

nika u nekim eksperimentalnim preduzećima su nosioci eksperimenta u reformi sistema upravljanja, tj. u transformaciji sistema direktorske odgovornosti pred fabričkim partijskim komitetima u sistem upravljanja u kome je direktor odgovoran pred Kongresom predstavnika radnika i službenika. Tu je Kongres institucija koja odlučuje: On ima prava da donosi odluke o ciljevima razvoja i orijentacijama proizvodnje i privređivanja, o godišnjim i dugoročnim planovima, merama važnih tehničkih promena; takođe razmatra finansije, odobrava važne pravilnike, bira i otpušta kadrove u preduzećima i tako dalje. Direktor je najviši odgovorni administrativni rukovodilac i on ima pravo komandovanja u odnosu na proizvodnju i privređivanje i nosi odgovornost za sve privredne delatnosti. Partijski komitet preduzeća sprovodi partijsku političko-idejne orijentacije i ostvaruje kontrolu nad poslovima radnog organa Kongresa i direktora, sprovodi u stvarnost partijski kurs, političke zakonske propise države itd.

Što se tiče stalnih organa Kongresa, u nekim velikim preduzećima je ostvaren eksperiment osnivanja predsedništva Kongresa u periodu između dva zasedanja Kongresa. Na primer, u Cuncinskom časovničkom kombinatu provincije Sičuan, u kome se nalazi 5 proizvodnih jedinica i ima preko 3800 radnika i službenika, osnovan je stalni organ u obliku predsedništva Kongresa. Od članova predsedništva koji su birani na kongresu svega je 19 članova iz fabričke partijske, administrativne, sindikalne, omladinske i drugih organizacija. Broj članova i mandat su različiti i zavise od veličine i potrebe preduzeća. Predsedništvo Kongresa je organ koji odlučuje, a sindikat igra ulogu »radnog organa« i nema prava odlučivanja. Postoji mišljenje da ne treba osnivati stalan organ Kongresa, naročito ne u manjim preduzećima. Smatra se da posle donošenja odluka na Kongresu direktor treba da organizuje ostvarenje odluka koje su donesene, dok sindikat izvršava konkretne poslove. Sada sve to još uvek predstavlja eksperiment i nije došlo do novčanih zaključaka i daljeg širenja stalnih organa Kongresa.

Ipak, praksa eksperimentalne reforme pokazala je da bez prilagođavanja privrede i bez usklađene privredne strukture, reforma privrednog sistema ne može postići uspešne rezultate. Praksa je takođe pokazala da reforma privrednog sistema mora da bude podređena prilagođavanju privrede. Ali to ne znači da se reforma može sprovesti samo u uslovima završenja svestranog prilagođavanja privrede, oni nisu međusobno suprotstavljeni, već istovremeno doprinose opštem bržem napretku. U stvarnosti, uporedo sa sprovođenjem prilagođavanja postoji mnogo poslova u vezi sa pripremom privredne reforme i ostvarenjem različitih mera koje reforma predviđa, tako da je potrebno prikupljati iskustva za svestranu reformu velikih razmera u zemlji. Sadašnji zadatak od prvorazredne važnosti, na koji je stavljen i akcenat petogodišnjeg plana 1981—1985. g., za Partiju i državu u Kini je prilagođavanje privrede.

Primljeno: 30. 3. 1981.

Prihvaćeno: 28. 4. 1981.

SOME CONSIDERATIONS ON THE TRANSITION TO A SELF-MANAGED ECONOMY IN TURKEY*

*Mehmet Nezir UCA***

1. INTRODUCTION

In this paper, we want to elaborate on some of the issues which became relevant and/or were discussed during the transition towards worker-participative management in the state sector in Turkey. Attempts were made during the Ecevit government, which ruled Turkey for 22 months in 1978 and 1979.

The first of these issues is "gradual" vs. "instantaneous overall" transition. The second is related to the necessary conditions for transition, while the third is concerned with an evaluation of the conditions which existed (or were provided) during the above-mentioned attempts in the country.

An attempt is made to find replies to some questions which were left unanswered then, and to define problem areas which can be matters of concern for the future.

2. "GRADUAL" VS. "INSTANTANEOUS OVERALL" TRANSITION

For theoretical and practical reasons, transition to full self-management in Turkey (and in countries under similar conditions) seems to be more feasible if it is gradual than if it is instantaneous and involves the over all system.

For this reason, the state sector is considered to be worker-participative at the initial stages. The co-operatives and the workers' companies would be completely self-managed.

* Paper presented at the Second International Conference on the Economics of Workers' Self-Management, Boğaziçi University July 16—19, 1980.

** Boğaziçi University, Istanbul-Turkey. This article is based on research done for my Ph.D. thesis at Cornell University in 1977—1979 "Workers' Participation And Self-Management in Turkey; Evaluating the Past and Considering the Future". A version of that thesis has been submitted for publication in the Institute of Social Studies Research Report Series. I thank the Institute of Social Studies, The Netherlands, and Program on Participation and Labour-Managed Systems, Cornell University, U.S.A. for their support while I was researching and writing that thesis.

Authors addressing themselves to the subject of transition to self-management have deemed workers' participation feasible, as a gradual process both in terms of level and content. According to B. Horvat, stages such as joint consultation co-determination and full participation can be experienced in gradual progress towards full self-management.¹ In fact, the Yugoslav experience also started as worker participation and eventually became that of self-management. G. Kester, in his exhaustive study on "Transition to Workers' Self-Management" in Malta, has shown that an "assisted" (by the government), partial, gradual and flexible path can be followed and can successfully lead to workers' self-management.²

Practical Reasons:

1. As it is argued by many specialists in the field, workers' self-management may very likely be adopted as the answer to a crisis regarding production organization. If that is the case, especially for a developing country, "the production process" cannot immediately be challenged or risked by drastic organizational changes. Any change should follow a step-by-step course.

2. Participation as a "new" process needs to be learned and digested by all parties concerned. It can also increase its supporters, both from within and outside the factory if it gradually proves its success.

3. It is likely that the workers will reject self-management, especially if all the responsibilities in which they have previously not been directly involved were at once to be transferred to them (this is the case especially in what Vanek calls "transitions from the right", e.g., the attitude of American Unionist).

4. If at both levels and with respect to all issues, participation — instead of immediate transfer of rights and responsibilities — was experimented, workers by praxis (living with, doing, and learning) would gradually learn and extend their demands for the areas which they themselves consider to be important. This is what roughly happened in the early 1950s in Yugoslavia and is what Kester calls "self-management under apprenticeship" in Malta.³

5. For the national sector, since it is too cumbersome (if not impossible) to calculate the values of the state firms, a just value (for the working community and the society-at-large, especially those who as a result of lack of funds for investment cannot find jobs and therefore remain without income) can only gradually be found; it will be a product of sharing the surplus for a transitional period. Only after that

¹ B. Horvat, "Paths of Transition", *Economic Analysis and Workers Management*, Vol. XI—1977, p. 217.

² G. Kester, *Transition to Workers' Self-Management, its dynamics in the decolonizing economy of Malta*, Institute of Social Studies, The Hague, 1980. See also J. Vanek, *The General Theory of Labour-Managed and Market Economies*, Cornell University, Ithaca, 1970, chapters 15 and 18.

³ Kester, op. cit., p. 92.

(i.e., if the "fair value" of the enterprise is found) can an incentive system which is efficient both for the working community and the society-at-large be found. Otherwise, workers may carry the burden of a losing enterprise or unjustly share in the windfall gains of a cheaply-transferred firm.

For all the above reasons, full self-management is seen as the final outcome of a transitional process which includes gradually extension, at all levels, of effective and democratic worker participation in decision-making and of the benefits of increased productivity in the enterprise.

Hence, in the subsequent sections, whenever reference to worker participation is made, it is understood that such participation aims at and would lead to self-management.

3. THE NECESSARY CONDITIONS

3.1. A Strategy Design

It is evident that introducing worker participation and self-management is not an easy task. It involves many social groups with conflicting interests. It is also true that even if there were no opposition, the institution of a new set of social relations must be initiated and conducted carefully. A program of action and timing, a strategy design, is a precondition for the introduction of worker participation and self-management.

The strategy should include a set of targets with a flexible timetable, institution and persons who would devote themselves to the attainment of these targets and to the finances to be spent (a budget) for the effort.

More concretely, the definition of the *speed*, *extent* and *content* of worker participation plus the identification of institutions and the involvement of *political-technocratic cadres* to carry out the task can provide the mechanism for a smooth transition. "Speed" refers to different stages of worker participation and self-management as a further step and continuation of worker participation, and since participation involves different levels with different weights and rights of the participative organs, a rough schedule concerning the speed will help in evaluating the progress, by objectives that have been defined by the groups concerned.

As for the "extent", we refer to different industries or different enterprises within the same industry. The introduction of participative systems involves production units. Hence, its success or failure will very likely affect production in a positive or negative direction. As we have broadly argued in another study, besides ideological reasons there are some very important pragmatic reasons for the introduction of worker participation and self-management.⁴ These pragmatic reasons in order (to get away from the crisis) will not tolerate a big slack in pro-

⁴ M. Uca, "Worker Participation And Self-Management In Turkey-Evaluating the Past And Considering the Future", unpublished Ph. D. thesis presented to the Graduate School of Cornell University, Ithaca, N. Y.

duction. Thus, it is very important for the strategy to consider means which will minimize 'anarchy in production'. In this case, gradual transition may have a better chance of success than sudden overall change.

Another very important aspect of the strategy design is its method, i.e., how the strategy itself is designed. This method should be as *democratic* as possible. Vanek calls it "dialogical process", and Kester mentions "democratization of the democratizing process". If the government is to design the strategy, it should be in close co-operation with concerned trade unions and managers (e.g., of the State Economic Enterprises, SEE). The government should also be internally cooperative. If the introduction of worker participation and self-management involves more than one ministry, there should be well-concerted co-ordination, openness and co-operation between these ministries. Or as will become clearer when we analyze 'founding of the supporting structure' (in 3.2.), the strategy design should be headed by 'an above ministerial' body (deputy prime ministry, or the prime ministry), to avoid competition and division of forces between ministries.

Here, one cannot overemphasize the necessity of a strategy for the introduction of workers participation and self-management. The targets that this strategy defines must be clear and known by the persons responsible for implementation. Ambiguity may lead to confusion, mistakes, and individual interpretations which may impede the progress of building workers participation and self-management.

3.2. The Supporting Structure⁵

The existence of a supporting structure to assist the introduction and survival of worker participation and self-management is the most important of the necessary conditions. One could ask the question: 'Why does this sector need an extra supporting structure while the private and or the state sectors do not?'

It is not true that the private sector does not have a supporting structure. In a capitalist economy, the legal system and the economic organization (banking, the markets, the education system, other policies i.e., the whole *state* apparatus) provide a foundation for capitalist relations to flourish and be sustained. The same principle applies to "etatist" economies.

Introducing a *new* set of relations in an environment which is not very friendly requires a supporting structure in order to provide some of the services which are already provided to the sectors which have existed in the system for many years and have attained a certain level of experience and strength. Below we shall enumerate the functions expected from such a supporting structure.⁶

⁵ See J. Vanek, *op. cit.*, pp. 316-327.

⁶ See Horvat "A Set of Principles with Organizational Consequences", presented at the meeting of the International Advisory Committee, Ankara, February 1979, mimeographed; Vanek-Uca "Principles and Suggestions for Self-Management in Turkey", presented to the 2nd Workshop on Industrial Democracy, Boğaziçi, Istanbul, July 1978.

3.2.1. The Functions of the Supporting Structure (SUS)

The first (and maybe the most important) function of the SUS is to provide the participative sector with a legal framework. Particularly when the private sector constitutes a part of the economy, the problem is more pronounced. Existing laws do not provide definitions of the relations that exist in worker participation. An overall transition to worker participation and self-management, even if gradual, requires a set of *well-defined* relations which can be incorporated into a set of *laws* on worker participation and self-management.

The traditional co-operative structure and laws which currently exist in most of the world do not satisfy the needs, nor can they be adapted to the transitional stage. Concepts like ownership, control, management, finance, wage, incentives, social consumption, fair distribution, representation, fair valuation, solidarity, accumulation, etc., ought to be defined in such a way as to suit worker participation and self-management.

The supporting structure can, of course *benefit* from present experience and the theoretical foundations of participation and self-management, but transferring statutes from one country to another is neither very easy nor useful. Different conditions will enforce a supporting structure to design its own framework. More will be said about this below (in 3.3.2).

The other function that is expected from the supporting structure is related to the economic structure. Guidance for economic success should be provided to the sector by supporting structures. In the process of interaction with concerned organizations (SEE's, Co-ops, Unions of Workers' Companies, WOCs), a principle providing optimum resource allocation, equity and productivity, a sound system of incentives, information about future developments of the national and international economies, markets and feasibility studies could be provided by the supporting structure.

Another crucial function is related to financing. Especially for the co-operative sector, special banking is necessary.

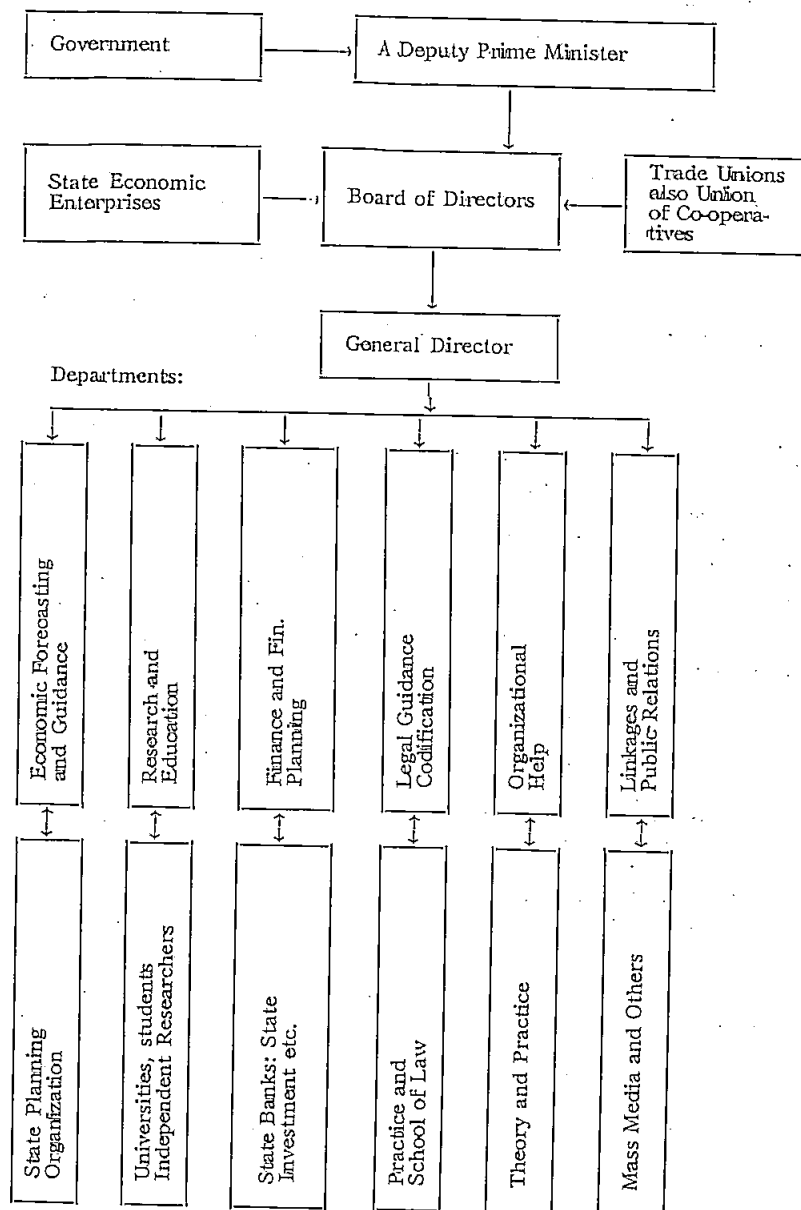
Research related to new products, markets, technologies and evaluation of performance is another very important function of the supporting structure. Research should be integrated with efforts to train a new breed of managers who are willing to work in worker-participative and self-managed enterprises.

3.2.2. The Structure of the Supporting Structure

In order to materialize all the functions above, the supporting structure must have a special structure. Its functions cannot be taken over by just any governmental agency. With the heavy responsibility that is given to it, it should have ministerial powers. But ministerial power does not guarantee successful operation. Governmental support is necessary but not sufficient. The parties concerned should participate in the decisions taken by the administrative body of the supporting structure, i. e. the Board.

In the chart below (Figure 1), a summary of the organization for the supporting structure is given. The first dilemma that this scheme

Figure 1. A Tentative Model of The Supporting Structure.



brings out concerns the role of government. As was mentioned before, without governmental support, the functions attributed to the supporting structure cannot be carried out. Only a government which has committed itself to democratization can tolerate 'an autonomous' participative body which provides alternatives for the tasks described above. Democratization can be achieved by democratic means. And the way to do this is to start by implementing principles of participation at each and every level. If such a framework is acceptable to a government, then progress in building such a supporting structure can be made. Hence, another condition for the supporting structure is that it should be optimally 'autonomous'.

A board of directors, comprising representatives of the government (different ministries), the trade unions and the state economic enterprises can constitute the main decision-making body of the supporting structures. The board, in order to be effective, should be headed by a deputy prime minister. The number of members, depending on needs, may vary from 7 to 11 persons.⁷

Ministries concerned with worker participation and self-management should all be represented on the board. State Economic Enterprises (SEE's) should also send representatives since they are primarily concerned. The unions, on the other hand, on behalf of the workers, ought to be represented. Scientists who are ready to take responsibilities may be appointed on behalf of any of the above parties. The board should have an elected director to act as the co-ordinator between the members and the deputy prime ministry concerned.

Units can be formed according to the functions to be carried out. The personnel to be hired for these positions should have unique characteristics (like a revolutionary committee). Organizations in which the personnel are not committed to its goals would sooner or later turn into a 'bureau' where 'bureaucratic management' and positions are perceived as routine jobs. Not social change but the maintenance of certain positions and of the 'status quo' can be expected of these organizations. Special care must be taken to recruit 'politico-technocratic' cadres as the supporting structures' personnel. Once the general policy is democratically decided on by the board, they can act on its implementation. Without these cadres in the supporting structure, progress may be very difficult if not impossible. Thus, an organization like the one drawn in Figure 1 above may prove useless if bureaucratic management prevails and if persons who have not committed themselves to the process of social change constitute its personnel.

4. THE STRATEGY FOLLOWED

This section is devoted to the evaluation of policies that the Ecevit government followed in introducing worker participation in the state sector. In the preceding section, the "state of the art" concerning the transition to workers' self-management was discussed and a set of guidelines was provided for the Turkish case. The experience which

⁷ Depending on their commitment to worker participation and self-management, co-operative societies and workers' companies may also be granted positions on the Board.

resulted in failure is evaluated with respect to what was said in the previous section.

4.1. Elements of a Strategy

One can roughly determine a few characteristics that may constitute elements of a strategy. Among these, the first is the selection of the state sector, which was then facing many problems known to the public. The government was responsible for the management of this sector. The private entrepreneurs, who have been known to be against worker participation, could not directly oppose the practices in the state sector.

The second element, as has been suggested in the "social agreement", is that the government, in its efforts, could have brought in the cooperation of the mainly concerned trade union.⁸ *Some experiments at worker participation together with the transfer of some responsibilities were to be initiated in the shortest possible time, according to the "social agreement"*.

These two elements could have been followed and worker participation initiated in *collaboration with the unions* and in the *shortest possible time*. Actual experience, though, has shown that these two points were left out.⁹

The Ministry of Enterprises, which took the initiative, followed a different path. The union was seen almost as a counterpart and no information was allowed to reach them until the model was perfected. The fact that the model could not be perfected without the close co-operation of the workers' union, and even if perfected could not be implemented without the union's co-operation, was not seen. Instead, a "legalistic" approach was taken. All efforts were concentrated on changing Law 440. The fact that worker participation was not only a matter of revising the law but also of changing the social relations of production (political) and the incentive structure (economic and managerial) seemed not to be given due consideration.

In the twenty two months that the Ecevit government was in power, nine months were spent (November 1978 — July 1979) to amend two articles of Law 440. Suggestions for the re-definition of priorities and strategies were overlooked. Publicity was put ahead of action.¹⁰

⁸ An agreement signed by the Prime Minister Mr. Ecevit and the then President of Türk-İş (Confederation of Turkish Trade Union) in July 1978. It has assessed principles concerning collective agreements and worker participation in the state sector.

⁹ It could also be claimed that "shortest possible" was interpreted differently. The author has evidence to challenge such an interpretation; in July 1978, Mr. Ecevit invited experts to advise the Turkish government and to design a model to be implemented in three months.

¹⁰ The handful of persons who could prepare the ground for simple experiments and co-operation with the unions were involved in preparing a "conference", whose practical contribution to the movement was relatively less than alternatives such as education of ministerial personnel, strengthening relations with the unions or starting some simple experiments in state-owned firms which were not ruled by Law 440 but rather by Ministerial fiat.

On many occasions, announcements concerning worker participation were made before serious attempts started.

Since targets with a flexible timetable did not exist, there was great confusion concerning the institutions and persons involved. This led to unnecessary competition among different ministries. The Ministry of Employment, which had more experience in labour issues than the newly-formed Ministry of Enterprises, had no direct relation with any of the enterprises concerned with worker participation. The Ministry of Enterprises, assigned to prepare a model of worker participation, was reluctant to co-operate with other ministries. A system of linkages was not formed among different institutions dealing with exactly the same problem. This lack of co-operation and sometimes of communication between the Ministry of Employment and the Ministry of Enterprises led to the designation of two slightly different models at the beginning. Although the number of personnel who fit the description of "politico-technocratic" cadres was limited, and therefore needed to be utilized efficiently, their valuable time was spent in the preparation of different models and in aiming to lessen the differences between the existing models.

4.2. The Supporting Structure

It may be argued that when a party rules in coalition and has a small margin over its opposition, it cannot act freely. In this sense, a supporting structure to carry out all the functions explained here may not have been feasible for the Ecevit government. However, a simple inter-ministerial committee could have been established (to group together different persons with knowledge and commitment) from among persons involved with worker participation in their own organizations.¹¹ The Ministry of Enterprises also seemed reluctant to co-operate with other Ministries and agencies involved.

Lack of some of the "necessary conditions" could result in "semi-successes" of some forms of worker participation. The success could be short or long-lasting. However if the overall effort is below a certain margin, the result would be almost null. In the Turkish case, the result is one of very little achievement in terms of accumulated knowledge such as discussion papers and the development of educated persons who in the future could take active roles in another attempt.

4.3. Final Word

It is evident that any action which aims at social change will encounter difficulties and involve some mistakes. Considering that this fact is accepted, the more important duty of those who are committed to social change is to learn from their mistakes and continuously evaluate and compare their theories with their practice.

¹¹ Persons from Ministries of Employment, of Village Affairs and Cooperatives of Local Administration, of Enterprises and Municipality of Ankara are among the organizations employing these "politico-technocratic cadres".

The conclusions that have been arrived at are:¹²

1. Among the assumed subsectors of the worker-participative and self-managed sectors, the co-operatives and the workers' companies in their present forms do not contain the potential for worker participation and self-management. Previous hypotheses to the contrary seem to have been based on erroneous conceptions of the terms "co-operatives", "workers-companies", "migration", "economic realities of migrants", "workers-companies", "migration", "economic realities of migrant workers" and other factors.

2. The state sector, with the increasing economic crisis, has provided the Ecevit government with greater potential to introduce worker participation. Lack of experience and knowledge among the ideologically-committed manpower have prevented a successful transition in this sector.

3. Lack of a strategy and a monitoring agency (supporting structure), even in their loose terms, have negatively influenced success in the process of transition.

4. The "legalistic" approach (introduction by means of changing some articles of Law 440) was pushed to the extreme. The fact that introduction is ideological, social-political (i. e., the changing of power relations in favor of the working community), economic (i. e., it involves changes in the incentives structure within the enterprise and relates income to workers' effort) and managerial (i. e., it aims at using existing knowledge and information at each level to the maximum, and making managers — partially — responsible to the workers) was not given enough consideration.

5. As the workers and their representatives — the unions — were left out of developments, their active support during and after the attempts could not be brought in the process.

6. If another attempt is to be realized in the future, the points above, together with the discussion on the "supporting structure" in the previous Section should be taken into account since all these were products of the "trials" undertaken in Turkey.

Organizations, as persons, by praxis can learn from their mistakes and improve theories and the world experience.

Received: 6. 10. 1980.

Revised: 28. 1. 1981.

¹² See M. N. Uca, "The Meaning of Recent Changes in Turkey" and "Workers' Companies and Self-Management: The Turkish Experience" both in *Economic Analysis and Workers' Management*, vol. XII, No. 3—4, 1978, and vol. XIV, No. 4, 1980, respectively. For the cooperatives see Uca, *op. cit.* on p. 261, Chapter 6.

NEKA RAZMATRANJA PRELASKA NA SAMOUPRAVNU PRIVREDU U TURSKOJ

Mehmet N. UCA

Rezime

Mehmet Nezir Uca u svom članku govori o pokušajima uvođenja radničkog samoupravljanja u toku dvadesetdvomesečne Ecevitove vlade u periodu 1978—1979. godine, kao i o razlozima njihovog neuspjeha.

Uca ističe da studije o uvođenju radničke participacije ili radničkog samoupravljanja treba da startuju sa jasnim strategijskim projektom i dobro utvrđenom potpornom strukturom.

U strategijskom projektu treba da se razradi fleksibilni plan (tako što će se identifikovati institucije i političko-tehnokratski kadrovi koje će on obuhvatiti) i da se specifikuju izvori i veličina budžeta.

Potporna struktura, s druge strane, treba da da zakonski okvir za sudjelujući sektor; da definiše koncepte kao što su: vlasništvo, upravljanje, pravična raspodjela, itd.; da pronade put ka ekonomskom uspjehu; da obezbedi finansijska sredstva; da rukovodi istraživanjima koja se odnose na proizvode, tržište, tehnologiju i evaluaciju programa; da osposobljava rukovodiocce koji žele da rade u preduzećima u kojima radnici sudjeluju u upravljanju odnosno u samoupravnim preduzećima. Potporna struktura treba da ima vladina ovlaštenja i mora da bude autonomna. Upravni odbor mora da se sastoji od predstavnika vlade,

U drugom delu članka Uca kritikuje turski eksperiment u pogledu strategijskog projekta i potporne strukture.

Ministarstvo preduzeća je bilo preuzelo inicijativu za uvođenje radničkog samoupravljanja. Za početak je izabran državni sektor, s obzirom na to da su problemi ovog sektora već bili dobro poznati u javnosti i budući da se privatni sektor tu nije mogao direktno da suprotstavi vladinom pokušaju da se poboljša poslovanje preduzeća koja se nalaze u vladinoj nadležnosti.

U turskom se eksperimentu nije mogla obezbediti saradnja radničkih sindikata; ministarstvo nije bilo voljno da sindikate snabdeva relevantnim podacima pre dovršetka modela.

Odvije legalistički pristup je bio izabran. Redefinisanje prioriteta i strategije je odbačeno. Publicitet je izostavljen.

Pomanjkanje dobro definisanih ciljeva dovelo je do nepotrebne konkurencije između različitih ministarstava.

Ustanovljenje idealne potporne strukture nije bilo moguće s obzirom da je Ecevitova vlada bila koaliciona. Nije bio obrazovan ni inter-ministarski komitet.

Na kraju Uca ističe da kooperativi i radnička udruženja, u svom sadašnjem obliku, nemaju snagu koja je neophodna za radničku participaciju i samoupravljanje.