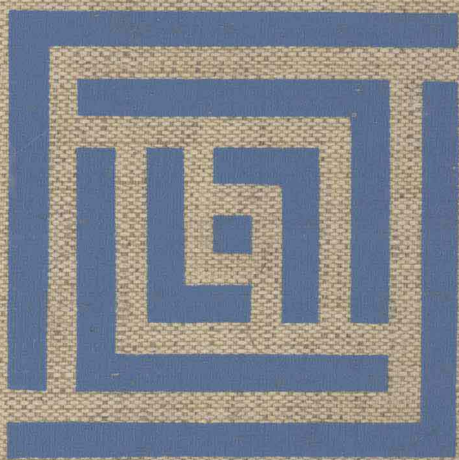


# **A Handbook of**



**STP**

# **Yugoslav Socialist Self-Management**

# SOCIALIST THOUGHT AND PRACTICE



# A HANDBOOK OF YUGOSLAV SOCIALIST SELF-MANAGEMENT

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## **STP**

SOCIALIST THOUGHT AND PRACTICE



## FOREWORD

*The present handbook is not of an encyclopaedic character nor does it profess to be a comprehensive glossary of Yugoslav self-management. The compilers' aim was much more modest: to explain to the foreign reader, as clearly and as concisely as possible, those terms from the field of self-management that are most frequently encountered in Yugoslav political, economic and legal literature.*

*Yugoslav self-management is not an experiment, as one may still occasionally hear it being described. It has been developing over the last thirty years and has existed as a living, complex and widely accepted social practice.*

*There are many new institutions and concepts in the Yugoslav economic and political system. This is principally because the qualitatively new, self management relationships had to be expressed by a number of new categories. Difficulties are increased, however, for the foreign reader of Yugoslav texts: he does not understand some of the translated terms because he does not know what real social relationships they express; some others, (e.g. social ownership, assembly, etc.) he does understand, but he attaches to them the meaning*

they have in his own rather than in Yugoslav society.

It is, therefore, of prime importance to explain the new terms or rather the meaning of the concepts most frequently appearing in Yugoslav literature. This also requires, at least to a certain extent, an explanation of the social relationships which they describe. That is why the compilers of this handbook have opted for a rather exegetic approach in explaining the selected terms, albeit at the expense of its conciseness.

The compilation of the handbook has been a collective undertaking in which a number of authors have been engaged. Despite their and the editor's best efforts, some of the concepts have inescapably received uneven treatment, and not all are equally clearly explained. It is hoped that the experience gained with this edition will help remove any such weaknesses in the future editions.

Cross-references are intended to help the reader understand the interrelation of concepts and institutions and to avoid any repetition in explanations.

Some of the major entries (e.g. Income of Organizations of Associated Labour) have been explained in several sub-entries, which deal with the most important related concepts within the given area.

The handbook in itself is not sufficient for a full and accurate understanding of the most important concepts in Yugoslav self-management. We believe, nevertheless, that it might help those who are interested in Yugoslavia's self-management experience, views and regulations.

Bogdan Trifunović



**Accountability — RESPONSIBILITY**

**Accumulation — BUSINESS EFFICIENCY; NET  
INCOME AND ITS ALLOCATION**

## **ACTIVITIES**

The term activity usually describes the type of production or service engaged in by economic or non-economic subjects in an organized contemporary society. All economically active subjects belong to a certain branch of activity. Since subjects both in and outside the economy perform many functions, the need has arisen for organized society to classify its activities.

In the Yugoslav economic and social system, the classification of organizations and communities according to activities has been regulated for the sake of uniformity in records, statistical research, planning, and the conclusion of self-management agreements and social compacts. The classification of activities is also significant for the promulgation and implementation of economic and social policy measures, in R & D work, etc.

All activities have been categorized under fourteen major headings: manufacturing and mining; agriculture and fisheries; forestry; water



resources management; construction industry; transportation and communications; commerce; catering and tourism; crafts and personal services; housing and communal services and land development; financial, technical and business services; education, science, culture and information; medical and social welfare; sociopolitical communities, self-management interest unions and sociopolitical organizations. The uniform classification system also covers the branches and subgroups of economic activities as well as the public services.

In the Yugoslav system, activities are classified as follows: basic organizations of associated labour, work organizations, composite organizations of associated labour, contractual organizations of associated labour, work communities, banks, life and property insurance unions and other financial organizations, agricultural and other organizations, self-management interest unions, organs and organizations of sociopolitical communities and organs of the social community, sociopolitical organizations, social organizations and citizen associations and other organizations and communities, units which perform their activity with socially-owned or privately-owned resources, and self-employed working people who perform an artistic, cultural or other professional activity. When an organization or an economic or social subject engages in several activities, classification is made according to the preponderant activity, which in the sphere of the economy implies the origin of the bulk of income or in the sector of public services the principal activity.

Each organization of associated labour, besides its principal activity, engages in subsidiary activities, if they directly promote its basic activity or facilitate a better utilization of its capacity, raw materials, etc.

Classification according to activity is made by the statistical agencies in a republic or autonomous province, in cooperation with the planning offices and the Social Accountancy Service in the republic or province concerned.

### **Economic Activities**

These include: manufacturing and mining; agriculture and fisheries; forestry; water resources

management; construction industry; transportation and communications; commerce; catering and tourism; crafts and personal services; housing and communal services and land development; and financial, technical and business services.

The following activities have been reclassified from economic activities to public services: publishing, cinematography, self-management interest unions in the economy and housing and communal services, as well as the general business associations.

Manufacturing is certainly the most important economic activity in Yugoslavia, for its pace of development directly influences the other economic activities and the overall socioeconomic development. Throughout the postwar development of the economy, manufacturing has held a central place and has had a positive effect on all the other economic activities, supplying them with modern and sophisticated implements of labour. In the postwar period it has had a very dynamic rate of development — each year it has grown at an average rate of 9.5 per cent. Thanks to this pace, industrial output in 1977 was about 14 times higher than 30 years ago. The manufacture of machinery and equipment has had a specially important place in industrial development.

This tempo of industrial development has been responsible for considerable shifts in the economic structure. For example, in 1977, industry accounted for 37.2 per cent of the social product, while in 1947 its share was only 18.2 per cent. The share of agriculture in 1977 was only 15.17 per cent, while in 1947 it was nearly 40 per cent. In 1977, economic activities employed about 4.3 million workers, or 83.1 per cent of the total work force in Yugoslavia.

### **Non-economic Activities**

Non-economic activities (public services and other activities) include all branches, groups and subgroups of activities which, according to the uniform classification, have been categorized as follows: education, science, culture and information; medical and social welfare; sociopolitical communities, self-management interest unions and sociopolitical organizations.

The sphere of public services meets the general and collective wants relating to education, science, culture, health care, social welfare, etc. As regards the earning of income and their socio-economic status, the working people employed in these activities are on a par with the working people in economic activities. The 1974 Constitution established new mechanisms and institutions for financing general and collective consumption. These new relationships are now being established through the free exchange of labour between the workers employed in economic activities and those who are employed in the public services. The budget financing of these activities through taxes, imposts, etc. is gradually being abandoned (*See SELF-MANAGEMENT INTEREST UNIONS*).

The public services also have their economic function, because their effectiveness very much determines the level of labour productivity and the overall business success of organizations of associated labour in the economy. Their importance in the social division of labour is growing. In the period between 1952 and 1976, Yugoslavia set aside more than one third of the national income for public services. Of the total expenditure for public services, the largest portion is committed to two basic activities — education and medical care. The share of expenditure for education in this period was increased from 2.6 per cent in 1957 to 3.9 per cent in 1976, and for medical care from 3.3 per cent to 4.1 per cent. The share of expenditure for culture and arts and the resources for financing the other public services have also grown.

### **Activities of Special Public Interest**

Certain economic activities and public services have a special significance for the economic and social development of a country, because their balanced development facilitates a faster overall growth.

Under the social plan of development of Yugoslavia for the period 1976—1980, a selection was made of certain activities whose faster development would expedite an effective realization of agreed policy. The following were singled out as being of special public interest: power indus-

try; agribusiness; raw materials which are exported or which help to substitute imports (iron and steel industry, nonferrous metallurgy, basic chemicals and nonmetals); engineering industry and shipbuilding; transportation; and foreign tourism.

### **Service Activities**

The classification of activities in Yugoslavia makes no provision for service activities. However, there are various activities of a productive or non-productive character which serve to satisfy various human wants. Under the economic activity heading of catering and tourism, for instance, there are services providing accommodation, (hotels, motels boarding houses, etc.), catering services (restaurants and other catering establishments), tourist services (tourist agencies and bureaux). The category of crafts and personal services includes all those which serve the needs of the household (repairs and servicing of various household appliances) and personal needs (barbers, photographers, etc.). The new classification of economic activities (as from 1 January 1977) introduces financial, technical and business services, which include banking services, life and property insurance, commercial services (advertising, forwarding, business agencies, commission jobs, etc.), architectural design and similar technical services, geological prospecting, business services (fairs, exhibitions, data processing, legal services, etc.).

All these activities are related to the sphere of production, and this is why their significance in the social division of labour is growing.

### **Communal Services**

The communal services include: public water supply; production, transmission and distribution of gas; production and distribution of heat; maintenance of cleanliness in the cities and villages; waste disposal and other communal services (public garages, fire-fighting facilities, etc.).

Organizations of associated labour performing communal services have the same status as the organizations of associated labour in other activities. Their organization and functioning are on

self-management principles, and they charge for their services.

Their plans and development programmes are based on social compacts and self-management agreements, in which all interested factors take part, such as sociopolitical communities (communes, provinces, republics), but in their self-management roles, as vehicles of public influence. The functioning and development of communal services are subject to self-management agreements and social compacts negotiated under the auspices of self-management interest unions, where the interests of the suppliers and users of communal services are coordinated.

Prices in this sphere are guided by corresponding measures of economic policy issued by the sociopolitical community. Care is taken that they should be proportionate to personal incomes. Organizations of associated labour performing communal services and the users of their services conclude contracts which specify prices as well as the volume, quality and the mode of performance of the communal services concerned.

## **Infrastructure**

Infrastructure is usually taken to mean a set of facilities and technical systems which constitute the material prerequisites for the overall economic and social development, and which determine the living and working conditions of working people and other citizens. Infrastructure may be classified in different ways. For example we have basic (economic) and auxiliary (social) infrastructures, or local, regional infrastructures, etc. We frequently also encounter the concept of the infrastructure of an area, a town, city, or even an organization of associated labour (land development, access roads, links with the sources of energy).

The basic or economic infrastructure usually implies a set of facilities and technical systems such as: roads and railways with the corresponding auxiliary facilities, buildings, technical means and installations for the transmission and distribution of electric power, gas mains, oil pipelines and other similar installations, airports, harbours and port facilities, systems of communications for the media of information, etc.

The social or auxiliary infrastructure refers to those facilities which result in an improvement of living conditions in cities and communities. These include residential buildings and facilities, installations and systems of water mains and sewerage, shopping facilities, schools, universities and other educational institutions, cultural and sports facilities, medical facilities, etc.

Ž.J. and S.S.

## **Activities of Special Public Interest — ACTIVITIES**

### **Administration of Justice — COURTS OF JUSTICE**

### **Administrative Agencies — ORGANS OF SOCIOPOLITICAL COMMUNITIES**

### **Administrative Organ — MANAGEMENT ORGANS**

### **Administrative Socialism — SOCIALISM**

### **Agricultural Cooperatives — COOPERATIVES**

## **AGRICULTURE**

Agriculture is a highly important economic activity in Yugoslavia. The agricultural population accounts for about 38 per cent, and the share of agriculture in the social product of the economy is about 15 per cent.

The policy of development of agriculture and socialist transformation of the countryside did not opt for collectivization of the classical type; it favoured instead the creation of large and modern socialist agricultural estates and cooperation between individual farmers and the socialist agricultural organizations.

This cooperation is based on voluntary participation, where the farmer retains his title to his land; the extent and types of cooperation depend on the economic interests of the farmer. Most frequently it is practised through the purchase of seeds and materials in crop farming, animal husbandry, utilization of socially-owned mechanized implements, the sale of products, etc.

Individual farmers are entitled to participate in the management of the socially-owned agricultural organizations and cooperatives with which they cooperate, to have a share in their income, to be informed about their work and business, and to exercise self-management control in them, in other words, to have a right to self-management in all questions relating to cooperation.

Besides using implements from the social farms, individual farmers interested in larger and cheaper production, are increasingly purchasing agricultural implements and thus are achieving greater labour productivity at their farms, in crop farming as well as in animal husbandry.

Through cooperation with social farms and cooperatives, individual farmers link up with the socialist sector of the economy, thus increasing labour productivity and production on their farms. Their private resources are pooled with those of the social sector, and their private labour with social labour, thus raising the living standard of the farmer.

Social farms are organized along self-management lines, like organizations in other spheres of the socialist sector. The self-management organization of social agriculture has the aim of linking up basic organizations in primary agricultural production with those in the spheres of processing and sale of agricultural produce, with financial and scientific organizations, etc. into agricultural-industrial combines having the status of a work or composite organization of associated labour.

Efforts to develop agriculture and transform the countryside along self-management lines have proved successful because large-scale socialist agriculture was not against the individual farmer. The farmer has joined to take part in the system of associated labour, on the basis of clear commercial relationships between him and social agricultural organizations.

Today about 15 per cent of the total cultivable area is socially owned and about 85 per cent is privately owned. However, in the important agricultural areas the share of the social sector is much greater. For example, in the most important agricultural area, Vojvodina, the social sector controls about forty per cent of cultivable land. Thanks to high labour productivity achieved by the social farms, the social sector of agricul-

ture participates disproportionately more in the overall production and market surpluses of various farm produce.

During 1976, the social sector participated in the social product of agriculture with about 23 per cent (in 1957 this share was 6.3 per cent). In 1976, 56 per cent of the total output of wheat, 42 per cent of the total output of maize, etc. were obtained on the lands belonging to the social sector and the individual farms engaging in co-operation.

Ž.Č.

## AGRICULTURAL ESTATES

Agricultural estates are organizations of associated labour in Yugoslavia's agriculture. These are large socialist farms based on the social ownership of the land and other means of production and on self-management by the working people in them.

Agricultural estates were created immediately after World War II from the land obtained through the agrarian reform and were extended in 1953 after the reorganization of the peasant work co-operatives. Today agricultural organizations of associated labour extend their land by purchases from individual farmers.

The social sector of agriculture is organized along the lines of self-management, just as all others spheres of the socialist economy. In 1976 there were 2,429 agricultural organizations of associated labour which included agricultural combines, estates, farms, peasant work cooperatives and experimental farms.

In the same year, agricultural organizations employed more than 200,000 workers and had 2,500,000 hectares of land, about 26,000 tractors, etc. Production in the agricultural organizations of associated labour increased about eight times between 1955 and 1976.

The most numerous among the agricultural organizations of associated labour are agricultural combines, estates and farms. The agricultural-industrial combines are generally organized as composite organizations of associated labour having basic and work organizations in primary agricultural production, processing plants for all kinds of agricultural produce, a sales and financial organization, R & D services, etc. One large agri-



cultural-industrial combine, for example, in addition to extensive land holdings, also has an organization of cooperating farmers, a vegetable oil mill, a sugar factory, a bacon and meat packing factory, a factory of corn products, a dairy, an animal feed factory, a pharmaceutical factory, flour mills and flour paste products factory, a brewery, a distillery, a retail trade organization, its own fleet of transport vehicles, its own power plant, its own educational centre, its own institute of agricultural technology, etc.

Agricultural estates and other social farm organizations of associated labour help the socialist transformation of farming and the countryside, achieving important results in raising agricultural output through specialization and intensive farming methods and through increased labour productivity, and at the same time promote socialist relationships in agriculture and in the countryside.

Z.C.

## **Alienation of Labour — LABOUR**

## **Allocation of Income — INCOME DISTRIBUTION; DISTRIBUTION**

## **ARTIFICIAL PERSON**

A legal entity recognized by law as a subject of rights and duties is called an artificial or juristic person. It is an organized collectivity, an organized group of individuals who have associated for a common purpose. Every artificial person holds certain property, which is separate from the property of the individuals of which it is composed.

The Constitution of the SFRY recognizes two categories of artificial persons: corporate persons and incorporated associations of citizens.

Corporate persons are those artificial persons that have socially-owned resources in their charge. This category includes basic and other organizations of associated labour, their work communities and other forms of the association of organizations of associated labour, banks, property and life insurance unions and other financial organizations, self-management interest unions and the basic communities and units within them, as well as associations of self-management interest unions