

# *Socialist Self-Management in Yugoslavia*

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by

Edvard KARDELJ,  
*Member of the Presidium of the  
League of Yugoslav Communists,  
Member of the Presidency of Yugoslavia*

One of the crucial problems of contemporary mankind is how, in an age calling for high concentration of the means of production, great internal social centralization, transnational integration of labour and interdependence among peoples on a vast scale; requiring, that is, a higher degree of integration of society and mankind than ever before, how, under such circumstances can man be assured freedom in his work and creative effort and thereby also in the management of society. The idea and practice of self-management, meaning institutionalized self-management — and I do not hesitate to use the word “institutionalized” in spite of present-day criticism of institutionalization — in the sense of a complex social system do, in my view, provide an answer to this question, for the creative freedom of men and nations is thereby transformed into incentive for integration of productive forces and humanity itself, and thus also makes freedom the condition for the integrational process. In this sense, the idea and practice of self-management undoubtedly can exert an important influence on the further development of a democratic social and political system in the world. I feel that the illumination of these problems is one of the paramount tasks of contemporary scholarship.

## *Self-Management and Participation*

We may freely assert that self-management is already becoming one of the laws governing the development of socialism as a world-wide socio-historical process. It is no longer simply a vision and aspiration of progressive socialist thought. Self-management is already being practiced, it is a social reality which is, admittedly, still weighed down by and interwoven with various elements of former systems. Despite this, however, it is a living socio-historical category which is starting to develop its own objective law and finding original ways of resolving its internal contradictions and conflicts.

Forms of worker self-management, its range, character and concrete socio-historical significance are and will continue to be extremely varied, just as social conditions vary in the different countries of the world. Objective conditions for the emergence of genuine socialist self-management, naturally, appear only where the means of production are socially owned and to the extent to which they are the property of society. But in the contemporary capitalist world, too, demands for self-management or for participation in decision-making are raised with increasing frequency and on a growing scale. There is no doubt that these are progressive demands in the struggle of the working class. It would, however, be illusory to expect that mere worker participation in managing enterprises that remain the private property of capitalists can alter the nature of capitalism and of capitalist property relations in any essential way. Actually, self-management begins where private capitalist ownership stops; this also marks the starting point of the process of emancipating labour and the working class, which at the same time commences to eliminate bureaucratic and technocratic monopoly over management.

It is therefore wholly unwarranted to place self-management on a par with the conception of “participation” or co-decisionmaking, the demand for which is also heard in the workers’ movement of capitalist countries, and not there alone. Under the conceptions of “participation” the worker, at best, only takes part in certain of the decisions made by the capitalist owner. For that reason, such participation can in practice sometimes be distorted from a means for the political strengthening of the working class into a means for political manipulation of the workers. Admittedly, worker participation in a system of private or state monopoly ownership can signify a stride forward in social progress, not only in the sense of strengthening the political position of the working class in society but also in terms of limiting the monopoly over property. That was

the case in Yugoslavia during the early post-war years.

The Yugoslav system of socialist self-management gradually outgrew the participation phase (1) because, among other things, the working class, together with all working people, organized in associated labour along self-management lines, acquired direct influence over pivotal institutions in the system of state power. Under the system of socialist self-management — if consistently implemented — only the worker can, that is, should discharge the social function of controlling social resources for production and expanded reproduction. And in utilizing these resources, he is responsible on the basis of solidarity only to other workers who have equal rights and responsibilities in integral and plan-guided social labour, while also bearing responsibility for long-term joint interests and requirements.

In spite of all this, however, in the capitalist world, too, the struggle for self-management, and even for participation, can play a very progressive role if it is led by forces that are genuinely striving for socialism. Such a struggle can bolster the political position and social power of the working class; it can lend strength to the workers' movement in society. In conjunction with the striving to nationalize means of production, it can pave the way for the socialization of production and, moreover, make it possible to avoid the initial bureaucratic technocratic deformations in socialist development that have characterized socialist practice so far.

(1) In basic and other organizations of associated labour, the worker makes the decisions on the most important questions (such as the business operations of the organization and its material and financial situation, earning and distribution of income and utilization of resources, production and development, plans and programmes, normative enactments — by-laws, regulations, and so on) at assemblies of workers, through referenda and other forms where the worker personally assumes a stand, as well as through his delegates in the workers' councils.

The workers' council comprises delegates of workers from all phases of the production process in an organization. It drafts the by-laws and proposes business policy, elects and recalls executive staff, sees to it that the workers are kept informed, and so on.

The executive staff (director and so on) represent the organization of associated labour and are responsible for guiding the production process and business operations within the frameworks of policy laid down and of decisions made by the workers and self-management organs. Within their own sphere, executive staff members are independent and are accountable for their work to the workers and workers' council.

### *Development of the Idea of Self-Management*

Self-management certainly is not the invention of theory and practice in Yugoslavia. The idea is as old as that of humanism, as old as the international workers' movement, the history of its class struggle and the history of socialist practice. Self-management ideas and aspirations have been articulated in various ways in the world, in many struggles of the working class and of progressive persons and movements for the freedom of labour and man, as well as in all socialist revolutions so far, although with the later evolution of socialist practice, under the impact of various objective and subjective factors and causes, they more or less acquired the character of worker participation in managing production and were thereby, in a manner of speaking, relegated to a secondary social role. In Yugoslavia, self-management became, to a greater or lesser extent, a continuing process which in both its positive results and certain negative experiences can be of interest to everyone striving for the advancement of socialism and social progress generally.

Self-management in Yugoslavia was born during the National Liberation War and has since the very beginning been one of the factors in and forms of the socialist revolution. Commencing with 1941, it developed on liberated territories and continued to do so to the end of the war. As these liberated territories were constantly in a state of flux in terms of size and links between them, conditions did not objectively exist for the emergence of any kind of centralized administrative and government system and even less for centralized management of labour, economy, social and other fields. What was needed then was the maximum degree of initiative, self-organization and independent assumption of responsibility on the part of all sections of the national liberation movement, of everyone in every area and settlement on liberated territory. It thus transpired that social and political authority in those liberated territories, in the midst of Hitler's Fortress of Europe, was acquired by the national liberation committees, acting as organs of the massive national liberation movement, whereas the factories and workshops were taken over by the workers who, in various spontaneous or organized forms, assured their functioning and provided them with management. The self-management base thereby came to be established as the condition and starting point for developing the system of government and management on liberated territory which was ideologically and politically unified and coor-

minated to the greatest possible degree but far from centralized.

In the early post-war years, the experience of self-management from the National Liberation War was to some extent suppressed and replaced by centralized forms of management of various spheres of the life of society. This phenomenon was not only the reflection of ideological or political vacillation regarding forms of democratic participation by the masses in the management of labour, means of production and society, but was also and above all the consequence of a number of objective causes and difficulties in which Yugoslavia found itself after the war. In other words, it was *objectively* impossible to remain at the level of only the self-management forms that had emerged during the National Liberation War. But the self-management component continued to be strongly present in the development of the social system and to an even greater extent in the social and political practice of that time. Moreover, it was also one of the causes of the conflict with Stalin. It was therefore not by chance that after the conflict with Stalin in 1948 and later, when Yugoslavia was placed in a difficult international economic and political position, the working class, the peoples, the men and women of this country reacted by again strengthening and developing self-management relations which permitted them greater initiative in struggling against those difficulties and greater influence on the management of associated labour and society generally. This was then a phenomenon attending the wave of resistance to Stalin's attempt to impose hegemony on Yugoslavia but it demonstrated that it was precisely this that was the source of inner strength and the power to resist. Encouraged by these spontaneous self-management tendencies, the League of Communists developed its first integral concept of worker and social self-management which was articulated in the Law on Workers' Self-Management of 1950, in the well-known address delivered by Tito when it was promulgated, and in the Constitutional Law of 1953. Gradually, self-management came to encompass all areas of social labour, all activities and the management of society. In growing degree, the political system, too, was adapted and subordinated to self-management forms of socialist productive relationships. Changes in the nature and organization of that political system were made so consistently in this direction that in increasing measure it became a constituent part of the self-management system, rather than a separate political structure outside the scope of labour and self-manage-

ment. This process is not yet complete but important steps have been taken in that direction.

The utopian idea of establishing a static and conflict-free system of ideal socio-economic and democratic institutions and relations among people has never been the driving force behind the development of Yugoslav society on the grounds of self-management forms of socialist productive relations. A socialist society, and that includes the society of socialist self-management, is not a society without contradictions and conflicts of interest in the social structure although, regarded over the long term, it reduces and removes class and other antagonisms. A number of historical factors were responsible for the conscious orientation of Yugoslav socialist society to an integral social system of self-management. The basic source of this socio-historical orientation was not any subjective ideological concept but, above all, the objective laws governing the evolution of socialist society. For man truly to become a free creative personality in a democratic social community, it does not suffice for him to have political freedom alone. More than anything else it is imperative for him to have the right and possibility freely to control all the conditions and means of his work and life, meaning that he do so in equitable interdependence with all others who share responsibility. The development of productive forces and of socialism have been creating the objective conditions making it possible for man to achieve such a position and will do so in increasing degree. And it is precisely the self-management democratic system of relations among people that permits them not only to control and manage the conditions and means of labour and life but also, through democratic action, to solve most of their common problems and conflicts of interest.

#### *Achievements and Difficulties in Developing Self-Management*

Yugoslavia has been following the path of self-management for over two decades. It embarked on that road wishing to open new vistas for the socio-economic, democratic and humanistic development of socialist society so as to establish, on the basis of social ownership of the means of production, a direct link between the working man and the conditions, means and fruits of his labour. If man enjoys such a socio-economic position, he is enabled to act as the principal propulsive force of social advancement generally, that is, his interests

become the principal propulsive force. From him and from his interests there can then emerge a historically new type of democracy, more progressive and humane than the one called parliamentary democracy, for that democracy has always been democracy for the owners of capital, whereas the aim in Yugoslavia is democracy for the working man.

Has this been achieved? Basically — yes. Basically means the following.

Although under constant fire from the left and from the right, self-management as a system has nevertheless managed to stand its ground and maintain itself. It has been built into the everyday work, life, and consciousness of the working people to the extent that today not even its bitterest enemies can afford to assail it openly for fear of isolating themselves from the working people.

Moreover, self-management has demonstrated its economic effectiveness. Thanks to its swift and dynamic tempo of economic and social development, Yugoslavia is the only one of the underdeveloped countries that has succeeded in narrowing the gap between its level of economic development and that of the developed part of the world. Yugoslavia has also managed to reduce, more rapidly than the other East European socialist countries taken as a whole, the difference between its own development level and that of the West European countries.

Finally, in assessing self-management socialism, it is of no mean importance that under such a system the Yugoslav socialist revolution was in a position to solve democratically most of the contradictions and conflicts that cropped up in society. Furthermore, it has also thereby influenced the practice of contemporary socialism generally. It may rightfully be claimed that the intensive democratization of Yugoslavia's social life is directly the result of development of relationships and institutions of self-management.

Understandably, it would be illusory to imagine that self-management is only, or in the first place, a vision of freedom and humanistic relations among people in their work and creative endeavour. No system can of itself achieve such an "ideal society" or such "ideals". In our time, the objectives and significance of self-management and of socialist democracy built on self-management lie primarily in the working people themselves resolving in the most democratic possible manner the contradictions which objectively always exist and always emerge again in the develop-

ment of social relationships and in the very social consciousness of man. Historically observed, self-management is the form of socialist production relations under which the social processes leading to communism can be pursued with relatively fewer crises, obstacles and deformations, or, as Marx put it, in which progress can be made toward the "association of free producers". Neglect of this fact sometimes leads one to forget that self-management is, and can but be, one of the forms of the dictatorship of the proletariat. I should like to repeat an oft-reiterated thought: if the transition from capitalist to socialist society can be built only on the emancipation of labour, of the working man, of the working class, then this historical task alone objectively brings the working class into the position of the leading and most active factor of society's advancement which should have not only the leading role in society, in ideological and political terms, but also the power in that society. Of course, from the moment that it takes over socialized means and power, the working class also begins to change itself; further, under a unified, self-managed system of socialist productive relationships, it begins to incorporate other sections of the people on a widening basis. Only in this way can self-managed, democratic dictatorship of the proletariat become government by the people and only in this way can the working class cease to imply manual labourers alone. Accordingly, self-management is the kind of system of social relationships in which the long-term socio-historical process of transition from a class to a classless society can unfold most freely.

Despite the noteworthy achievements, however, it could not be claimed that self-management in Yugoslavia has exclusively followed an upward curve. Limiting factors have been and are today the relatively low level of Yugoslav society's economic development and numerous other factors involving the internal structure of society and the country's international position, all of which exert an impact on the tempo and direction of self-management's development in everyday practice. Consequently, self-management's development in Yugoslavia has been marked apart from upsurge also by faltering and even standstills and deformations. It has also stood at critical junctures where Yugoslav society was placed in the position of having not only to make decisions regarding the maintenance of the self-management system but also to remedy mistakes and seek new solutions, as well as to clash outright with tendencies, and social and political forces, that endeavoured to deform it.

This is a logical road in the development of a society, all the more so as there are no "ready-made formulas" for achieving the desired results.

#### *The Working Class and Self-Management*

In this connection, the following question must be asked: what kind of a working class can discharge this historical task? Certainly, it cannot be discharged by an unorganized working class acting spontaneously, exclusively on the grounds of empirical knowledge and daily experience. On the contrary, the working class can succeed in performing this role only as an organized force in associated labour, as an organized force pursuing, through self-management, its social, cultural and other interests, as an organized ideological-political force striving ceaselessly for its long-term class historical interests which are at the same time the long-term interests of social development generally, and as an organized force in defense of socialist development in social practice. Self-management must reflect all these aspects of the essential existence of the working class and cannot therefore simply be some sort of instrument for exclusively empirical action by the working people in pursuit of their daily interests through associated labour, and even less can it be any kind of spontaneous mass rule as suggested today by some ultra-leftist or anarchistic variants of ideologies hostile to self-management and socialism.

Accordingly, stress must now be laid on the task of taking a new step in the direction of creating the kind of economic, social and democratic relationships among the working people in associated labour as will provide a framework for even more independence for them as an organized force, but also for more responsibility on their part in managing the socialized means of production. They would thereby be enabled to become the increasingly qualified and genuine motor force of social development along the lines of self-management. We must therefore define more precisely and consolidate the position of workers and their basic organizations of associated labour, as self-managers, while also clarifying and establishing the entire system of their mutual relations and responsibilities both in production and in social reproduction generally.

#### *The System of Delegates and the Role of the State in Self-Management*

In the sphere of the political system, the working class must have the leading role so

that no one can arrogate the right to manage affairs in its place; associated labour must directly be incorporated into decision-making at all levels, meaning that political power should be a function of organized, associated labour on the basis of self-management. In order to achieve this, the Yugoslav assembly system must be developed above all on the basis of delegations from the work organizations, meaning the basic organizations of associated labour, the local territorial communities and so on. The essence of the delegates' system, thus conceived, is that the interests of the working people should directly be represented in the assemblies by those very people who are themselves involved in those interests because of the jobs they hold in the work organizations, the local territorial communities, the communities of individual agricultural and other producers, the communities of interest and so on. If such a democratic assembly system is to be put through in practice, it must be closely associated politically, organizationally and in terms of everyday work with the base of society and it is to that base that it must be accountable.

Also belonging among these tasks is clarification of certain problems connected with the present role of the state in economic, social, political and other relationships in the field of self-management. Certain people in this country are still talking today in the same way as they did yesterday of the dangers of statism, bureaucracy and so on, just as though nothing had changed. But a great deal has changed. In the first place, the state and its apparatus have ceased being the monopoly managers of the means of production in social ownership. Further, the state is no longer the factor which determines monopolistically the rate of surplus labour that is set aside for various reserve funds. As a result, the economic relations between the republics have also changed, so that the federation no longer distributes investment resources among the republics. Significant changes are also beginning to take place in the role of the state as it applies to various service activities which are coming to be self-managed and to be linked more directly together for the purpose of permitting exchange of labour with the working people engaged in production. An essential change has also been recorded in the role of state administrative organs which are no longer authoritative managers or bodies acting in the capacity of owners of state capital, and so on.

But the state continues to hold a number of important functions and tasks which will

only now be able to find fuller expression. In the first place, it is to an increasing extent becoming the instrument of the working class organized on lines of self-management, in the pursuit and protection of the rights, interests and mutual responsibilities of the working people. It is also an indispensable instrument of the working people in assuring planned co-ordination and regulation of the basic material processes and proportions on which the results of self-managed labour depend, and also in guaranteeing that the interests of the working class and all working people of town and country come first in the system of government. State administrative organs are under the obligation to maintain democratic order and self-management not by reliance on any "strong arm" policy practiced by an authoritarian political bureaucracy, but through a system of mutual democratic responsibility on the part of the working people without which there can be no productive labour, or human freedoms. If we wish to develop a democratic political system in which the socialist state system safeguards democratic human freedoms, that state must also be capable of ensuring that everyone is equally responsible towards the rights of others, with the proviso that exponents of counter-revolution and violence can have no constitutional rights in this country.

It must also be pointed out that self-management by the working people, and the leading role of the League of Communists, resting on the entire democratic organization of the subjective forces of socialist society, are the two main pillars of Yugoslav society and of its stability, and the two principal motor forces of further material and democratic development and of the development of self-management. But it is not the role of the League of Communists to administer, direct and manage; its role is rather to struggle for the further progressive advancement of socialist social relations. And this is not a battle that can be fought through the medium of what are known as "managerial positions" but primarily through concrete struggle to develop socialist social relations, that is, for increasingly progressive, equitable, democratic relations among people on the grounds of self-managed labour whose freedom grows. No matter how much material development may be the condition for every other kind of progress and no matter how much communists must actively and creatively strive for such development, the focus of the leading social role of the communists in Yugoslavia is placed under present conditions on social relations among people. Naturally, communists cannot stand aside from

the sphere of the management of things but it is essential for tasks in this sphere to be regarded primarily through the prism of the first and paramount task. Consequently, in the general effort of Yugoslav society to lever material development — in which every working man takes part equitably and consciously irrespective of his social consciousness — communists are fighting to make every stride forward in material development also a stride forward in promoting socialist relations among men.

#### *The Link Between Material and Non-Material Production*

By developing self-management relations, we take a step forward in clarifying and building relations in the sense of satisfying, through self-management, the social, educational, scientific-research, cultural and other interests of the working people in the corresponding social activities. In this respect, the question arises of successful control and influence by the working people over the way the resources earmarked for general social spending are utilized.

The immediate goal of this step is to assure that those who generate the income on which the volume and overall result of expanded reproduction depend have the main say on the use of that income and not to have this decided by those who do the spending; they must at least be equal in such decision-making and that equality should make it incumbent on them to come to agreement by democratic means. This is not the privilege of one section of the working people in relation to others, nor does it derive from a belief that some would be able better than others to assess the manner in which these resources are used but is only one guarantee more that the financing of social and public services and general spending will not work to the detriment of the resources of labour and expanded reproduction upon which the development of the entire material base of our society hinges.

In this respect, in-depth reforms have been instituted in the realm of self-managed communities of interest for education, science, culture, health, insurance and so on. The constitutional amendments of 1971 enjoined the communities of interest in social and public services to organize on the basis of equality and equitable negotiation between working people who use these services and who generate the income that finances them, on one hand, and working people in those activities who,

one might say, produce these services and whose activities, and the development of the same, are based on income earned in such direct, organized, responsible and free exchange of labour. This not only assures more direct control by the working people of the spending of resources in those areas of social and public services, but also constitutes an integration of interests on self-management grounds permitting various social and public activities of this kind to develop in a more planned manner and through the far more harmonized efforts of the "producers" and users of these services.

This approach should furthermore permit resolute strides in the direction of integrating associated labour, both in material and non-material production, which is objectified indirectly in the greater productivity of social labour generally. While the government budget was the intermediary in these relations, these two areas of social labour not only seemed to be independent of each other and to differ essentially, but also came into conflict which was not as a rule resolved in a direct, self-management relationship among the working people but by political means and decisions in government bodies, in the republic assemblies. Consistent implementation of the new constitutional provisions should, however, to a degree much greater than before, create direct interdependence between these two spheres of social labour and generate mutual consultation for agreement. However, as special social interests are frequently involved, state organs will continue to discharge extremely important regulatory and even normative functions in these spheres. These functions will not infringe but rather round out and guarantee the substantive mutual links and interdependence of all social labour in an integral system of self-management.

#### *Self-Management and Inter-Nationality Relations*

Socialist self-management, as both a concept and practice of the working people, simultaneously signifies the strongest possible guarantee of the freedom and equality of the constituent nations and nationalities of Yugoslavia. The point of departure for the development of inter-nationality relations in Yugoslav society is not only the democratic political and cultural freedom of peoples but also their economic independence which, so to speak, automatically derives from the position of the workers and working people as self-managers. Thus, self-management by the worker, by the working

man, also assures each nation the independence of self-management and control of the results of labour, of development of the material base for the advancement of its own culture and civilization. For, if a nation is to be free it must in addition to exercising political and cultural independence also control the results, the income of its social labour and manage the whole range of social reproduction, of course in equitable interdependence with other nations living in the same economic system and with a feeling of responsibility toward them. Such national economic independence in Yugoslavia is not a statist-administrative category, nor does it imply autarky or the right to nationalistic egoism, for it is actually a specific form and reflection of self-management by the working man.

The independence of the constituent nations and nationalities of Yugoslavia in terms of self-management has shown itself to be the condition and strongest motor force for their rapprochement and unification and also for strengthening equitable mutual responsibility in solving joint problems and working toward common goals. No claim is made here that conflicts of interest have vanished from those relations. They exist and will certainly appear in the future, too. But the entire experience so far indicates that self-management is the strongest factor in transcending such conflicts of interest and in democratically resolving joint problems generated by such conflicts.

#### *The Role of Scientific Thought in the Practice of Self-Management*

For persons unremittingly inclined to perpetuating the status quo and the existing order of things, self-management is utopian and anarchic. However, for those who seek a way out of the antagonisms of contemporary society in a socialistic and democratic manner, socialist self-management is one possibility for finding progressive solutions, while some consider it an historical necessity. For those of us who are engaged in building the system of socialist self-management in Yugoslavia, the self-management system is *our* society, the everyday problems we live with, the tasks we face and the goal we see before us. In any event, self-management is no longer only a vision and aspiration of progressive socialist thought. It is practiced and it is a social reality, now in existence for three decades and continuing to develop. This reaffirms that self-management is not the ephemeral phenomenon of a subjective ideology or political construct but one of

the laws governing the development of socialism.

The working class and League of Communists today confront serious tasks and efforts to achieve the set goals of development, of self-management in this stage of our revolution. In their struggle, they must have recourse to the weapons of theory and scientific analysis of social realities. But these should not be theories and schemas imported into our society from entirely different social systems; rather they must be theories and social criticism inspired by the practice of socialism and self-management, taking as a point of departure the laws governing this and not some other system.

From the standpoint of progressive criticism of the present social reality in Yugoslavia, it is not enough, nor is it decisive, to establish the extent to which that practice now differs from the so-called final goal, that is, from communism. The most essential questions for the moment are the following: to what extent is the leading role in society played by those forces which are, in terms of their class interests, the only ones that can guide the development of society towards that goal; do the ways and means they choose to reach that goal really make such development possible and to what extent; what are the immediate tasks in various spheres of life and work that self-managing society should and can assign to itself today so as to make sure that it moves in the direction of that long-term objective, and so on. Consequently, the basic problems lie in finding and choosing ways and forms of movement and growth for the new social organism and not

in the ambiguity of goals, for actually there is no ambiguity in essence.

### *Self-Management in the Future*

In the future, when the further development of productive forces creates the corresponding conditions, certainly the social position of man and interpersonal relations will in lessening extent be determined by their current labour and will in growing degree be the result of the sum total of social labour and creation. This will also reduce the force of internal conflicts of interest and the role of state power in the system of self-management. But not this alone. The latitude for the freedom of self-management will expand to such an extent that the democracy of self-management, as a form of the state power of the working class, will no longer be a form for safeguarding socialist productive relations, but a free relationship of creative cooperation among people. Yugoslav society is, admittedly, only at the beginning of its road but it must be consistent and radical in the pursuit of its course just as it must be realistic in regard to the concrete steps for realizing it. Rushing ahead and taking measures for which conditions are not yet ripe would be just as dangerous as ignoring the problems placed by history on the agenda of contemporary humanity. In other words, to abolish or weaken the role of the state before the society of self-management is capable of existing without reliance on the strength of the state power of the working class and all working people would be the same as to renounce socialist self-management.