

Workers' Councils in Yugoslav Enterprises

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EACH year there is an increase in the amount of means at the disposal of the workers' councils in Yugoslav enterprises. In 1958, as according to data not yet completed, the workers' councils had at their disposal about 35,000 million dinars more than in the previous year, and it is expected that in 1959, the workers' councils will have at their disposal about 45,000 million dinars more. This is certainly due to the carrying-out of a policy of decentralization, and the giving of more extensive rights to the organs of workers' self-management.

It would be one-sided, however, to apply the expression "more extensive rights" only to the ever-greater amount of means which are at the disposal of the workers' councils. This year these self-managing organs have been granted a new right the independent making of their tariff code; this is the basis document in an enterprise by which is formulated a definite policy of "reward". In previous years, regardless of the fact that a workers' council could freely divide its means between personal incomes above the tariff code and the funds, the tariff code itself was in a certain sense bound to a definite level. This year these restrictions no longer exist.

The situation regarding distribution is in general as follows: out of the total of realized incomes, after deduction of material costs and definite obligations towards the community interest, taxes on turnover, land etc and after deducting contributions from income on the basis of a moderate progressive scale, there remains the net income of the enterprise, which the workers' councils independently distribute between various funds of the enterprise and personal incomes, this relating both to the part of personal income which is included in the tariff code and the part of it which is to be paid above the tariff code.

It is certain that in such a situation two questions will be of great interest to the economist: First, will the policy of distribution of income which is carried out by the organs of self-management in Yugoslav enterprises answer to the consumption and accumulation pro-

portions of the social plan regarding distribution? In other words, does there exist in the workers' councils a constant tendency towards investment, as an internal counterbalance to the comprehensible demands for the highest possible personal incomes? Second, will the earmarking of certain investment means by the self-managing organs correspond to those foreseen in particular branches according to the long-term plan of the development of Yugoslav economy? These questions, which are interesting from the point of view of the functioning both of Yugoslav economy and the mechanism of the economic system, enable us to penetrate somewhat deeper into the character of planning in Yugoslavia.

A Little Parliament

As in the General Assembly when the social plan is discussed, so in the workers' councils, when discussing the distribution of net income different needs are expressed and discussed. First of all comes the need and the demand to balance the productivity increase with the personal incomes of workers. This demand is comprehensible and is therefore included in the economic policy of the country.

Against the conception of rising salaries coupled with the expectation of a rise in productivity, there is the conception of rise in productivity with higher personal incomes of the workers and employees as a subsequent result, - in Yugoslav theory and practice these are conceived as a parallel process. The rise in the standard of living must neither take place before the productivity, nor lag behind it; it must be the immediate result of the productivity. Every per cent of the rise in productivity should be reflected immediately in the standard of living. This is the task of the mechanism of distribution of income, which is carried out by the instruments which assign the so-called settlement between the enterprise and the community; this is however, to a great extent the task of the instruments of internal distribution of income in the enterprise itself, which is taken care of by the working collective, and which has to be allowed for in the tariff code of

the economic organizations. Hence the discussion which is taking place now in all Yugoslav enterprises is centered, not so much on the question of the level of the salary scales but on the problem of how to stimulate, with the use of various complex means, productivity and economization to the greatest possible extent.

Reward according to Productivity

The consultations organised by the syndicates have not as their aim the formation of an uniform attitude towards the establishment of the level of the tariff codes: they aim at the introduction of a complex reward according to productivity in all enterprises. The same people in the enterprises who support the claim for the greatest possible earnings and the most stimulative instruments of internal distribution of income at the same time, put forward in the workers' councils, in the discussion on the distribution of net income of the enterprise, the other wishes and needs of the collective. They put forward the problem of financing flat construction for the enterprise, or for wider needs (those of the commune, etc); they bring up the problem of hygienic technical protection, of cheap food, of clinics in the enterprise, of financing cultural and sport development therein. All these demands, however, "attack" the same financial means which have also to provide a rise in the personal incomes of workers and employees.

And this is not all, These same people in the workers' council who express the demands of the collective for a rise in personal incomes, who express the demands for financing those objects and activities which enter social standards, express also to this organ of management demands of a third kind of not lesser intensity, and of not less importance to the interests of the collective: demands for investment in the enterprise, for its modernization and reconstruction. These demands must also be met mainly from the net income of the enterprise, this means they must be met from the resources the collectives have at their disposal, and they must earmark one part of these for per

sonai incomes, one for the financing of the social standard and one for investments. There is no fear of a one-sided decision on the part of the workers' council, i e, of a decision which would neglect the financing of one of the categories if the same attention is paid to all these demands. It is not only necessary to give equal importance to definite interests in these demands: interest in the rise in personal incomes, in the rise of social standards, and in investments are equally alive in a collective which has a strong "industrial composition". It is absolutely necessary that the collective should realize that both imposed social standards as well as investments in the enterprise must in most cases be achieved from these resources, which are at the free disposal of the enterprise; the collective must understand that its nett income has to cover all the needs of the collective, including both momentary and permanent ones including the satisfaction both of long-term and immediate interests.

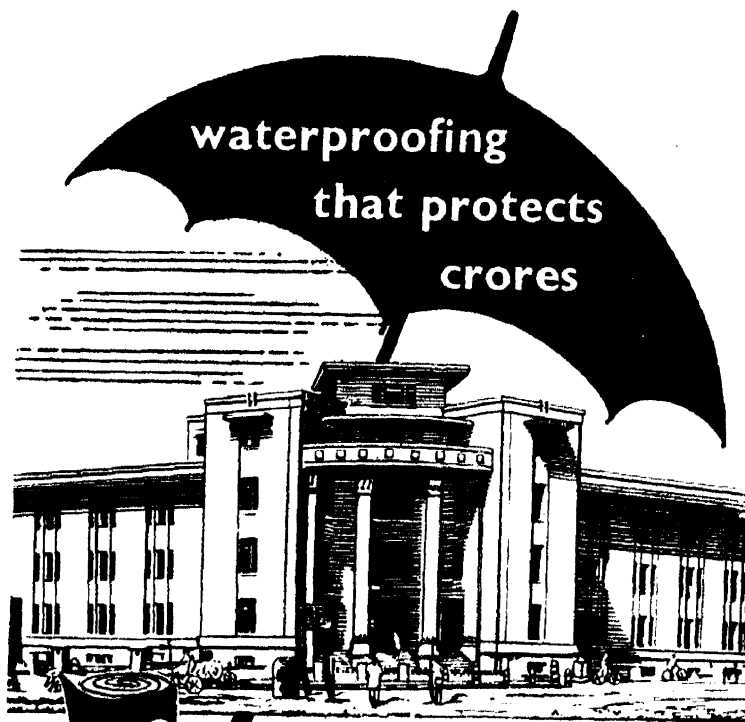
Self-Financing

If the collective is conscious of the fact that nobody outside the enterprise is going to provide means for the modernisation of production or for investments in the realization of social standards, then we may really speak about the equality and homogeneity of the different demands for expenditure of the means at the disposal of the enterprise. Because some remnants of previous methods of financing of the construction of objects of social standards and investment still occasionally give the illusion that this is the care of others and not primarily of the collectives it was possible In previous years to make onesided decisions that did not take into account this or that demand for a definite kind of investment from the means available to the collectives. To create a situation in which it is almost impossible for a onesided decision, it is not necessary to manoeuvre with state intervention or with the amount of means which are left at the disposal of the collectives: it is only necessary to see that the existing system should be realized fully, so as to kill the last illusion that the care of social standards or modernization and reconstruction of the enterprise is not the business of somebody outside the enterprise.

Regarding the amount of means at the disposal of the collectives, it is evident that we do not consider the possibility that the collective would be able to finance alone any kind of reconstruction. The system of participation in financing investments according to which a collective, according to the kind of invest-

ment, must contribute part of the total foreseen sum, has the effect of avoiding discouragement of the enterprise when realizing the immense sum needed for financing investment activity of the enterprise. The proportions by such distribution of means at the disposal of the enterprise will in all enterprises be

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more in accord with the proportions foreseen by the social plan as the collective understands and accepts as its own the economic policy expressed in the plan. And this again means that its economic policy must reflect most fully the interests and needs—both temporary and permanent of all producers.

The results of the investment policy in the past years shows that both the enterprises and the communes paid very great attention to investment activity and that handling quite independently the definite means, they understood the extended reproduction not as an imposed interest, but as their own interest.

Consumption vs Investment

If we analyse the fulfilment of the plans in 1956 and 1957, and even in 1958 we shall see that, apart from the wider means which collectives and communes independently share between consumption and investment, the proportions of the social plan, especially regarding the ratio between consumption and accumulation, are not only realized but exceeded, in favour of accumulation. This was achieved in the sector of decentralized means. It is clear that this would not always be favourable or in accordance with the formulated economic policy, but it shows that the organs of management of the decentralized means are often more strongly influenced by investment propensity than by the wish to raise nominal personal incomes in order to improve the standard of living.

Thus, if it is necessary to exert influence on a collective in order that it should make the most rational decision regarding the distribution of nett income, and one which would be most in accordance with the proportions of the social plan, it should not consist of ordering the level of personal incomes, but of the recommendation of a definite act before beginning the distribution of the resources of the enterprise. This definite act enables every member of the collective to get deeper insight into the needs and capacities of the enterprise, and then, on the basis of such needs and capacities, the final decision should be taken. Of such a character is the recent regulation of the Federal Executive Council, which prescribes the action to be taken in making tariff codes. This regulation orders nothing, forbids nothing, it only recommends the way to view

best the needs (investment, standards) and capacities (resources) of the enterprise.

Unification of Resources

If in regard to the basic distribution of resources which the enterprise handles there is no danger of a one-sided decision which would affect personal incomes or social standards, there are some objections regarding the use of resources which the enterprise has put aside for investments. The Yugoslav plans take into account these resources and not only the Federal investment means when anticipating construction in a definite branch of economy, or an increase in the range of production. But because these resources were relatively small, especially in the enterprise, and not sufficient for the construction of a certain object, a real danger existed that they would be spent irrationally, i.e., that they would serve to cover some peripheric and not essential needs.

The above led to the course towards a certain unification of decentralized investment means in financing larger projects. This course must not be understood as an administrative recentralization of means, as a policy aiming at the accumulation of these means and using them for definite purposes. Neither must this course towards the joining together of the means be understood as a policy of 'inactivity', of waiting for the enterprises themselves to realize that the pooling of resources is to their interest, that they could never build alone what they could build when united with other enterprises.

Plough Back and Social Expenditure

Instead of one or the other extremity, the effective way towards unity of means lies in the stimulation of the economic interest in the enterprise towards co-operation. With separate economic instruments, the enterprise must become aware of the fact that it will be to its advantage to unify its means with those of the other enterprises rather than to act alone. A well-guided policy of pooling of resources, a policy of stable prices, of ensuring by the enterprise that the resources, when consumption is delayed, will not be later devaluated or blocked, are among these stimulations. The stimulation of investment in definite branches by the eventual selective taxation of the investments consti-

tutes a similar stimulation. Finally, the removal of all obstacles in the field of prices and taxation regarding co-operation and co-production will enable the enterprises to find their interest in the unity of their resources, and not in spending them immediately as they are formed.

It is evident here that the unification of the resources is dedicated to the investments. It is similar, though not identical, with the situation regarding the pooling of resources dedicated to social standards. With the object of unification of resources dedicated to the social standards, one can more easily imagine the pooling of resources of diverse enterprises on a definite territory than the pooling of resources in the participation of the same line of production.

This year, together with the realization of even larger resources at the disposal of the enterprises, a serious effort has been made to stimulate the unification of investment resources. The way is open for the priority of investment of big means over investment of fragmented means; at the same time we see the full significance of the policy of investment of those directly interested in relation to investment decisions from the centralized resources.

Final Estimate of Kharif Pulses
PRODUCTION of Kharif pulses (other than Tur.) increased by 11 per cent in 1958-59 over the previous year. The rise occurred despite a small decrease of 1 per cent in the area under cultivation. According to the final estimate of Kharif pulses, production rose to 1.54 million tons from 1.39 million tons in 1957-58, while the area under cultivation declined from 15.65 million acres in 1957-58 to 15.50 million acres.

There was marked increase in production in Bihar, Madhya Pradesh and Rajasthan while the decline in acreage occurred mainly in Bombay, Punjab and Rajasthan. Production increased in all the pulses, particularly of Urad, Kulthi and Moth,

Kharif pulses covered by this estimate comprise about 60 to 65 per cent of the total area under all pulses other than Gram and Tur. Some of the pulses, such as Urad, Mung and Kulthi, included in the estimate are grown also during the Rabi season in certain States and their estimates will be included in the estimate for 'Other Rabi Pulses'.