineers due to the expensive machinery the skilled workers operate. The yardsticks vary from job to job. For example, the performance of workers drilling holes may be measured by the metric size of the holes. There is a price or score for each unit of workers and is calculated by themselves on a daily basis. The evaluation of joint service workers is based on the number of orders produced. While the income of an engineer working on the land for the Open Pit Mine depends on the group performance of the workers involved in the operation engineers in the common services department have an income dependant on the number of plans completed.

In addition to work performance, workers may also acquire income by conserving materials used in their daily work and the part they play in lengthening the life span of parts used in their work such as an engine, tire, etc. Income derived on this basis is calculated every three months. If workers manage to lower cost predictions this will also result in additional income.

The Trade Union played an important role in the formulation of the social compact and defends certain principles of income distribution, in particular, that every worker's wages should be in accord with his contribution to production and that a worker's income must meet his general needs. It was further elaborated that in determining income the nature, phase of production, quantity and complexity of work tools must be taken into consideration. The complexity of work, market conditions and the standard of productivity must be borne in mind while

evaluating this quantity of work. Out of the total work force 70% are remunerated through work performance evaluated according to the preceding criteria of quality and quantity. This is not done for the remaining 30% because of impracticality.

The employment problems in Yugoslavia may be perceived in two aspects: underemployment and open unemployment.

With regard to the problem of underemployment, the term employment rate was used repeatedly. This rate was explained by the Serbian Institute of Economic Planning as the annual growth rate of newly employed persons in the total work force. The employment rate reflects two problems: greater employment occurred in the nonproductive sphere such as administrative services; as pointed out by the Economic Chamber of Belgrade, the annual increase in employment is higher than that required by the current technology. In Belgrade the annual increase in employment in 1976 was 3% compared with the technology requirement of 2½% annually. The employment rate in Yugoslavia as a whole has been 4% annually for the last five years. Because of this increase in newcomers to the labour force as well as migration from the rural sector into the industrial sector people must be employed in excess of requirements of technology and economic capacity. This problem of employing more people than needed in production has created problems of remuneration since the criteria for remuneration based on one's work is inapplicable.

As far as unemployment is concerned, the rate was given by the Serbian Institute of Planning as 10% of the total labour force. The Institute further elaborated that this figure might have been over recorded for two reasons: firstly, this rate includes part of the agricultural population who have left their land to seek work in the industrial sector; and also includes unemployed who became students but in reality are part of the labour force since they are engaged in full time study. Out of this 10% unemployment the Serbian Institute of Planning feels that 40% should not qualify according to their criteria.

Although the unemployment rate is high, there is yet a shortage of skilled workers in high technology production. The problem of retraining workers who were made redundant through introduction of new technology is faced by the economy. For example, in the textile industry

it is required by law that workers who are already employed and are then declared redundant or became surplus due to new technology must be absorbed through retraining schemes.

This problem of technology and employment was again raised at the communal level where it was stated that the increase in the level of technology is desirable although it may reduce employment since they believe that income generated by the increase in productivity through higher technology will induce the creation of new industries, which, of course, increase employment. This emphasis on higher technology is specified in the Mid-Term Plan of Majdanpek.

In the Commune of Majdanpek the fundamental economic and political problem is unemployment. Out of a total population of 35,000 there are 1000 unemployed. Of this 1000 unemployed 600 are really in need of jobs while the remaining 400 have other sources of income. Unemployment is mainly amongst unskilled workers who have migrated from rural areas. In the Commune of Majdanpek 400 persons are working abroad. 60% of the total unemployed are women since the major economic activities of mining and forestry are predominantly male occupations. Gold processing and jewelry making are the essential female occupations. Steps taken at the communal level to solve unemployment problems include channeling of funds to the cattle raising industry which brings about a sufficient supply of meat as well as providing employment in the villages and, additionally, is a check on rural to urban migration which increases urban unemployment. To solve this problem of insufficient manpower in the highly technical jobs emphasis has been placed on education with 98% of the children attending eight years compulsory school.
We visited Milonovac, a local community with tourism as the main source of income. There are no factories in this town of 4000 population. The local community deals with matters concerning health, culture, and, more relevant to our topic, employment. Milonovac has resolved to eradicate unemployment completely within a year. We were shown a hotel complex which will be completed in July 1977. The funds for building of this hotel are partially derived from rent income of town citizens, however, the main source is the joint consumption funds of 44 BOALs which are the founding members. The Majdanpek BOALs have contributed

50% of the total building fund of this hotel. Workers of the founding member BOALs will be given a 30% discount for use of hotel facilities. The total construction cost for this hotel is 220 million dinars and it is anticipated that once in operation 160 new jobs will be generated for the local community.

Evaluation

In terms of income in Yugoslavia where joint consumption is an important feature of economic life it is inappropriate to look at the wage income alone. Apart from wage income of individual workers are benefits of housing, education and recreational facilities. These housing facilities which are distributed according to the needs of workers tend to equalize income. However, recreational facilities such as 30% discount services from a luxury hotel for workers of the founding BOALs will be of more benefit to higher income earners since the flat subsidy rate for hotel costs means a progressive benefit for the higher strata.

Although there is some disparity in income within an enterprise and BOAL there has been a clear effort to narrow the gap and the maximum:minimum income ratio in an enterprise is much closer than other market systems. However, to encourage increases in productivity and improved performance a certain differential necessarily occurs, though it should be within a fair and reasonable range.

The Commune of Majdanpek is a good example of prosperity at the enterprise and community levels which is due to a great extent to the productivity and good morale of the workers. High copper prices and rich natural endowments are also important factors of this prosperity. It is, therefore, apparent that in other poorer sectors of the economy less favourable market and natural conditions render a less prosperous position. One such sector is that of agriculture and farming where product prices are often controlled to prevent inflation. This sector is, therefore, bearing much of the burden of the economy. In addition, the population employed in this sector has fewer privileges and does not enjoy many of the fringe benefits associated with employment in

the modern industrial sector.

The strategy of development in Yugoslavia has been associated with accelerated growth rate, modernization and remuneration as a means for increasing productivity. The emphasis on wages based on quality and quantity of work has developed into an elaborate and interesting system of evaluation of work performance as we have witnessed during our visit to Majdanpek. A similar type of emphasis on development and growth is made in many parts of the world which often fall into the same trap, that is, a growth in productivity in the modern sector due to use of capital intensive technology at the expense of employment and local crafts industries.

During a film shown in Majdanpek on the history of this commune scenes portrayed the replacement of old traditional housing with high rise buildings, gypsy musical groups yielded to juke boxes, clearing presenting this modernization emphasis in development. It is believed that by modernization and use of highly capital intensive but efficient technology the resulting increase in productivity will bring about a higher income which will lead to an expansion of industries and, in the long run, greater employment. This strategy, however, has brought about similar experiences in many countries, that is, an unbalanced growth with a large section of the economy lagging behind, with the resultant heavy unemployment. The segment of the population enjoying higher income through greater productivity or more favourable market conditions may spend a portion of their high income on imported consumer goods which may lead to discouragement of local crafts and industries.

According to a spokesman at the Club of Self Managers in Belgrade the Yugoslavs have become increasingly aware of the pitfalls of this strategy. It is no easy task to strike a perfect balance between greater productivity and incentive to increase work performance on one hand and full employment as well as social aspects of income distribution on the other. Although such problems of disparity in income among sectors of the economy and unemployment exist the Yugoslavs have come a long way in terms of improved welfare and income of the workers.

IV. THE ROLE OF TRADE UNIONS IN YUGOSLAVIA

What is the role of the trade unions in Yugoslavia where, with the inception of self management, there is no divorce between capital and labour as found in other economic systems? In a self management system where the worker is the capital employer it has been accepted that the primary role of trade unions is the mobilisation and organisation of the workers for the implementation of this system. Trade unions strive to assist workers in increasing productivity and production, improving their incomes, and in general, increasing their influence in the daily activities of the organisations where they are employed, while at the same time, conducting educational programmes designed to equip the workers for their dual role of 'worker and manager'. The unions regard the promotion of socio-economic education an integral part of the struggle of the workers for self management hence they support and collaborate with other organisations and institutions such as the League of Communists & the Self Management Club in their educational programmes which include lectures, discussions, publications, entertainment and cultural events and also initiate action for the establishment of workers' universities.

Workers join trade unions on a voluntary basis. Almost all workers are members since trade unions are felt to represent the workers on all vital questions dealing with conflict resolution, influencing decision making at various levels and connecting the workers with the League of Communists. It may be relevant to point out that there appears to be a form of indirect inducement in so far as membership is concerned since benefits such as holidays, housing, and recreation established by the trade union are only available to members.

In accordance with the principles as set out in the New Constitution, every BOAL has a trade union body contained within it with its own conference and executive body. However, in addition, there is also a trade union body for the enterprise or institution as a whole. Representatives are then elected to the levels of the Communal Republic and Federal on the principle of delegation. At the apex of this pyramid structure is the Confederation of Trade Unions of Yugoslavia.

Remuneration of Trade Union Officials

Officials at the Federal level of the Trade Union are salaried fulltime functionaries elected to four year terms. These Federal officials are supported by a body of experts who are salaried and have employment contracts. The income of officials at the Federal and Republic levels is determined by a Social Compact which is regulated by the national economy. The current average personal income in Yugoslavia is 2,300 dinars per month, accordingly, income for these officials is set at the worker-official income ratio of 1:3-5 variant on the tasks and functions of each official. Voluntary trade union officials at the BOAL or enterprise level receive the income designated for their roles as workers in the enterprise.

Individual and Collective Grievances

Workers in self management decide on many roles, priorities, point system, procedures etc. If any of these are violated the union can take legal action. Legal action is also instituted in the event of violations of Federal and Republic laws or Social Compacts which are influenced by resolutions from the Trade Union.

If a worker has a grievance which is not based on any of these violations the union is only able to attempt to convince the BOAL about the case and exert indirect influence.

Many grievances registered at the Federal office should have been reported at the BOAL level. This may indicate that perhaps the Trade Union at the BOAL level is not functioning correctly. When this occurs the Federal office normally returns the case to the BOAL level with a request that they conduct an investigation.

It must be pointed out that most individual grievances are a result of misunderstandings by workers of their self management rights.

Strikes

Strikes in Yugoslavia are within an enterprise and have short durations.

As in the case of grievances, reasons for striking are numerous, for example:

- unresolved grievances of a long duration;
- irregular or delayed payment or decrease in personal incomes;
- arbitrary action by enterprise executives without informing workers of the business problems entailed.

The Trade Union does not organise these strikes.

Income Distribution in Yugoslavia

The main problem of income is not distribution only but how to relate income to performance. The Federal Trade Union has endorsed the principle of 'to each according to his work and the results of this work'. The principle of 'to each according to his need' is now confined to the social services. A search is in progress for yard-sticks to indicate the quality and quantity of work, which is viewed as more important than skill, education and qualifications. The aim of this criteria is that each worker will receive an income in relation to his contribution to the income of the enterprise. The same principle applies to the enterprise in relation to other enterprises in the community.

Until 1974 there were only Republic Social Compacts. In 1975 a Federal Social Compact for Income Distribution was concluded which did not accept the principle of maximum income. Now all the compacts and self management agreements with relation to income distribution are in the process of change. This means not only changing self management agreements but the laws of particular enterprises. The principle of maximum income and that of ratios is only maintained in situations where yardsticks to measure quantity and quality remain to be determined.

Trade Unions at the Communal Level: The Case of Majdanpek

The Trade Union is one of the socio-political organisations at the commune and local community levels. While the League of Communists is very active in articulating political discussions and solving

political issues the main focus of the trade union is dispute and conflict resolution. Occasionally conflicts arise between socio-political organisations because of different views on how a common policy may be implemented. When this occurs inter-organisational meetings are held to solve the problem.

The trade union at diverse communal levels is not able to invest monies in any type of enterprise. These funds may only be used for trade union activities e.g. social assistance to workers, recreational facilities, etc. If, for any reason, the trade unions run short of funds they may ask the BOALs for financial assistance.

Trade Union Officials of the BOAL

At the BOAL there are no full time trade union officials with the exception of a very large enterprise. Officials at the communal level are elected for a certain period and serve on a full time basis. While functioning as a trade union official his/her job at the BOAL is retained. The official continues to receive the salary for his job at the BOAL along with an additional allowance to cover the duties of trade union office.

Any error committed by a trade unionist is referred to a disciplinary committee headed by the trade union president. If this error is of a political nature he may be removed from office and his job at the BOAL; if he only violates a trade union code he may lose his trade union office only. If a trade union becomes deadlocked in conflict with the BOAL management it may result in removal of this management. This mainly applies to the Managing and Technical Directors since other levels of management join the trade union as workers.

The League of Communists

Before the development of the workers' self management system the Communist Party was the ruling body controlling all decisions affecting political, economic and social development of Yugoslavia.

During this period the State controlled and determined the activities and appropriated funds accrued to enterprises. In short, all important decisions regarding the operation and development of the undertaking were dealt with by the appropriate organ of the State administration. The enterprise role was limited to making proposals and observations.

With abandonment of the process of State management of the economy, the Communist Party changed its name to the League of Communists and furthermore witnessed change in its enormous powers. These powers were transferred to the workers and communities who within the context of the new system enjoyed an autonomous status to perform their social functions independently. The Basic Organisation of Associated Labour became a forum for planning and execution of enterprise programmes.

The key element in this transformation of State centralised administrative control into workers' control of political and economic systems was the erosion of the powers of the Communist Party. According to an official of League of Communists, their activities were consequently centred on political and ideological education of the workers and assistance in directing the affairs of the communities and the society as a whole via its membership in the Socio-Political Chamber.

The success of the self management system lies in the understanding of the meaning, operation and accrued benefits by the workers themselves. The League of Communists is, therefore, involved in the task of providing continuous education for workers through various means.

The relationship between the trade unions and the League of Communists is of an independent nature. The two organisations perform their social functions with equality and mutuality of interest as a basis for association between the two.

Criteria for Membership in the League of Communists

The criteria for membership are, inter alia, based on the following:

1. Personal identification with the revolutionary struggles for the establishment of hegemony of the workers' social power through the effective system of workers' self management socialism.

2. High moral integrity.
3. Ideological clarity.

The Club of Self Managers

Since its inception in 1951, the workers' self management system is progressively introducing new elements into its operations and eliminating inappropriate practices.

The Club of Self Managers is one of the institutions which emerged in this process of change in 1974. An official of the Club in Belgrade pinpointed the following activities:

1. Education of workers to the implications of self management. This includes training programmes concentrated on management subjects and sharpening workers' knowledge through problem solving.

2. Apart from classroom lectures and seminar the Club of Self Managers promotes public debates on the Laws of Associated Labour and the decision making process in general.

Conclusions

In contrast with other socialist states characterised by rigid central planning the Yugoslav self management system is a form of democratisation of both the society and economy. This, in essence, involves the employed and unemployed, workers and armed forces in in political and economic decision making processes in the society. What to produce and for whom to produce are the direct responsibilites of the workers. They produce and market their product and agree on what should be done with resulting profits in the nature of public goods and social services.

The resulting humanisation of relations because of the workers' direct participation in the management of an enterprise would seem to explain the docility of the trade union in responding to grievances.

It is not surprising that in self managed Yugoslavia many aspects of the traditional role of trade unions have been lost. Self management, however, has not diverted the trade unions from their traditional role of improving the economic and social well-being of their members. They have continued to seek improvements in the conditions of work and general living standards of their membership while striving for economic development and the growth and equitable distribution of the national income.

V. SOME FINAL INTERPRETATIONS

After observations in Belgrade and the Commune of Majdanpek before leaving Yugoslavia we had the opportunity to discuss our tentative findings with Yugoslav experts at the University of Belgrade and the Club of Self Managers in Belgrade.

Our first tentative conclusion referred to the operation of self management within the enterprise. It was impressive to group members how from its initial crude form in the enterprise self management had been refined continuously, and had now been consolidated in the BOAL which, indeed, seems to be the lowest possible unit in which to vest workers' self management rights. Not only have the institutions of decision making within the BOAL improved over the years but indirect safeguards of workers' self management rights have kept pace with this evolution. Especially during the recent years the more pronounced role of the trade union as champion of the workers' self management rights and the institution of the Self Management Supervision Board and self management ombudsman seem to have strengthened self management at its base. However, the increasing number of institutions of self management at the enterprise and the further institutionalized safeguards of self management at enterprise and commune levels raised the question of whether there is over-institutionalization. This might create two problems, firstly, this prevents quick decision making and, secondly, makes it difficult for workers to understand the role of all these institutions and their place in the structure.

As for the first problem, that of quick decision making, in the opinion of one Yugoslav expert this can be partially overcome and is a price which must be paid for this system. Committees, frequently composed of experts, conduct ground and preparatory work which implies that most decisions are well prepared at the committee level and, therefore, can be decided quickly upon by self managing bodies. Unforeseen circumstances may occur and, in fact, the bylaws of the BOAL or its self management agreements may provide for 'short cuts' for certain types of decisions under certain circumstances

which always require the retrospective approval of the self managing bodies. There is another important reason why the necessity of quick decision making is less problematic in Yugoslavia than elsewhere and that is these committees are under the control of self managing bodies and have - as it were - learned to behave by completing plans and preparation on schedule.

However, it cannot be denied that while rapid decision making is sometimes possible in a private enterprise it cannot be achieved in the same manner in a self managed enterprise where different criteria must be applied. In a self managed enterprise the best decision for everyone affected is far more important than the speed at which it is decided. This is the core of the self management system and, therefore, opinions and criteria of everyone affected must be first considered before decisions may be reached. Research reports were quoted to us in which it was stated that many workers are unaware of their institutional rights. This, obviously, is a matter of workers' education which is a task of the trade union and the League of Communists.

An issue which kept cropping up during many discussions throughout our stay in Yugoslavia was the unemployment situation. There is a high record of unemployment in Yugoslavia - even in Majdanpek we found 1000 unemployed. The issue of unemployment has been dealt with in Chapter III, Income Distribution, pages 26 - 27. It was again brought up in a wider context in our final discussions which did not surprise the Yugoslav experts. They indicated that many East European visitors had placed particular emphasis on this point and gave a perspective on the East European situation which was very instructive. In East European countries there is full employment. But what does this mean - is it real or fictitious full employment; is it subsidized or productive full employment? After the Second World War there was full employment in Yugoslavia also which was obtained largely through administrative measures. This had created many economic problems. Hence, Yugoslavia turned to capital intensive investment and adopted the principle of economic growth. Now, with full employment in the past, it is conceded

a rather blunt ax had been used in this respect and the situation is now changing slowly particularly through communities of interest at the communal level. The unemployed are now heavily involved in discussions on social compacts underlying decision making in the community of interest for employment. They are elected at the community level because of their unemployed status by their co-citizens. It must be understood further that emphasis on Yugoslavia's development is no longer placed solely on growth but, in general, on development. The goal is not to produce more and more but to place economic production within the framework of self management. Yet it was felt by group members that the basic concept of development was modernization, exemplified by capital intensive production, organisation, construction of multi-storey flats, the loss of traditional crafts, etc. It was wondered by the group whether the economic modernization as it had taken place in Western Europe and the United States had impressed Yugoslavia to a high degree and if so, does it continue to do so. Modernization in Western Europe is presently going through a quickening process of demystification which has not particularly impressed Yugoslavia. What does seem to impress Yugoslavia is the development of technology based on the thesis that technology necessarily leads to better human conditions and full employment. This thesis has been invalidated yet Yugoslavia continues with this policy and we wonder who is paying the price for this. This brings back the issue of unemployment and also points to a basic feature in the system which is truely ideologically based, namely, the central role of the worker in self management. Thus, a vicious circle is created in which workers exercise a form of control over non-workers. Typically, in Majdanpek slightly over 10% of the population (workers in the Majdanpek copper mines) earn 93% of the total commune income and are for 50% represented in the main decision making bodies of the commune - which is a high degree of over-representation. The framework is one of social ownership. Granted, this ownership is not for one person or a group of people but the question can be asked - who owns the <u>benefits</u> of ownership - is that also not possessed by a person or group or do some people receive more benefits than others?

Here, we felt, ultimate ideological considerations divided us from our Yugoslav friends. Yugoslav self management socialism began and remains intrinsically based upon worker, direct producer relationships. The central theme is the manner in which the worker relates to other workers and to the results of production which does not include how citizens relate to each other and production. As a group we respect the ideological Marxist principle of the Yugoslavs but do not necessarily agree. The subtitle of our report expresses this view. We admire the Yugoslav experience in that workers of an enterprise (in the case of Majdanpek) can manage themselves, and can even manage themselves rich. There are so many enterprises in other political systems where workers contribute to the richness of the capital owners - in that case it is only the latter who manage themselves rich. We have problems with the Yugoslav experience since the relationship is between production and workers and less between production, workers and society at large. The richness of the collective workers and their commune, in our opinion, contrasts too much with the general socio-economic structure of Serbia or for that matter, Yugoslavia as a whole. We feel the citizen should be as centrally placed in the system as the worker and, at least, there should be a further integration of self management in production and self management in other areas of life. It seems that this further integration is an increasing trend in Yugoslavia as a probable solution which means that the Yugoslav experiment is increasing in importance for those interested in self managing production and social relations, of which Yugoslavia is too lonely a champion.

DETAILED PROGRAMME OF STUDY PROJECT

Saturday, 19 February 1977

09.00-17.00 Opening lectures on Yugoslav Self Management System.

Resource persons: Prof. D. Lukač and Prof. S. Grozdanić both of the Faculty Political Science, Univ. of Belgrade.

Main items discussed: The war of Liberation; the social revolution; the centralized government administration of the socialist economy; worker-management in enterprises; social ownership and self management systems.

Tuesday, 22 February 1977

14.00-17.00 Principles of self-management in enterprises and of self-management in communes.

Resource persons: Prof. D. Lukač and Prof. S. Grozdanić, both of the Faculty Political Science, Univ. of Belgrade.

Main items discussed: the latest law on Associated Labour; representation of workers in BOAL, craftsmen, agricultural workers, workers in public services etc. in Chambers of Communal Assemblies.

Wednesday, 23 February 1977

09.30-12.30 Self-management in enterprises.

Resource person: Prof. D. Lukač.

Main items discussed: Organisation of workers at the enterprise level; again social ownership and socialism in general

14.00-14.30 Film on Yugoslavia.

14.30-18.00 Drafting an observation programme.

Resource person: Gerard Kester.

Main items discussed: Questions of participants were discussed grouped under 3 main headings namely Trade Union and other socio-political organisations; income distribution and employment and enterprises and BOALs in the Self-Management systems.

Thursday, 24 February 1977

09.30-12.30 Self management in Communes.

Resource person: Prof. S. Grosdanić.

Main items discussed: Relationship of the enterprise to the commune; the role of agricultural workers, co-operatives and the army in the self-management system; delegation and delegates system; the generation convention and the referendum.

14.00-17.00 The socio-political organizations.

Resource person: Prof. D. Lukač and Prof. S. Grosdanic.

Main items discussed: The role of Trade Unions, League of Communists, League of Youth, the Socialist Alliance and War Veterans.

Friday, 25 February 1977

09.30-12.30 Final draft of observation programme.

Resource person: Gerard Kester - Coordinator

Main items discussed: Participants grouped into four Research teams. Research Group I: Responsible

for activities of socio-political organizations. Group II: Responsible for income distribution and employment. Group III: Responsible for activities of the enterprise and BOAL in the self-management system and Group IV: Responsible for general questions and co-ordinating reports of the other three groups.

14.00-17.00 Final discussion and approval of observation programme.

Resource persons: Co-ordinator, Yugoslav experts and all participants involved.

(Monday 28 February and Tuesday 1 March: intermezzo; visits to ILO, IILS and International Employers Organization, in Geneva)

Wednesday, 2 March 1977

Travel to Yugoslavia by air. Arrival and accomodation in Hotel "Kašina" in Beograd.

17.00-19.00 Organizational meeting (staff Political Faculty Belgrade, IRLS coordinator + assistant)

19.00-00.30 Group discussion, followed by discussions in Groups I, II, III.

Thursday, 3 March 1977

08.00-09.45 The role and function of the Yugoslav trade unions in self-management.

Resource person: Dr. Z. Marković, committee secretary, Central Council of the Yugoslav Trade Union Confederation. (At the Federal Yugoslav

Trade Union premises).

Main items discussed: The role of the trade union in self management at the hand of concrete cases of complaints and grievance procedures, social compacts, questions of income distribution and safeguarding employment; the role of the trade union in defending the workers' rights of self-management; the debate on the new principles on the relationship between income and quantity and quality of work.

10.00-12.00 The role of the Economic Chamber in income distribution.

Resource person: Dr. N. Zorar, Vice-Chairman of the Economic Chamber of the City of Belgrade. (At the premises of the Economic Chamber).

Main items discussed: the new criteria of quantity and quality of work in income distribution, the specific principles promoted by the Chamber in concluding social compacts.

14.00-16.00 History of Yugoslavia

Guided tour of the War Museum in Belgrade.

Friday, 4 March 1977

08.00-10.00 The role and function of the League of Communists in self management.

Resource person: Dr. R. Butulija, member of the Secretariat of the City Committee (Belgrade) of the League of Communists. (At the premises of the League, Belgrade.

Main items discussed: Criteria for recruitment of members of the League; the "partisan generation" and the young generation in Yugoslavia; the importance of the young members in evaluating and innovating the forms of self management socialism introduced by the first generation; ideological and pragmatic orientation of the League, and the role of "Basic Organizations of the League of Communists" at the grass roots in finding concrete solutions within the ideological orientation; the role of free market economy in self management; the ultimate aims of the League.

10.00-12.15 The role of the Secretariat of Labour in Self-Management.

Resource Persons: Mrs. O. Golubovic and V. Vuletić, economic advisors to the Labour Secretariat. (At the premises of the secretariat).

Main items discussed: the "history" of the social compacts for income distribution and the changing role of the secretariat in it; the specific principles promoted by the Secretariat; the role of the Secretariat and the commune level Inspectorate of Labour in grievance handling and "labour inspection".

12.30-15.00 Planning for economic development and employment.

Resource persons: Mrs. V. Jankovic and Dr. D. Dragović, Deputy Directors Serbian Institute for Planning, and specialists at the Institute; Mrs. V. Hadžihalilovic (agriculture), Mr. M. Stamenković (industry), Dr. M. Vesić (manpower, employment),

Mrs. M. Mira (regional planning), Mr. J. Nedeg-
ković (banking).

Main items discussed: planning procedures at the BOAL, Commune, Republic and Federal levels the relation between the decision making rights of workers in the BOAL and the "harmonizing" role of planners; the employment policy in Serbia and the problem of unemployment; investment criteria and evaluation of investment criteria applied during the past 20 years in Yugoslavia; role of the banks.

19.00-20.30 Group Discussion followed by discussions in Groups I, II, III.

Saturday, 5 March 1977

Discovering Belgrade & surroundings; individual programme.

Sunday, 6 March 1977

15.00-20.30 Travel by train and bus from Belgrade to Majdanpek. Accommodation in Hotel "Kásina".

21.00-01.00 Organisational meeting (ad hoc Majdanpek project committee staff Political Faculty, coordinator and assistant IRLS)

Monday, 7 March 1977

09.00-11.30 Introduction to the Commune of Majdanpek.

Resource persons: President of the Commune of Majdanpek, functionaries of the League of Communists, Trade Unions, Socialist Alliance of Working people, at commune and BOAL level, BOAL managing directors.

Main items discussed: brief history of Majdanpek and the copper mines, the global self-management structure of the commune, membership and function of socio-political organization at commune level, employment and income structure.

11.30-13.30 Guided tour of the open pit copper mine and the floatation plant. General information on the technical processes and the organization. Visit to the workers' canteen.

15.00-17.00 Group discussion, followed by discussions in Group I, II and III.

17.00-18.00 General introduction self-management in two Basic Organization of Associated Labour (Floatation Plant and Open Pit Mine).

Resource persons: 28 resource persons among whom:

- Worker delegates in Commune Assembly, Communities of Interest, Republic of Serbia Assembly.
- Presidents of delegations of the respective BOALS.
- Presidents themselves of Workers' Councils at Composite level ("Bor"), OAL level ("Majdanpek") and BOAL level, and Assemblies of the respective BOALS.
- Functionaries of the League of Communists, League of Youth and Trade Union, at various levels.

- Managers and experts of the BOALS and the Majdanpek mines.
- The communal ombudsman for self-management.

Main items discussed: the global history of the Majdanpek mines and of the "Floatation" and Open Pit Mines BOALS.

18.00-20.00 (Group II: Income Distribution and Employment) Allocation of surplus to investment, joint consumption and personal income in the BOAL "Open Pit Mine".

Resource persons: members of the Workers' Council BOAL Trade Union Committee, League of Communists Committee, and functionaries of the commune.

Main items discussed: The joint consumption fund and benefits derived by the workers from the projects. The wage structure and the point system. The yardstick used to measure productivity and efficiency.

18.00-20.00 (Group III: Self-management and Work Organization). Position and Role of Managers and Experts in Self-Management at BOAL level (BOAL "Open Pit Mine" and "Floatation").

Resource persons: managers of both BOALS, the general manager of the OAL "Majdanpek", management representatives of trade union and League of Communists at BOAL and commune level, members of the BOALS' Workers Councils.

Main items discussed: demarcation of prerogative of managers vis-à-vis self management organs; recruitment and appointment of managers; self management rights of managers; the accountability of managers.

20.30-23.30 Organisational meeting (ad hoc Majdanpek project committee, staff Political Faculty, coordinator and assistant IRLS)

Tuesday, 8 March 1977

08.00-08.15 Presentation of flowers to the female members of our group - celebrating the International Women's Day.

08.15-10.30 (Group III: Self Management and Work Organization) Self Management Issues at BOAL level.

Resource persons: members of the Self Management Workers' Control Board, the communal Self Management Ombudsman, members of the Workers' Councils, of the Floatation and Open Pit BOALS, and representatives of the trade union and League of Communists.

Main items discussed: the self management and management organisation structure; the composition of the workers' councils, the procedures for election of committee and council membership; the steps in decision making (example: recruitment and employment of new workers); the role of the self management ombudsman and of the self management Workers' Control Board.

08.00-10.30 (Group I: Role Socio-Political Organizations)

Resource persons: Presidents and Secretaries of the Trade Union of the floatation and Open Pit BOALS; Secretary and President of the League of Communists; President of the Commune for ideological work; a

member of the Republican and Federal Council of Trade Unions who was also a judge in the Court of Associated Labour.

Main items discussed: appointment, control and remuneration of full time trade union officials; settlement of individual and collective disputes; causes of strikes; trade union policy on income distribution.
(The last 20 minutes of the discussion time was devoted to self introduction of the participants to the resource persons).

11.00-12.30 Visit to exhibition of local jewelry products at Gold Processing Hall.
Tour of Youth Centre conducted by its director.
- Film I: 'The Composite Organization of Associated Labour "Bor", an overview'.
- Film II: 'Majdanpak yesterday and today'

14.00-16.00 Visit to recently discovered caverns replete with stalagmites and stalagtites, conducted by tourist guide.

19.00-20.00 Group discussion, followed by discussions in Groups I, II, III,

Wednesday, 9 March 1977

09.00-12.30 Self management at the Commune level and relation between Commune and BOALS within OAL "Majdanpek".

Resource persons: members of BOAL Workers' Council, Ombudsman for self management, representatives trade union and League of Communists BOAL and commune level: Vice President and Secretary Communal Assembly.

Main items discussed: details on BOAL representation in the Chamber of Associated Labour of the Communal Assembly; on the proportional representation of socio-political organizations in the Chamber of Socio-political Organizations; problems of employment, unemployment; status and benefits of unemployed, decision-making influence of unemployed; migration to and from Majdanpek; Majdanpek as a rich commune.
Part of this meeting was used for answers on questions by Yugoslavs about labour relations in the countries represented by IRLS participants.

14.00-19.30 Visit to the local communities Mosna and Milanovac. In Mosna a coin processing factory was visited, in Milanovac a project of a hotel complex built from funds pooled by 44 BOALS in the region.

Resource persons: managers of the Mosna plant, representatives of the League of Communists, Socialist Alliance of Working People, Trade Union and League of War Veterans of the Commune of Milanovac.

Main items discussed (at Milanovac): the method of financing the jointly funded hotel complex, the arrangement for workers of the member enterprises to make use of the hotel facilities, the position of the employees of the hotel complex itself, the socio-political structure of the local community.

The tour included an excursion through the territory of the commune of Majdanpek and sightseeing of the Danube.

Dinner given at the invitation of the President of the Commune of Majdanpek.

Presentation of a Dutch painting to the Commune Assembly, by our study group to express our sincere gratitude for the help, kindness and hospitality extended to us throughout our stay in Majdanpek.

Presentation of commemorative silver coins to all members of our group, by the Commune President, as a token of the established relationship between the people of the commune and the people of the countries represented by the members of our study group.

Integration with the people of Majdanpek through 'kolo' dances.

Thursday, March 10, 1977

09.00-13.30 Travel from Majdanpek to Belgrade by bus. Accomodation in Hotel "Kašina".

17.00-19.30 Discussion with Yugoslav Experts on tentative conclusions arising from the observations in Majdanpek.

Resource persons:
Prof. Stojkovic, Dean, Political Faculty;
Prof. Grožđanić, Prof. Lukač, Prof. Stambuk and Mr. Pegovic, all of the Political Faculty.

Main items discussed: the complexity of the self-management system, questions of "over-institutionalization"; the Yugoslav concept of development and the relative emphasis therein on

economic growth, self-management, modernization and tradition. The position of workers, peasants, self-employed, unemployed in the development of self-management.

Presentation of Dutch painting to the Political Faculty, as a token of high appreciation of our group for the efforts of the Political Faculty to realize our project in Yugoslavia.

Friday, March 11, 1977

08.00-10.00 Continued discussion on tentative conclusions arising from the Majdanpek observations, at the Club of Self Managers.

Resource person: Dr. Prvulovic, Secretary, Community of the Clubs of Self Managers.

Issues discussed: again, complexity of self-management the role of workers' education and the efforts of the lub of elf Managers in this respect; problems of joint consumption of workers versus the development of 'poor communes'; vertical and horizontal distribution of income; rivalry between strong and weak Leagues of Communists; again: general criteria for promotion of workers and how reserve funds are expended.

11.00 Departure for the Netherlands, by air.

Monday, 14 March 1977

09.30-10.30 Group discussion to design and schedule the reporting of the project. Afterwards, reporting by Groups I, II, III, IV.

Friday, 18 March 1977

09.30-10.30 Group discussion.

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