

NOTES ON ECONOMIC AND INSTITUTIONAL CHARACTERISTICS  
OF THE SELF-MANAGEMENT (OWNERSHIP) MODEL

(A contribution to the theory of the self-management firm)

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I — Almost all the economic and social characteristics of a self-management firm depend on the economic and institutional essence of socialist characteristics of self-management type.

However theoretical discussions and practical solutions concerning the socialist ownership system are controversial both in terms of theoretical consideration and practical building of self-management system. That is why we have not yet reached either theoretical or practical general agreement on the economic and social (institutional) characteristics of the self-management type of socialist (ownership) system.

The purpose here is to present one of the possible ways of considering this matter. Firstly, some basic and fundamental premises (axioms) are presented on which the total theoretical model of the self-management ownership system (in qualitative and institutional terms) has to be built. Secondly, the actual model of the self-management ownership system is presented. In our opinion, both are necessary preconditions for setting up comprehensive theory of the self-management firm.

II — Basic premises

Of course, basic premises are not pure formalization. They result from some empirical generalizations concerning self-management practice in Yugoslavia, and are also connected with the development of social ownership as an economic institution through on the world in general. These basic premises involve the following:

a) The need for a sharp analytical demarcation between the economic and legal (formal, institutional) aspects of the economic category of property, though, in practice, economic and legal aspects usually form a sort of unity.

The legal superstructure is a formal form that is always closely linked with the economic content of property, being expressed in the mo-

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monopoly (of economic goods and services) and over social functions. The right, i. e., the monopoly over property establishes neither the production relations nor, consequently, the content of property in the economic sense. Still the relation between "the right to property" and economic appropriation is not static and direct but rather dynamic and dialectical. The legal form of property often differs from the actual relation of economic appropriation while, on the other hand, the growing importance of socio-political institutions in economic life and economic functions makes the legal factor increase its role in the real relations of economic appropriation.

b) The content of any kind of economic entity of property can generally be identified with the totality of economic relations in any historically-given mode of production. However this totality in the entity of economic property is finally expressed in the relations of appropriation of the national income (macro) or of a firm's income (micro), i. e., in the economic effects of the actual distribution of the social product and income.

c) The same applies to self-management (ownership-relations). The self-management ownership system must be seen as a specific historical form of socialist appropriation (*tenus proimum*) and as an empirical form of the economic appropriation of social income in various self-management systems (*diferentia specifica*).

What is assumed under *genus proimum*, i. e., socialist ownership?

There are four constitutive criteria for the conceptualization of any kind and form of social property: two of them relate to the economic criteria of appropriation (appropriation by individual economic agents on the basis of labour and on the basis of collective needs), while the other two criteria refer to appropriation by a socio-economic organization (appropriation on the basis of planned and market-organized economy and the criteria based on the difference between institutional-legal entities and personal-physical entities — appropriation).

By combining these criteria and considering the level of development of the economic forces of society that establish their economic relations according to the mentioned criteria — it is possible to differentiate analytically between two theoretical models or types of social property: the one that corresponds to "pure" socialist relations in production and the one that might be acceptable for "pure" communist relations.

### III — The self-management ownership model

What are the specific characteristics of the self-management ownership model (*diferentia specifica*)? They relate to all four characteristics of the socialist ownership model. Let us explain them:

1. The agent of economic property is a dualistic one. On the one hand, the direct producers, i. e., united labour in an economic firm appear as agents. On the other hand, there are other social institutions (state, commune, etc.) that actually implement appropriation on the basis of their economic and social functions connected with social fiscal assets, money and income, or indirectly through the systemic relations. Thus, the subjectivity of property relations is deduced from the act of

real appropriation in order for some economic and social functions of various economic and noneconomic agents (quasi-agents) to be fulfilled.

2. The object of economic property are all real and value assets of the natural, the national product and the national income which contribute to or take part in a firm's production function. In the self-management system they can be calculated by means of a special calculative system and form, depending on the other institutional criteria of the selfmanagement system. Among these criteria are: the system of valuation of capital goods, the system of amortization, the system of the national product and income accounting.)

3. The third and most important element of the self-management property model is an appropriation rule. It involves an economic, institutional and normative (political, ethical) value rule.

a) It could be defined, first of all, in negative terms as the absence of the appropriation of social means on the basis of the means themselves, i. e., as the absence of monopoly of any physical or institutional agent over the social means and the absence of appropriation by means of that monopoly.

The absence of monopoly can be interpreted positively and formulated in the following sense:

- „equal approach" to the means, both by actual and potential agents of economic activities (and appropriation);
- „Free entry and exit" of subjective factors in economic processes.

b) In the conditions of commodity production, equal approach is identical with „equal condition of approach" which is expressed (supposing the scarcity of means and the effect of law of values) by equal prices for the use of social means by all the agents. The institutional — systemic presumption of this condition is competitive market and equal price-interest of social means formed on that basis for all users.

c) Human labour, that is, simultaneously the basic subject labour and criterion of appropriation, is the fundamental economic principle. Labour is expressed in three characteristic relations: a) as a basis of participation by individuals in the economic use of social means; b) as a basis of all economic dispositions in the economic process and c) as a criterion of product appropriation.

d) The economic function of labour points out — from the aspect of the theory of firm too — the element of entrepreneurship that is implicit in labour. Entrepreneurship as a working function is a sort of socialist equivalent to the function of the organizer of production processes whose bearers also take the economic risk and economic advantages, thus combining and coordinating all the production factors. Entrepreneurship assumed in that sense connects the entity of social property with the entity of self-management on the level of the microeconomy.

e) The third fundamental principle is appropriation on the basis of social needs. This appropriation can be expressed as a sort of collective dividend, income from social ownership of economic factors that are no longer private (because the factors of production are no longer in private hands), and consequently, it belongs to all the members of society. The collective dividend denotes the collective nature of certain needs

and a claim for their collective satisfaction, independently of individual contribution to labour.

IV — The self-management firm's environment, limits and constraints that affect the distribution and calculation principles of appropriation on the basis of socialist ownership.

First of all, this refers to the central component of the model of property — the basis of appropriation is work and a share in appropriation is „the proportionality of labour expenditures". Still, by introducing the laws of market economy in the analysis, appropriation is no longer fixed according to the "individual consumption of labour" but, expressed as a value, through the category of „income". At the same time, income is affected by a series of external and internal factors of the productive and circulation (market, exchange) structure as well as the economic policy which all influence the principle of distribution „according to work performed" to be changed into the principle of distribution according to the „results of work", which is a value expressed by individual incomes earned by economic agents. This is the reason why it is necessary to „cleanse" income from all the factors that will be mentioned further and which disturb the necessary proportionality. It is also necessary to define the short-term and long-term normal conditions of economic activities for economic organizations and thus to neutralize the dynamic factors of the commodity economy which differentiate the conditions of realizing income, establish different positions for economic agents (and organizations), independently of their work and lead, in the end, to the privatization of means that are finally and legally included in social property.

Therefore, to make the appropriated income of economic agents proportionate to their contribution in work, it is necessary to exclude the following items from the total realized income of enterprises

- a) personal income derived from all the types of monopoly rent (natural, market, technological and legal monopoly);
- b) personal income derived from interest on social means that are insufficient and differentially distributed;
- c) personal income derived from the part of the income resulting from depressed valorization of means and their amortizational changes.

The recognition of the principle of strict appropriation and distribution of personal income according to the „results of work" is also in the equal distribution of the so-called social dividend, i. e., in the part of income resulting from the additional productivity of work due to the effecting of social capital.

#### V — Pricing and allocation of socially-owned property

The introduction of interest as a price of social means is an economic necessity for the Yugoslav economy's model to function on a rational basis. In the Yugoslav model of the market-planning mechanism of economic activities, the interest on the social means of production (fixed assets as well as social capital in monetary terms) is indispensable for various reasons: as an implicit expenditure and parameter of behaviour of autonomous economic agents, as an instrument of the ra-

tional allocation of social means, as a factor of target distribution of income and of securing the minimum of social profitability of social means, and finally as a means of social „expropriation" of the income that is not proportional to the real contribution of the working collectives to the social product.

The present discussion of the economic nature concerning interest warns that there is no resemblance whatsoever to the category of interest as conceived in private ownership of means, but that it cannot be reduced to a pure money credit relation. The interest in conditions of self-management economic relations is, in the first place, the economic equivalent to the increased production power of the firm and saving of work, as well as an expression of social preference in connection with the structure and dynamics of development. From the point of view of social property, interest has a special protective function in preventing the appropriation and distribution of income outside labour i. e., preventing the privatization of social means at the level of the firm (microeconomics).

The existing interest is conditioned by a special type of market of social means, i. e., social capital and it allows the economic forces to affect its pricing function which, at the same time, brings the whole production of firm-income structure to more objective and rationalized terms. On the other hand, dilemmas that appeared (in Yugoslav theory and practice) separating the external (market) and internal form of financing accumulation (self-financing) by the firm are resolved by using both methods — by accumulating their advantages. The exclusive orientation to only one method of financing social accumulation would result in limiting the field of economic rationality, as can be seen from the experience of other economies and systems of economic activities.

VI — All empirical investigations carried out in Yugoslavia in this field in the last period, though worked out according to different empirical methods and procedures, produced mainly identical conclusions:

- 1) that the marginal productivity of the common means of production ("social capital") in Yugoslavia ranges from 9 per cent to 12 per cent of the value of the social means that should correspond to the price of current value of the social means;

- 2) that in a somewhat longer period (1950—1970) there appeared a significant discrepancy between the real and optimal prices of means (including the discrepancy between the real and optimal prices in building up personal incomes, which leads to the conclusion that the economic price of one's contribution to work and expenditure contributions for working efforts and expenditures on the firm's level has been overestimated while the economic value of means in social property has been underestimated;

- 3) all the empirical studies contain a plea for reintroducing the sort of interest on social means (finally abandoned in Yugoslav accounting practice in 1972) which is an „explicit expenditure" on the level of the firms production usage of these means. This request is supported by the following reasons: a) production firms would thus dispose of actual (real) means for their net investment, which would automatically ease the present pressure on external financing and the indebtedness of the economy, b) the firms would approach the theoretical concept and prin-

principle of reward according to the results of work, and this the eroding of social property would be stopped, c) the economic success and justification of the business operations of firms would be more easily and appropriately judged.

### BELESKA O EKONOMSKIM I INSTITUCIONALNIM KARAKTERISTI-KAMA DRUŠTVENE SVOJINE SAMOUPRAVNOG TIPA (MODELA)

(Prilog teoriji samoupravnog preduzeća)

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#### Re z i m e

U radu je učinjen pokušaj da se problematizira i formalizira jedan teorijski model društvene svojine samoupravnog tipa, imajući u vidu teorijske karakteristike samoupravnog metoda privređivanja i neke došadašnje institucionalne i druge osobenosti koje su se empirički uočile.

Model je zasnovan na prethodnom izlaganju bazičnih premisa, koje u ovom slučaju nisu prosta aksiomatizacija i formalizacija, kako je to uobičajeno u ekonomskoj teoriji, već rezultat izvesnih empiričkih generalizacija koje se odnose na samoupravnu praksu u Jugoslaviji.

Te bazične premise su: 1. oštro razlikovanje između ekonomskih i pravnih aspekata društvene svojine. Legalne forme svojine u Jugoslaviji često se oštro razlikuju i suprotstavljaju proizvodnim odnosima samoupravljanja i ekonomskom prisvajanju. 2. Ekonomska sadržina svojine definisana je sa odnosima prisvajanja nacionalnog dohotka na makro planu i dohotka preduzeća na mikro planu (oouri, radne organizacije). Tako se svojina identifikuje sa ekonomskim efektima prisvajanja dohotka. 3. Samoupravni tip svojine društveno posmatra se kao specifična istorijska forma i oblik ekonomskog prisvajanja (genus proximum) i kao empirički oblici ekonomskog prisvajanja dohotka u raznim samoupravnim ekonomskim sistemima (diferentia specifica). Pri čemu su četiri konstitutivna kriterija svojine: dva pripadaju ekonomskim kriterijumima prisvajanja (na osnovi rezultata rada i kolektivnih potreba i dva se odnose na socio-ekonomski i institucionalni sistem (prisvajanje na osnovi tržišnih i planskih zakonitosti i prisvajanje na osnovi institucionalnih, legalnih i personalnih-fizičkih funkcija i subjektiviteta).

Samoupravni model svojine definisan je u klasičnom smislu posredstvom trojne šeme. 1. Subjekt modela je dualistički, u suštini pluralistički. On proističe iz različitih ekonomskih funkcija koje vrše pojedinci i institucije (kvazi subjekti). „Subjektivitet“ svojine je izveden iz stvarnog akta prisvajanja nacionalnog dohotka.

2. Objekt svojine su svi stvarni i vrednosno izraženi predmeti i ekonomska dobra koja imaju i pravni status društvene svojine, (real and value assets), društveni proizvod i nacionalni dohodak. Objekti društvene svojine, kao i vrednosno izraženi društveni proizvod i nacionalni dohodak obračunavaju se posredstvom posebnih kalkulativnih sistema, i zavise od drugih institucionalnih kriterija samoupravnog sistema (siste-

ma kalkulacije kapitalnih dobara, sistema amortizacije, sistema obračuna društvenog proizvoda i nacionalnog dohotka).

3. Najvažniji elemenat modela društvene svojine samoupravnog tipa — njegova ekonomska suština i sadržina — izražen je u ekonomskom prisvajanju (appropriation rule). Ovo sadrži nekoliko ekonomskih, institucionalnih i normativnih vrednosnih pravila (value rule): 3. 1. Može se prvo, negativno i pozitivno izraziti kao negacija monopola. Negativno — u smislu odsustva i nemogućnosti prisvajanja društvenog proizvoda i dohotka na bazi monopola nad samim sredstvima i institucijama. Pozitivno, u smislu — „jednakog pristupa“ sredstvima (i institucijama) svih aktualnih i potencijalnih subjekata ekonomske aktivnosti odnosno „slobodom ulaska i izlaska“ subjektivnih faktora u smislu povezivanja sa ekonomskim sredstvima u ekonomskim procesima.

3. 2. U uslovima robne privrede — koja je jedan od bitnih elemenata samoupravnog privređivanja — „jednak pristup“ identičan je sa „jednakim uslovima pristupa“, što je samo drugi način da se izrazi stav da upotreba društvenih sredstava mora da ima istu ekonomsku cenu nezavisno od mesta, uslova i subjekata koji je koristi.

3. 3. Ljudski rad — koji je osnovni kriterij prisvajanja — mora se izraziti sa tri karakteristična kriterija: a) kao osnova učešća ekonomskih subjekata u ekonomskom korišćenju društvenih sredstava; b) kao osnova svih ekonomskih dispozicija (samoupravljanja) u ekonomskim procesima, c) kao kriterij prisvajanja samog proizvoda i dohotka.

Drugi aspekt ovog kriterija — Ekonomska dispozicija —, sadrži implicitno preduzetništvo, kao neku vrstu socijalističkog ekvivalenta za vršenje funkcija inovacija, rizika a i ostvarivanja ekonomskih prednosti, koje proističu iz kombinacije proizvodnih činilaca i njihovih rezultata u robnoj privredi.

Dodajni fundamentalni princip vezan za Ekonomsko prisvajanje odnosi se na dodajni kriterij prisvajanja — na osnovi socijalnih i individualnih potreba. Kolektivna priroda izvesnih društvenih i individualnih potreba izvorno je povezana sa novim, zajedničkim kriterijumom prisvajanja — nezavisno od radnih doprinosa — i zadovoljava se iz neke vrste „kolektivne dividende“ — dohotka koji proističe iz same prirode društvene svojine nad društvenim sredstvima koja ne može biti izvorom prisvajanja na osnovi privatnih kriterija.

Dalja analiza u članku odnosi se na teorijske probleme primene načela raspodele prema radu i njegovim rezultatima u uslovima nehomogene i različite konkurentne tržišne privrede samoupravnog tipa. Ovde se predlažu u svrhu dosledne realizacije načela prisvajanja na osnovi rada — različite mere kojim se iz dohotka na nivou mikro ekonomije (preduzeća) ovaj, pre primene principa raspodele prema radu, mora »očistiti« od svih oblika monopolske rente, kamate na društvena sredstva i neadekvatne valorizacije i amortizacije sredstava. Takođe, pomenuta „socijalna dividenda“ mora se egalitarno raspodeliti na sve članove samoupravne zajednice.

Poslednji deo članka bavi se teorijskim i empiričko-metodološkim pitanjima kategorije kamate (interesa) na društvena sredstva i navode razne vrste argumenata zbog kojih se institut kamate mora da ugradi kao kriterij optimizacije vrednovanja (pricing) društvenih sredstava u samoupravnom modelu društvene svojine.