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The Promise of Self-Management

*It transcends property, power,
sovereignty, and closed systems*

The theory and practice of self-management is likely to catch the imagination and mobilize the activities of hundreds of millions of people all over the world during the last quarter of our century.

What is self-management? What are the trends in contemporary history which may bring it into being, East, West, North, and South? And what are its chances of success in the postindustrial society of the twenty-first century?

The Center recently held a week's seminar to try to answer these questions. Experts from Chile, Germany, Israel, Malta, Norway, the United Kingdom, the United States, and Yugoslavia joined the staff for the discussions. What follows is largely inspired by the various papers and proceedings generated in that seminar.

Self-management is the kernel of Yugoslav political theory and constitutional law as it has been developing since the nineteen-fifties. The Yugoslavs must have written hundreds of thousands of pages on this subject. They have enacted self-management in their economic, social, cultural, and political organizations. They have built it into their constitution. They are enforcing it in their courts and tribunals. And they are experimenting, elaborating, adapting,

developing, enlarging it, and amending their constitution accordingly.

Self-management politicizes the economic enterprise by transforming it into a community which is not bent on profit-making exclusively but on articulating the social and political as well as the economic decision-making processes of its members, workers and managers alike.

Every enterprise has its workers council, elected by the total membership of the enterprise, on a one-man, one-vote basis. To prevent the professionalization of the workers councils, members are elected for a period not exceeding two years, and no one can be reelected for a second consecutive term.

The workers council is an autonomous body that makes its own internal rules and decisions with regard to policies and plans, the sharing of revenues, the allocation of resources, and any other business, even including security (each enterprise has its own, self-managed contingent of the Peoples Army).

Every enterprise also has its own executive committee whose members are elected from among the enterprise personnel. The executive committee is headed by a director who is the chief manager of the enterprise. He is elected either by the workers coun-

cil or by the total membership and is responsible to the workers council and the membership. He may provisionally suspend decisions of the workers council if he finds them in conflict with the law. A municipal court of arbitration will then make the final decision on the case.

Self-management, at the same time, de-politicizes the state by transforming it into a community which articulates not only the political, but the economic, social, and cultural decision-making processes of its members. This happens through a multichamber assembly system. At the federal, republican, and municipal levels, the representatives of the political community share their decision-making power with representatives of economic enterprises, scientific institutions, public health institutions.

The micro-community of the enterprise and the macro-community of what used to be the state thus look very much alike. Both are multidimensional or polyvalent (that is, embracing all dimensions of human activity), and both are organized from the bottom up, not from the top down. Both are interacting, and it is through this interaction and by participating in decision-making at the governmental level that the self-managing community really creates and asserts its autonomy.

This kind of order may sound utopian, impractical at the level of economic efficiency, too complex, and much too idealistic. But the facts do not bear out such a view. For while the Yugoslavs have undoubtedly run into all sorts of difficulties in the elaboration and enactment of their far-from-perfect system, twenty years of self-management have had the following results: per-capita income has risen, from two hundred dollars in 1950, to seven hundred dollars in 1970. Industrial output has increased fivefold (a portion of the additional G.N.P. is invested in industrial development and for communal purposes); the non-agricultural sector of the economy, embracing only thirty per cent of the working population in 1950, has grown to fifty-three per cent. Exports of goods and services have risen from twelve per cent of the gross national product in 1950 to twenty per cent in 1969, with over fifty per cent of these exports consisting of manufactured goods. The real standard of living of the population has risen three hundred per cent during the last twelve years.

Self-management in Yugoslavia has deep autochthonous roots in the communal systems of Slavic society. It has intellectual roots in Marxist theory — or that part of it that the Yugoslav leaders could use to graft on the indigenous growth (there is a mixture

of autochthonous and universal, existential, and intellectual factors in every revolution). And it has vigorous roots in the partisan movement that routed the fascist invaders in World War II and brought the new society into being.

War

There were hundreds of thousands of these partisans in the war. Bereft of means of communication, they received no orders. Lacking supplies of food, clothing, and arms, they had to rely on their own initiative and inventiveness and on the population around them. The partisan knew no distinction between soldier and civilian. He knew only people.

Partisan strategy, the Yugoslavs learned from this experience, cannot be made by top brass and imposed from above. It rises from the ranks. Each partisan is his own general. Partisan strategy is pragmatic and flexible, and thus hard to come by. Armies under a central command may win or lose. When they lose, it's over for them. But for every partisan contingent that goes down, a new one arises, as long as there are people. The partisan system, decentralized and enormously complex, turned out to be more stable than the relatively simple and highly centralized military system. The partisan system thrives on adversity and enhances a spirit of self-imposed sacrifice where the army system suffers demoralization. The partisan system is economical: there are no overhead expenses, no supervisory costs, there is no bureaucracy while the cost of military bureaucracy is skyrocketing.

One could continue, but it is clear that the partisan system was a self-management system applied to war — and it worked, in Yugoslavia as it later did in Algeria, in Israel as in Vietnam, and in Malaysia as in Latin America.

Since war as an institution is disintegrating, together with the war system of nation-states, two things are now happening: on the one hand, war is becoming a natural catastrophe of the highest magnitude, destroying soldiers, civilians, and obliterating any distinction between them, together with all the laws of war; on the other hand, and insofar as the absolute is rarely really absolute, this new type of soldier has been evolving on the rubble of the nation-state with its centralized army.

The centralized army, for its part, has developed the commando, a soldier displaying some of the characteristics of the partisan. The commando, however, is no match for the partisan. He is restricted by

precise orders from above. His "self-management" is apparent only — like the "self-management" of a worker within the hierarchical structure of the big corporation.

But the pure type of partisan soldier is potentially a universal phenomenon as international wars are turning into transnational civil wars. Self-management, hence, has a universal potential.

. . . and Peace

The disintegration of war and its armies is largely due to technological developments. The impact of technology on the disintegration of work and its regiments is perhaps less dramatic but in the long run it is no less radical.

The beginning of this process lies in the past. Lewis Mumford was one of its earliest and most prophetic observers. In 1934, in *Technics and Civilization*, he described how, on the one hand, power production and automatic machines tend to eliminate the regiments of blue-collar workers. Two million workers were cast out between 1919 and 1929 in the United States while production itself actually increased. And the displacement of the work force from the primary sector of production to the tertiary (often pseudo) sector of services continues apace. On the other hand, advance in technology, as it decreases the number of human robots in the plant, increases the number of trained technicians in the laboratories. This Mumford called "the displacement of the proletariat."

The qualities of the new worker, as described by Mumford, are "alertness, responsiveness, an intelligent grasp of the operative parts: in short he must be an all-round mechanic rather than a specialized hand. . . . With complete automation, freedom of movement and initiative returns for that small part of the original working force now needed to operate the plant."

Mumford foresaw the "stimulation of invention and initiative within the industrial process, the reliance upon group activity and upon intimate forms of social approval, and the transformation of work into education, and of the social opportunities of factory production into effective forms of political action."

He predicted decentralization as a potential consequence of the new technologies: "Bigger no longer automatically means better: flexibility of the power unit, closer adaptation of means to ends, nicer timing of operation, are the new marks of efficiency in industry." This process of decentralization, however,

need not be anarchical or uncoordinated. "Small units of production can nevertheless be utilized by large units of administration, for efficient administration depends upon record-keeping, charting, routing, and communication, and not necessarily upon a local overseership."

But all these advances toward decentralization and a humanly controlled and effectively directed industrial production "await the formulation of non-capitalist modes of enterprise."

Mumford in fact predicted the abandonment of the concept of private ownership of natural resources. "The private monopoly of coal beds and oil wells is an intolerable anachronism — as intolerable as would be the monopoly of sun, air, running water . . . and the common ownership of the means of converting energy, from the wooded mountain regions where the streams have their sources down to the remotest petroleum well, is the sole safeguard to their effective use and conservation." Here are all the elements of the contemporary theories of self-management, including the concept of social ownership which is the basis of Yugoslav theory.

Social Ownership

In Yugoslavia, self-management took off from a socialist background, after a phase of expropriations and nationalizations. In other countries, this background does not exist. Must they go through socialism — Marxist or other — in order to get self-management, or can self-management be established in the context of private ownership and a capitalist production system?

Some of the participants at the Center conference, especially those from the United States and Great Britain, answered affirmatively. However, the experience from which they drew was more of a socio-psychological than a socio-economic nature and was restricted to very small-scale and isolated systems of operation. Self-management, in fact, may be many things to many people. It may be a public-relations gimmick; it may be a means to get more out of the workers and to cut cost; it may be a mental-health medicine; it may be a research project, an experiment, a revolution.

One of the conference participants, Ichak Adizes, pointed out that far more important than ownership was the "sharing of managerial prerogatives." He went as far as to assert that "social ownership in Yugoslavia is a barrier to the future development of self-management rather than a basis for it, because

it hampers the mobility of labor and it hampers the mobility of capital.”

Another participant, Einar Thorsrud, pointed out that in his country, Norway, self-management was introduced both in publicly and privately owned companies, and “when it comes to the mechanisms of workers’ participation, the roles of people on the boards are exactly the same.”

All these positions have one point in common: they indicate what is explicit also in Yugoslav theory, that self-management is a process that moves on a different plane from that of ownership. Self-management, in fact, articulates relations among people much more than relations between people and things. Therefore, what is important is not that the worker should own resources or the means of production but that nobody else should own them and thereby be placed in a position of hiring and firing and otherwise directing and manipulating the workers. If self-management need not be based on workers’ ownership, it certainly excludes the possibility of ownership by others. The Yugoslav concept of social ownership in fact is a negative concept. It is the negation of ownership.

The Disintegration of Private Property

The disintegration of ownership is another one of the irresistible trends of contemporary history that moves modern societies in the direction of self-management.

I can distinguish three major developments tending to disintegrate our classical ownership concept. All three are interconnected.

Areas Beyond the Limits of Ownership Rights

First, technology is opening up new areas which are presently beyond the limits of ownership rights, whether of private individuals or of states (sovereignty), and to which the concept of ownership simply is not applicable. These include the limitless expanse of outer space and the depth of ocean space, which international law defines as “the common province of mankind” and “the common heritage of mankind” respectively. According to internationally accepted principles, these areas cannot be appropriated by any state or person, whether individual or corporate. They must be managed with the participation of all nations on equal terms and for the benefit of mankind as a whole, with particular regard to the needs of developing peoples (from everybody according to his ability, to everyone according to his need). Here is the principle of non-appropriability, the negation of ownership, the concept of social ownership writ large.

Environment

The second factor is the rise of environmental concern. This, again, has a strong technological com-

ponent, but it also has a *Weltanschauung* component. It reflects a less anthropocentric view of man in his environment and a new reverence for nature, of which we are part.

Be this as it may, the social control of our environment and the improvement of its quality imposes restrictions on private-property rights which mankind, in the *laissez-faire* period of capitalist expansion, did not know and would not accept.

Now there is a clear and open conflict between unrestricted private ownership and social environmental control. You can have either one or the other. Political development during these last few years and the preparations for the Stockholm conference on the human environment seem to indicate that, with a heavy heart and many misgivings, mankind will be moving in the direction of a socially controlled environment and the disintegration of private ownership.

... and Resources

Resource management, of course, is the key to environmental control.

Current views on the earth's natural resources range from one extreme to the other. Whatever the position one takes, however, all resources must follow the way of ocean and outer-space resources: that is, they must be declared the common heritage of mankind.

If one accepts the position that resources are scarce, that heedless overexploitation and the goal of unlimited growth will, in the imminent future, exhaust all available energy sources, despoil mineral reserves, deforest continents, erode soils, deplete stocks, and drain water supplies, then the time has come, and is in fact overdue, when resources are too precious to be left to the whims of a market economy and the destructiveness of competitive private management. Rational resource management must be socially controlled — and this, certainly, undermines the concept of private ownership or resources as we know it. "The private monopoly of coal beds and oil wells is an intolerable anachronism — as intolerable as would be the monopoly of sun, air, running water. . . ."

If, on the other hand, one takes the position that the end of one phase of human economy is only the beginning of another; that the age of fossil fuel energy will be followed by the age of unlimited fusion energy; that the steel age will be followed by the magnesium age; that technology, through syn-

thesis and mega-recycling, will produce resources unlimited, then natural resources lose their economic value. There is no more rent in them. To "own" them would be, not so much intolerable as meaningless — as meaningless as to own the water of the oceans or the light of the sun. Resources, in the post-industrial era, will become common property as they were in the pre-industrial and pre-capitalist era, in which they were (or appeared to be) equally unlimited.

Wealth-Producing Factors

The third development which is undermining our classical concept of ownership and property, then, is a shift that has been taking place in the weight of wealth-producing factors. Wealth is the product of resources, capital, and labor, with labor being divisible into manpower and skill. Skill used to be only one of the factors and by no means the most important, but technological advances keep increasing its significance. Skill, know-how, education, organization have displaced resources, capital, and manpower as wealth-producing factors. Needless to say, this displacement is not total. It is a trend, but an important one. Skill, know-how, education, and organization, however, are not "owned" by anybody. They are the common heritage of mankind.

The social order toward which we are moving therefore does not depend on expropriations. It does not transfer ownership rights from one group or class of people to another, nor from private owners to the state. It simply disintegrates and negates the concept of ownership. In such an order there are neither owners nor non-owners, therefore neither employers nor employees. There always will be more skilled and less skilled, better-educated and less-educated members in any working society. But in a social order not based on property but on self-management, this division need not be static. Such a working society is a learning society in which the unskilled worker is motivated to spend a great deal of his time on learning: learning to participate meaningfully in the making of decisions affecting his work and his environment. Every worker is a manager, and everyone who starts at the bottom may end, or, rather, have his turn, at the top. There is in fact no top and no bottom, self-management being a process that feeds back on itself.

A working society that is a learning society is also one that accelerates the process of development. This has been the experience in country after country. A recent seminar on profit-sharing and joint manage-

ment which was held in Cairo, with delegates from nine developing nations, came to conclusions very similar to those reached by the Center seminar on self-management. "Many countries of the world are currently engaged in the task of promoting rapid economic development with a view to providing rising standards of living to their peoples," the Cairo seminar stated in its final report. "This task involves a revolutionary transformation of their social and economic institutions and a reorientation of the attitudes of their peoples. As a consequence, in the field of economic activities they are required to create new forms of organization and devise innovative methods of operating enterprises irrespective of the nature of their ownership."

Self-management building may conflict with nation building in the new and developing nations insofar as the nation is identified with the centralized state of modern European history and the thrust of self-management is decentralizing and de-étatizing. It is likely, however, that this identification of nation and centralized state will turn out to be at fault, not self-management. A self-managing, decentralized economy is likely to turn out to be more viable in the face of environmental stresses and the threat of penetration by more developed Western economies than is a centralized, state-controlled one.

"In this context and in the light of problems and practices examined by the delegates," the Cairo report concludes, "the seminar came to the view that there was an overwhelming necessity of developing a new approach to management of enterprises which recognizes the importance of achieving higher levels of productivity. The seminar regarded profit-sharing and joint management (self-management) as one of the most effective means of creating necessary conditions and motivations for this purpose. . . ."

World Organization and Self-Management

To sum up: The impact of technology on the organization of war and peace, the disintegration of ownership, due to our penetration of spaces beyond the limits of ownership rights, to environmental and resource pressures, and to a shift in the relative weight of wealth-producing factors, are facets of a universal experience of the late twentieth century. They make the Yugoslav experience with self-management potentially universal.

There is another universal experience, working in the same direction. This again has two dialectically complementary components. For there are two forces

working within the human universe: one centrifugal, the other centripetal — integrative and disintegrative forces — and in this system, under the impact of these forces, a continuous regrouping and recluster- ing is taking place.

For a few hundred years, we have been living in an era of nation-states. We have been living in a hierarchical, vertical order; in a closed order, based on property, power, and sovereignty; in an order dominated by Western, Judeo-Grecian-Roman values.

Now we are regrouping. We are going to live in a post-national or trans-national era in which nations will still exist but they will no longer be the sole actors, or even the protagonists, on the scene of world history, because other interests and other forms of organization — economic and cultural — are taking their place alongside and across the nation-state. We will live in a horizontal order, where men again participate in the decisions affecting them; we will live in an open order, with everybody being part of a number of overlapping subsystems organizing his work, leisure, economic life, cultural and spiritual life, and moving freely within these subsystems; and we will live in an order based no longer on property, nor on power, nor on sovereignty, for all these concepts are eroding under our eyes.

Finally, we will live in an order no longer dominated by Judeo-Grecian-Roman values. The new life-style will be infused with an admixture of Oriental values — symbolized by the great drama of the Chinese entry into the world organizations.

Owing to the working of the centrifugal force, there is today a remarkable tendency within nation-states to break up. This is a worldwide trend, affecting developed as well as developing nations, East, West, South, and North. I have only to mention Northern Ireland or Croatia, or Katanga or Nigeria, or East Bengal or Quebec, and it becomes clear what is meant. The black power movement in the United States should be viewed in the same context — as should, for that matter, student power, or even woman power.

What is remarkable is that the forces of law and order, sophisticated and formidable or even hypertrophized though they may be, are increasingly less capable of coping with these internal-disintegrative movements, just as, externally, they are impotent in the face of even weak and undeveloped antagonists, as in Vietnam.

Each of these movements has of course its own physiognomy, its own roots in its own history, and its own goals. What they have in common, however,

is an urge toward self-determination, self-management, participation in decision-making on a scale that is comprehensible in human terms.

Self-managing and self-governing communities, whether of a cultural, national, racial, economic, or other character, will be much more important as the infrastructure of world order than they have been in the era of the centralized nation-state.

If the centrifugal force thus undercuts the power of the nation-state, the centripetal overcuts it. I am thinking of such developments as the multinational corporations, the European Economic Communities, the emerging ocean regime. Pressure comes from all those sectors of human activity which science and technology have so enlarged that they transcend the boundaries of the traditional nation-state. Resource and energy management, whether maritime or terrestrial; space technology; the management of the environment; weather control and modification; and transport and communications are cases in point. They have been dealt with in my previous studies, *The Ocean Regime* and *The World Communities*. For the purpose of the present discussion it may be enough to remember that:

- The international institutions apt to cope with these problems are not primarily or directly based on nation-states nor are they an addition or merger of nation-states; they arise from transnational, non-territorial functions.
- Each one of these functions is polyvalent and involves new forms of decision-making in which industry, science, and government must share.
- They are overlapping and interlocking.
- The over-all structure containing these functions will not be a super-state with the appanages of territoriality and sovereignty, but a network of communities partly functional and partly political; partly governmental and partly nongovernmental; partly international and partly intranational, with the traits of government, a business, an enterprise, a coöperative, and a union.

The impact of the forces of integration and disintegration, then, may shape a world order in which the macro-organization of the interacting world communities, the median organization of the interacting self-governing nations (no longer states in the traditional sense), and the micro-organization of the self-managing enterprise or other subnational system will be based on the same principles so that each part reflects the whole and the whole reflects each part.

Human Nature

The forces of integration and disintegration acting on the human universe do not however stop at the level of the self-managing subsystems. They affect each individual; rather, our concept of human nature and our concept of world order are always based on the same principles and reflect each other.

Although we are by no means "beyond freedom and dignity," nor do we wish or expect to get there, it is clear that when we say we are free we are mostly kidding ourselves, such is the impact of our environment, the culture in which we live, our economic status, the kind of stimuli we are exposed to from the moment of conception onward, not to speak of our genetic heritage. Man is not really an individual, but a network of interacting forces, a shifting nodal point of influences. Statistically we really can whittle him down to non-existence.

It is in his interaction with environmental forces and influences, though, that man gains his autonomy, he develops his responsibility, and creates a freedom that does not preëxist and must be re-created continuously.

His self-awareness increases with his awareness of his environment, both physical and social. Increasing awareness engenders increasing interaction, which engenders new participational structures, which in turn reintegrate his own structure and render him autonomous, just as the self-managing subsystem creates and re-creates its autonomy by interacting in the participatory structures of the wider community, just as the nation creates and re-creates its sovereignty by interacting in the network of world communities.

A self-management theory, therefore, contains elements for an ideology for postindustrial man. It is an ideology which transcends the dualistic concept of man versus society; abolishes the dichotomy between owner and non-owner, manager and worker, manual work and intellectual work, work and learning, work and leisure. It is an ideology which adapts to change, enhances growth and development of the individual, the society, the economy. It is also an ideology which offers an alternative to the corporate structure, decreases the power of bureaucracy, and de-institutionalizes and humanizes. It is also a practical philosophy which is embodied and enacted in a growing number of countries whose experience is there for us to learn from.

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