

## A Crisis of Self-Management — or of the Political System?

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*transl. Uroš Pajović*

In 1993, after the breakup of the Yugoslav Federation<sup>1</sup> and the disintegration of the Yugoslav system, Croatian economist Branko Horvat evoked the multiple common “explanations” of this failure. Economic failure? Failure of self-management? Or even, a failure of social ownership? To this enumeration, he added the point of view of some economists who recognized that there had been a real economic development in Yugoslavia, although they attributed it exclusively to foreign aid. “None of these explanations of the failure is correct,” he wrote, underlining the extent of economic success in Yugoslavia until the beginning of the seventies.<sup>2</sup> The causes of the final failure “are political.” We should rely on this judgment, for it is legitimate and essential, whatever the possible disagreements we might have with the solutions proposed by Horvat — these must be debated like any other. The important thing is that he strongly asserts the relevance of a project of socialist self-management, and the fact that Yugoslavia lacked a “system” which would have allowed self-management and social ownership to overcome the country’s crisis.

I agree with this diagnosis, but I will clarify and reshape it by saying that the failure indeed was political — however, not in the sense that “politics” was supposed to be evacuated from the economical procedures and the management of the crisis. The Yugoslav Revolution allowed other rights and other criteria to prevail against capital, relying on social property, whose actu-

al management has evolved and oscillated between bureaucratic statism and self-management at the level of enterprises and, simultaneously, between the plan and the market. Still, what kind of decision-making powers belonged to the self-managers and the people; and further, how coherent were these powers? Putting this question — the question of socialist democracy — into the heart of the analyses of the crisis is not to say that there are simple answers, freed from conflict. Rather, that the answers we are looking for and can come up with based on experience and reflection depend on another, central one. That question is: Who is deciding?

The great crisis of globalized financial capitalism of 2007-2009 demonstrated the failure of its so-called “efficiency” recipes. Still, it was not the end of capitalism. More than ever, all the efforts to call into question the reign of ‘King Money’ and commercial competition are charged with being retrograde, as well as “rigid.” This increasingly barbaric globalized capitalism takes us back to the nineteenth century by seeking to criminalize revolutions and anti-capitalist resistance movements of the twentieth century, reducing them to their failures. This system, carrying ever more violence destructive to both the planet and the fundamental social rights, gives birth, within itself, to fascist monsters which portray “the foreigners” as the cause of all evils. In the absence of progressive alternatives, people are trapped within a false



Boards in different factories (enterprises) marking the dates they were handed over to workers.  
Top to bottom:

*The righteous politics of our Party and Comrade Tito led us to accomplish the most revolutionary thoughts of the teacher of proletariat, Marx: FACTORIES TO THE WORKERS*  
On 15.9.1950 this enterprise was handed over into the workers' collective's management (Niš, Serbia)  
*Today we took over the factory into our management. 2.9.1950. The workers of Litostroj* (Ljubljana, Slovenia)  
On 17. September 1950, at 10 o'clock this Shipyard was handed over into workers' management (Croatia)

binary dilemma: destructive globalization, or xenophobic liberal nationalism? Against these reactionary utopias, it is better to delve into everything which brings and signifies progressive ones — that is, against the destruction of rights, the extension thereof. This is why the Yugoslav experience — including its successes and failures — can help to think of another European project, combining social and national egalitarian rights, both opposed to a European Union at the service of financial markets, and its xenophobic, nationalist pseudo-alternatives.

The Yugoslav system recognized social and national rights at a level reached by virtually no other; but, without a democratic “system” to give them a “coherence” and “effectiveness” — according to what criteria to judge it? The views of the populations this system concerned. In the absence of a democratic mode of decision-making, it is in the conflicts, and their interpretations by the dominant party, that contradictory “political economies” revealed their existence.

The specificities of the Titoist regime can be analyzed

by going back to the first founding act of the new system: the establishment of the AVNOJ, the Antifascist Council of the People’s Liberation of Yugoslavia.<sup>3</sup> Its plurinational form constituted a criticism of the first Yugoslavia. Its founding in the middle of the war responded, through a powerful show of force ‘in the field,’ to the “sharing of the world” that was being negotiated in the diplomatic corridors between the great powers, including Stalin.

The Second World War favored the centralist dimensions of the ruling role of the Communist Party of Yugoslavia (CPY), which rose to monopoly of power after the end of the war. However, this was legitimized by a victory and credible promises associated with a powerful revolutionary mobilization organized ‘on the ground,’ closer to the people. The “social contract” between the mobilized population and the CPY (to use the words of Michael Lebowitz<sup>4</sup>) focused on socio-economic and national questions, promises of dignity and well-being on both those levels, especially compared to the past and its capitalist conditions. The conflict history between Tito

and the Stalinist Kremlin was combined with legitimate hopes of Yugoslav leaders counting on the support of the “big brother,” who still embodied the “fortress of socialism,” at least until the breakup of 1948. It was exactly this breakup that formalized the refusal, by Yugoslavia, of dictate from Moscow.

The introduction of self-management (*samoupravljanje*) in 1950, which referred to, and used the precedent of the Paris Commune against Stalin, wasn't an absolute break with the concept of a single party and its practices: the pro-Soviet “Cominformers”<sup>5</sup> in Yugoslavia were dealt with in a Stalinist fashion (as humorously portrayed in Emir Kusturica's film *When Father Was Away on Business*). Similarly, the promises of self-determination made to Albanian anti-fascist fighters were forgotten, as they suddenly found themselves imprisoned in a “Yugoslav” framework after the failure of the project for a Balkan Federation. However, when the conflict with the USSR faded away, real self-management rights were extended to Kosovo, where Albanians would enjoy a quasi-republic status and major linguistic rights. These ambivalences were manifested in all the reforms introduced during the lifetime of Tito and Kardelj:<sup>6</sup> they were all advances in social rights (especially associated with self-management in the workplace) and national rights — which doesn't, however, say a lot about how these rights would be materialized and articulated: the rights were ever broader, but this doesn't mean they weren't contradictory, or immune to hindering. Likewise, each reform was introduced — as well as interrupted — “from above,” without calling into question the single-party system (despite its relaxation) and hence repressing all autonomous movement.

The radicality of the suppression of planning is incomprehensible if it is separated from self-management pressures against any plan — perceived as statist — as well as from the pressure from richer republics in favor of a more prominently confederate system. A third “point of view” was incorporated into these two, accentuating their ambiguities and tensions. It has to do with the great eco-

economic debates underway in all countries claiming socialism in the post-Stalinist era, searching for greater “productivity” without taking into account “political economy” (thus, also, social rights) within which this search unfolded.

If the rejection of statism had been the starting point and represented the essential criticism by the first phase of the self-managed system, the effects produced by “market socialism” in terms of self-management rights highlighted new causes for the weakening of self-management, denounced through multifold struggle, including a growing number of strikes against the disrespect of these rights by the directors of factories aligned with directors of banks; protests against inequalities that did not come from labor principles; the 1968 student movement in Belgrade, which defended the principles of egalitarian and non-commercial self-management, in universities as much as in the economy, and against privileges and forms of “group property,” towards a “self-management from below...”

The alternative — never experienced — which is critical of both statism and the domination of market relations, could have relied on three concrete inputs of Yugoslav experience:

1) a “self-managed planning,” but starting with extensive debates across society, with priority in decision-making and set criteria;

2) social investment funds embodying these specific decisions (on transport, health, education, culture...), managed by the self-managed communities of interests<sup>7</sup> of users, workers and officials at different territorial levels;

3) and chambers of self-management at the federal level, as well as the levels of republics and communes, for monitoring and preparing these decision-making processes, bolstered by “observers” of inequalities and needs, and the employment of those decisions. •

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Another version of this essay was published as the Foreword to the author Catherine Samary's book *Komunizem v gibanju (Communism in Movement)*, published in Slovenia in 2017. This version was adapted by the author for *Communiqué* and translated from French by the editor.

Notes:

<sup>1</sup> The Socialist Federal Republic of Yugoslavia was officially founded in the aftermath of World War II, on November 29, 1945. It consisted of six Socialist Republics: Bosnia and Herzegovina, Croatia, Macedonia, Montenegro, Serbia (incl. autonomous regions of Vojvodina and Kosovo) and Slovenia. [Editor]

<sup>2</sup> Branko Horvat, “Requiem for the Yugoslav Economy,” 1993, <https://www.dissentmagazine.org/article/requiem-for-the-yugoslav-economy>: “Before World War II, Yugoslavia was extremely underdeveloped. However, because of rapid development, by 1968 Yugoslavia had surpassed the prewar level of production and consumption of the most advanced European countries. From 1953 to 1965, the annual rate of productivity growth was 4,7 %, as compared with that of European capitalist economies (3,3 %) and statist economies (3 %). Productivity growth was probably the highest in the world during that period. At the same time the relative indices of the basic welfare of the population (life expectancy at birth, education, and health services) were much higher than those of capitalist countries, but also substantially higher than those of welfare states. In fact, around 1971 they were the highest in the world.”

<sup>3</sup> AVNOJ (Antifašističko veće narodnog oslobođenja Jugoslavije) was founded in 1942 in a small liberated area called the Bihać Republic in the northwest of Bosnia. In its second conference Jajce in 1943, Tito

declared AVNOJ to be the superior executive authority, assuming the role of government and bringing the decision to found the Federal Yugoslavia. This is considered the birth of the country, though it was officially founded two years later on the day. [Editor]

<sup>4</sup> cf. author's lecture in Ljubljana (2014),

<https://www.youtube.com/watch?v=soADyt8-H7A>

<sup>5</sup> The Information Bureau of the Communist and Workers' Parties (Cominform) was the official forum of the international communist movement after World War II, and was in charge of coordinating actions between communist parties under Soviet direction, including the creation of an Eastern Bloc. [Editor]

<sup>6</sup> Josip Broz Tito was a communist revolutionary and the leader of Yugoslavia from 1943 until his death in 1980. Edvard Kardelj was a Yugoslav theorist and journalist, considered the main ideologue of *samoupravljanje* or Yugoslav self-management. [Editor]

<sup>7</sup> SIZ, or *samoupravna interesna zajednica*, was a grouping of employees of enterprises or inhabitants of an area self-managing with the goal of achieving certain common interests and solidary satisfaction of common needs. [Editor]

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