

## Erosion of self-management – a Yugoslav factory in post-socialist transition

### Abstract

*The Yugoslav system of self-management was often seen by those on the left in the west as a model for a socialist economic order which gave real power to workers. Yet, at the end of the 1980s workers themselves decided on the property transformation of their factories which saw the abolition of the bodies of self-management within their factories and their replacement by capitalist forms of work relationship. Using historical anthropological research sources and her own empirical research into workers at Jugoremedija, a pharmaceutical factory in Serbia, the author explores the realities of self-management for workers in socialist Yugoslavia and then, after an historic overview, establishes her answers – among others – in the extent to which such bodies had become discredited by too close an association with the political elites and by western styles of share ownership being preferred despite the obvious attractions of job security underpinning self-management. Here, the trade union also comes in for criticism in terms of the neglect of its role in ensuring workers were kept fully informed.*

**Keywords:** *self-management, economic reforms, property transformation, destruction of Yugoslavia, political elites*

### Introduction

The Yugoslav system of workers' self-management was often seen by western European leftists as a model for a socialist economic order. Many preferred the emancipatory aspects of a worker-based decision-making structure to the centralised state-planned economy of the Soviet Union (Brenner 2008). With the worldwide decline in socialist state projects, entwined with the economic crisis of the 1980s, reform of the Yugoslav self-management system was not an inevitability. The system of workers' self-management was not, in the beginning, totally neglected, but it did experience a gradual decline in workers' decision-making powers. In contrast to other post-socialist countries, Yugoslavia and, later, Serbia initially went through a 'softened' transition from social to private property. Through the distribution and disposal of shares, workers still had the right to influence major decisions in their factory. Nevertheless, there seems to be a paradox in this: workers decided themselves on the transition of their factory properties and, therefore, for the abolition of self-management bodies inside their factory. How was that possible?

This article traces this process back to the late 1980s and the early 1990s. Through a focus on a single case study, it reconstructs on different levels the decline in the system of workers' self-management, using current, retrospective memories of

workers about the time of the property transformation and contrasting these with articles in the local weekly newspaper as well as in the factory's newspaper. Simply through the combination of these different sources, and the inclusion of already-existing research, it is possible to avoid the oft-criticised 'nostalgic' aspects of one's memory (Archer and Musić 2016: 15; Marković 2004: 264ff). The article concentrates on how workers perceived the erosion of self-management. To what extent did workers experience changing property rights and declining decision-making powers as a (dis-)continuity in their factories?

The pharmaceutical company *Jugoremedija*, situated in the city of Zrenjanin in northern Serbia, serves as the case study to examine these issues. The factory was, since its establishment in 1961, one of the most successful factories in Zrenjanin. A member of the nutrition combine *Servo Mihalj*, and with the German company Hoechst as joint venture partner, it was able to expand its production continuously. In addition, it was well-known in Zrenjanin for its high wages. The *Jugoremedija* factory became even more prominent on the national and also international scale through the long-lasting struggles of its small shareholders and workers in response to its privatisation in the 2000s (further information in Musić 2013: 46-49; Srećković and Zlatić 2011: 201-206).

### Workers' self-management – yes or no?

... Are these workers not able to manage their factories? For sure they are; they are able to manage them [...]. (Tito 1950: 10)

With Tito's words at the Yugoslav Federal Assembly in 1950, the 'Basic Law on Management of State Economic Enterprise', the first law on the establishment of workers' self-management in Yugoslavia, was passed. After the break between Stalin and Tito in 1948, this was one of the laws that represented an independent and new path to socialism. Criticising the economic red-tapeism and statism of the Soviet Union, self-management was seen as the 'true road to socialism' and should bring about the death of the state. The normative aim was that, through workers' self-management, all workers in their factories had equal rights and powers. Workers should have the same access to the means of production and salary in line with the product of their work (Supek 1986: 161; Kardelj 1982: 296; Vukša and Simović 2015: 18).

However, the model of workers' self-management in factories underwent changes during its forty years of existence. In 1950, a more state-centred form of self-management was established but, during the following decades, democratisation and a shift towards a more egalitarian structure was enforced.

During the 1950s, substantial decision-making powers still lay in the hands of the general manager who was installed by the local municipality or the republic. The general manager had rights of veto on the decisions of the workers council. In addition, the state in 1952 was still responsible for decisions on the use of investment (Supek 1986: 162).

During the 1960s, greater competences were given to the worker collective. Apart from market liberalisation, the constitutional changes in 1963 defined social

property as the foundation of the state and gave control over the means of production, as well as over the distribution of their profits, to the worker collective. In contrast to private and state property, social property was not seen as a property relationship having one owner but officially belonging to society at large; it was seen as property that ‘belonged to nobody and everybody’ (Uvalić 2011: 1). Through reforms in the mid-1960s, the general manager was elected by the workers in assembly and was instructed by the workers council. The role of the general manager was as executive organ of the company; consequently, the role did not carry any decision-making powers but was responsible in law for implementing the decisions of the assembly.

A further step in strengthening workers’ self-management and the decision-making powers of workers in their factories was based on the new constitution put in place in 1974 and the ‘Law on Associated Labour’ (*zakon o udruženom radu*) of 1976. Through a decentralisation of the administrative units in a company and the establishment of the Basic Organisations of Associated Labour (*osnovne organizacije udruženog rada* – OOUR), the participation of workers was intended to increase. In big companies, the workers council was seen as distanced from workers on the shopfloor and smaller administrative units were envisaged as guaranteeing greater participation. Delegates were specifically responsible for guaranteeing ties between the different units (Supek 1986: 163).

The changes in the legal measures and the introduction of a reorganisation of decision-making bodies lay in response to sociological research in the 1960s which had revealed that the normative goals of workers’ self-management were not being fulfilled. Real decision-making power lay mostly with the general manager and the management. The workers council, as the representative of workers, had similar real decision-making powers as technical workers but explicitly less than the general manager (Županov 1985: 131ff; Supek 1986: 171). Particularly during the 1980s, workers were participating less in the bodies of self-management (Mrkšić 1990: 421). Nada Novaković found in a survey in 1986 that workers did not have the possibility to talk and discuss their grievances and mount protests inside the company. The ‘elites’ of the factory – i.e. those in more senior positions or who were members of the League of Communists – were, for the most part, the best informed in the company. This group were mostly senior or professional people, partly working in management, employed as skilled workers or had a high position in the League of Communists. They were even in a position, at an informal level, to enforce their personal interests or the interests of their group. Less-skilled workers, as well as workers who were not members of the League of Communists, had fewer decision-making powers and less information concerning wages, housing or investments.<sup>1</sup> Even though the election of the general manager had, since 1963, been in the hands of workers, political influence from the outside was more influential (Novaković 1990: 151-171).

1 Mrkšić (1991: 429) also confirms in his research in 1988 that workers were relatively less informed about ongoing events in the company. Nearly half of workers did not have any information at all, while 19.3% were informed only to a minor degree.

Scholars have explained the malfunctioning of workers' self-management in Yugoslavia in different accounts. Jovanov (1983: 264ff) saw the influence of the state as the biggest obstacle preventing workers from taking an equal part in decision-making. Others concentrated their research on hierarchies which were built up based on knowledge or social relations. The general manager, as the official representative of the factory, had connections to banks, state and other public institutions. To underpin the power position of the role, the manager would selectively pass on information to workers (Županov 1985: 141). In addition, workers who were mostly unskilled did not feel confident to decide on important matters concerning the company. Lack of information and general knowledge could be one of the reasons for lower levels of participation (Supek 1985: 173). Other scholars see the process of the establishment of workers' self-management as such as an important factor. The state handed over companies to workers who did not undergo the active self-appropriation of the system of self-management. The system was, therefore, imposed on them and not built on the basis of a bottom-up approach (Supek 1986: 162; Novaković 2014). One further argument incorporates a historical dimension. After the Second World War, most of the population was active in agriculture, becoming industrial workers during the industrialisation of post-war Yugoslavia. The gaps in education and knowledge of their rights, as well as the patriarchal culture of farmworkers, established informal hierarchies with the general manager on the top and seen as natural (Supek 1986: 161ff).

However, how was this seen by workers on the shop-floor? How did they classify self-management in the 1980s?

## Memories of self-management

Taking a closer look at companies themselves, workers and management estimate self-management from a perspective which, nowadays, appears different or even contradictory.

Workers in *Jugoremedija* who were employed during the 1980s varied in their accounts of their experience of self-management. In particular, workers who were members of the workers council perceived self-management as a system which functioned well.

Ivana, a former member of the League of Communists and a member of the workers council, reported:

In the workers council we, by God, decided on everything in the company. What we are going to do and what is going to be built and what we should do with the profits and how much money we want to save!<sup>2</sup>

In addition, the spread of information inside companies for workers was an issue emphasised by Branislav, another worker, in whose view everyone would have had the possibility of being informed about the decisions of the workers council and could, through informal conversations with colleagues, exchange information:

2 Interview with Ivana, 7 April 2015.

You can't say that somebody wasn't informed about the decisions of the workers council. All decisions were publicly announced on the information board in the factory. (Markuš n.d.)

However, Srečko, a worker in a management position, did not agree when referring to the state of self-management at the end of the 1980s and the beginning of the 1990s. He emphasised that decisions were made by the board of business in accordance with Hoechst, as the foreign partner, and were always thereafter approved by the workers council. On top of that, workers decided only on 'the outline': technical questions were discussed and decided mostly by the management.<sup>3</sup>

Other workers stressed that the system of self-management was a hierarchical system which was determined by the general manager of the company:

The social property, which our former political leaders swear on, that workers are managing a factory: that was a total lie. The authority in all companies during socialism was held by the general manager, public and political officials<sup>4</sup> and, at the bottom, single bosses or workers which were organised in the trade union. But the trade union stood behind the general manager.<sup>5</sup>

Likewise, Zoran emphasised the political influence which had a significant impact on the decisions of the workers council:

Let's talk about the workers council. But what was that? It was a joke. They elect me and then they tell me what I have to do. Then somebody is coming and brainwashes you. And then we are voting – unanimously. It was a farce (...) It was like a theatre play.<sup>6</sup>

This discrepancy between the perceptions of workers who were on the workers council and other workers was analysed by Supek during the late 1980s. Shopfloor workers were mostly passive during meetings of the workers council, but most elected members talked positively about workers' self-management. He explains this phenomenon with reference to the disparity between the expectations of workers and the actual implementation of the self-management system. Workers would not be prepared to act in leading positions because the objective structures of self-management were not properly in place, but there were also subjective reasons such as a lack of education or traditional-patriarchal values which had an influence on the passivity of workers.

Workers who negated the reliability of self-management emphasised the main point: workers were disappointed in the self-management system. The political elites had promised workers the greatest decision-making power in the factory, but this became even more questionable during the economic crisis of the 1980s. It was not

3 Interview with Srečko, 5 December 2013.

4 Here, he used the word *činovnici* which means public officials. At an everyday level, this term is mostly used in a pejorative way: ' *činovnik* (from slav. Čin, here in the meaning of 'rank') sounded (...) like hierarchy, separation from the people, arrogance and unfair privileges.' (Buchenau 2015: 26).

5 Interview with Darko, 4 February 2014.

6 Interview with Zoran, 6 March 2014.

workers who determined the fate of their work and their factory but the general manager and management chain, as well as members of political organisations.

During conversations with workers from *Jugoremedija*, some were retrospectively referring to the secure situation they enjoyed during the late 1970s and the beginning of the 1980s. To be an active member of the workers council was not necessary. Zoran explained that he and his family were satisfied with the living standards they had in the 1980s. Wages in *Jugoremedija* were among the highest in the city of Zrenjanin and Zoran had the possibility of being promoted inside the factory. A life without the existential fears held by the generation before him was possible and so he did not feel the need to be involved in self-management.

### The 1980s: Yugoslav self-management in crisis

For many workers in Yugoslavia, this security disappeared with the economic crisis of the 1980s. During the debts crisis, Yugoslavia, in co-operation with the International Monetary Fund, introduced austerity measures. In order to create a trade surplus, imports were restricted and exports were promoted. This policy had an influence on imports of machinery and spare parts which were necessary for production. Therefore, the production rate continuously declined which led to major lay-offs of workers (Lohoff 1996: 111).

In the period between 1979 and 1988, living standards decreased by one-third of their previous level (Vladislavljević 2008: 111). In particular, inflation had a tremendous influence on the impoverishment of the working class even though people were still in employment.<sup>7</sup> Additionally, in 1987 the wages of workers were frozen and, in 1988, adapted to the production rate of the company.

Everywhere in Yugoslavia workers reacted with demonstrations and strikes. Even though at the beginning of the 1980s, the number of strikes was mostly limited, Vladislavljević emphasises that everyday forms of protest, like sick leave or other types of absence from work, were widely spread; it was just towards the end of the decade that protests moved to the streets. The climax was seen in 1987 with 1 685 strikes in Yugoslavia (545 in the Republic of Serbia); as well as 1 851 strikes in 1988 in Yugoslavia (604 in Serbia). The protests were, in the beginning, rather dispersed but were later transformed into large-scale mass protests at which words of nationalism were also heard (Vladislavljević 2008: 111ff). The 'Anti-bureaucratic Revolution', or the 'Yogurt Revolution' in Vojvodina, was later logistically supported by the political elites and the protests were objectified to propagate their political value. Socialist values now stood side-by-side with nationalist ones (Musić 2016).

In Zrenjanin, many strikes also occurred during that time. Aside from the demands for higher income, workers criticised the absence of co-operation between workers and managers as well as the malfunctioning of the self-management system.<sup>8</sup> Even though the position of the general manager was seen as a position with many responsibilities:

7 Bećac, M. C (1988) 'Pošten život od poštenog rada' in *Zrenjanin* 16 September, p. 5.

8 Kombinat (1987) 'Sindikato u žiži zbivanja' 6 February, p. 2.

A perch in the armchair of the general manager is more comfortable than filled with disadvantage.<sup>9</sup>

In the newspaper *Zrenjanin*, a local journalist argued that the senior positions in companies should not be occupied by members of the League of Communists but by the most qualified and competent people.<sup>10</sup> The criticism was openly mounted that the political elites talked in the name of the working class but no longer had a relationship with them, acting instead in their own interests. However, even though protesters questioned the political elites inside the factories, they were still in favour of the self-management system and the socialisation of property (Vladislavjević 2008: 117).

At the beginning of the economic crisis, workers' self-management was still seen in public and in the League of Communists as both the origin and as the way out of the economic crisis. The League of Communists of Vojvodina evaluated subjective forces, workers and members of the League of Communists, as one of the causes of the economic crisis. Simply through the consolidation of self-management bodies, as well as through greater effort and rational behaviour, workers and communists could stimulate production. The causes of and the solution to the crisis was, therefore, seen at the individual level. Every worker should be motivated to work more effectively in order to overcome the economic crisis.

In parallel to this discourse, scholars had, since the 1980s, been discussing the issue of social property. Legal scholars talked of the 'crisis in social property' and argued for a clearer definition of property. Social property belonging to 'everybody and nobody' meant that there was no clear subject in law. The distribution of ownership rights should, in this circumstance, encourage people to take responsibility (Štambuk 1986). Also, economists were starting to discuss the possibility of distributing shares to encourage more efficient work. They rejected the system of workers' self-management but argued for a system that encouraged workers to work harder to make greater profit and, therefore, to obtain higher cash dividends. Similar to other socialist countries during that time, these changes were mostly being discussed within a socialist ideological framework (Samary 2008: 10). On the other hand, orthodox Marxists neglected the system of property transformation because it would lead to the destruction of socialism (Uvalić 1992: 176-182).

### Economic reforms at the end of the 1980s: 'The big economic change'

Starting with the economic reforms in 1988, the decision-making rights of workers in Yugoslav companies gradually declined. The local newspaper *Zrenjanin* framed them as 'the big economic change'.<sup>11</sup> Reforms including the 'Law on Enterprises' (*zakon o preduzećima*) and the 'Law on Labour Relations' (*zakon o radnim odnosima*) were implemented and were clearly directed towards the development of a market economy. Milenko Odavić, head of the business board of the combine *Ser-*

9 Nedeljkov, M (1989) 'Silazak privrednik kapetana' in *Zrenjanin* 10 February, p. 1.

10 Nedeljkov, M (1988) 'Mesta za (naj)sposobnije' in *Zrenjanin* 24 June, p. 1.

11 Milin, S. I (1988) 'Krupni zaokreti u ekonomiji' in *Zrenjanin* 4 November, p. 3.

vo Mihalj and a member of the Commission for Economic Reform, said that these reforms were necessary to overcome the crisis since they would end the ‘planned’ economy and sought to abolish the entwined relationship between politics and the economy.

On the macroeconomic scale, prices were set free and the credit interest rate was adapted to the level of the European Community (Lohoff 1996: 122). Meanwhile, inside factories, decision-making rights for workers were restricted. The ‘Law on Labour Relations’ was changed to make the general manager now responsible for the employment of workers,<sup>12,13</sup> and for decisions on overtime working. The general manager was still elected by the workers, but he or she did not need to be a member of the League of Communists and the election was not influenced by other mass organisations or by the municipality. The general manager was also now in charge of the production of an annual report which had to be submitted by the workers council. If the report was rejected, the general manager was dismissed. In line with the economic reforms during the 1980s, general managers therefore gained new competences which formalised their position in the company. At the same time, the ‘Law on Enterprises’ equalised social and private property. Mixed or private companies were therefore equalised with companies in social ownership and should not undergo discrimination. Thus, the first steps into a market economy were made (Vasiljević 1989: 23).

In public discourse, the reforms were regarded as controversial. Milenko Odavić emphasised that the reforms were the way out of the crisis and announced the re-organisation of the combine. Convinced that social property had a negative influence on property as such, he advocated ‘clear property relations’. The former bearer of social property should feel more responsible for the development of their property, so that it would lead to greater economic efficiency.<sup>14</sup> The general managers of other companies in Zrenjanin referred positively to the increase in responsibilities given them under the new laws but were critical of the possibility of being dismissed after one year, reasons for which might include the low wages of workers but not the overall performance of the general manager.<sup>15</sup>

Criticisms of the law were mostly verbalised by workers and the trade union. Workers and the trade union in Nova Crnja, a small village close to Zrenjanin, stressed that general managers would be too powerful. Additionally, the decision of the general manager about whom to employ would not be in line with the principles of self-management.<sup>16</sup> Furthermore, the trade union in the oil processing company underlined that social property should be protected *vis-à-vis* private and foreign property.<sup>17</sup>

12 *Zakon o osnovnim pravima iz radnog odnosa, sl. List SFRJ, br 60/89, član 9.*

13 New employees were previously chosen by a board of elected workers.

14 Milin, S. I (1988) ‘Krupni zaokreti u ekonomiji’ in *Zrenjanin* 4 November, p. 3.

15 Dedić, Z (1988) ‘Elastičniji federi u direktorskoj fotelji’ in *Zrenjanin* 8 November, p. 3.

16 Popov, S. I (1988) ‘Direktor ili Menadžer’ in *Zrenjanin* 15 November, p. 3.

17 *Zrenjanin* (1988) ‘Krivična odgovornost za radnički savet’ 18 November, p. 2.

If we have a closer look at industrial sociological research, inquiries confirm that it was less skilled workers which preferred the system of self-management. Mrkšić found out from surveys in 1988 that workers mostly saw the western European system as most efficient, because wages were higher and the possibilities for employment were better, but, even so, 58 per cent of them preferred the Yugoslav system of workers' self-management because of the job security. In contrast, some 66 per cent of people in management positions preferred the western European market economy. Two years later, however, the support of self-management had declined (Mrkšić 1991: 431ff).

One year after the implementation of the economic reforms, the 'Law on Social Capital' (*zakon o društvenom kapitalu*) was passed at federal level. This was the first privatisation law, which was followed by many others during the 1990s. It enabled companies in social property to be transformed into mixed or private property, thereby becoming group property. This law was built on the model of insider privatisation. In contrast to other privatisation laws in other post-socialist countries, in which just a small amount of state-owned shares was given to workers, in Yugoslavia the whole company could be transferred into the property of workers. Only the law on privatisation in 2001 aimed at selling a company through auction or tender to a single investor, thus inhibiting the possibilities of group property.

Furthermore, none of the laws in the 1990s made property transformation obligatory. The assembly of the company would decide if a privatisation was to be carried out such that workers could buy shares in their company at a lower price. With the second law on privatisation in 1997, it was also possible that outsiders, e.g. workers in public services, were enabled to buy shares in a company of their choice.

### *Jugoremedija*– rise in the 1980s; decline in the 1990s

In this socio-economic context of the economic crisis, the pharmaceutical company *Jugoremedija* did not experience economic decline as did the majority of Yugoslav companies but rather the expansion of its production. During the 1980s, *Jugoremedija* was constantly growing, investing in new technology and exporting to foreign markets. In the local newspaper, it was referred to as one of the leading companies in the country.<sup>18</sup> After a new production line was installed in 1987, nearly 3 300 people applied for 37 new jobs. General manager Vojislav Ribar stressed that high technological standards and a high level of discipline were the reason for the run on the jobs, even though wages were at the average level for the combine *Servo Mihalj*.<sup>19</sup>

In addition, on International Women's Day in 1985, the local newspaper published interviews with *Jugoremedija* workers which highlighted the responsibility that women workers felt for the company. Women interviewed were critical in particular of the double burden of waged labour and reproductive labour, but discipline in their workplace was not perceived to be a problem. This would be necessary to be competitive on the world market. Vidosava Nenin, a worker in *Jugoremedija*, said:

18 *Kombinat* (1988) 'Među vodećim u zemlji' 15 January, p. 2.

19 *Kombinat* (1988) 'U "Jugoremediji" po svaku cenu' 22 April, p. 2.

I don't care to work like other colleagues. We take on our responsibilities because we know that, in this way, we can compete in competition on the Soviet market. We are competing with Japan.<sup>20</sup>

Furthermore, workers were working more than normal although this was not perceived as a problem. Marija Dimić said:

We also work on Saturdays and Sundays. These working hours are just in the interest of our work. Among the workers of the medical factory there is no self-satisfaction.<sup>21</sup>

In the years that followed, this issue of prolonged working hours came up regularly. In 1989, *Jugoremedija* was producing across 2.5 shifts and on Saturdays and Sundays. Even the 25th anniversary celebration of the company was postponed because management did not want to endanger work discipline.<sup>22</sup>

Within the framework of the wars in Yugoslavia and UN-imposed sanctions, the economic situation for *Jugoremedija* declined. Import of the necessary raw materials from Germany, as well as exports to other countries, were, at the beginning of the wars, time-consuming and expensive. Additionally, the Soviet market, one of the biggest markets for *Jugoremedija*, was declining as a result of the lack of foreign currency. This situation forced *Jugoremedija* to decrease the number of its employees. Workers were offered severance payments in order to leave the company and the number of employees declined from 520 to 450. Similar to other companies in Zrenjanin, workers were additionally sent on forced leave and production was reduced to a minimum. The situation deteriorated further with the economic isolation which stemmed from UN sanctions in 1992. Medicines were lacking in Serbia, but *Jugoremedija* required special permission from the UN Security Council to import raw materials. Depending on the amount of raw materials which were able to be imported, *Jugoremedija* workers might get called into work.<sup>23</sup>

'Workers went to sleep during socialism...'<sup>24</sup>

The property transformation of *Jugoremedija* started in line with the framework set out by the Law on Privatisation.<sup>25</sup> In 1993, the company's assembly decided on its privatisation in association with which it was not just property rights but also decision-making powers that were changed. The workers council and other self-management bodies were dissolved. Decisions were now taken by the shareholder assembly, the business board and the general manager. The shareholder assembly took place once a year, not with everybody working in the factory in attendance but with

20 Bugarski, B (1985) 'Veliki obaveze i odgovornost' in *Kombinat* 8 March, p. 2.

21 *ibid.*

22 *Kombinat* (1989) 'Lek za svet' 8 September, p 3.

23 *Kombinat* (1992) 'Krenula isporuka lekova' 6 November, p. 1.

24 Markuš (n.d.).

25 The full name of the Privatisation Law from 1991 was 'Law on Conditions and Procedures to Transform Collective Property into other Forms of Property'.

elected representatives from each department. The business board was composed of five different departmental managers and the general manager.

The management of *Jugoremedija* was already in favour of the abolition of self-management and property transformation. The general manager and, later, the departmental head of the commercial sector, Vojislav Ribar, gave two reasons why the company should be transformed into a mixed company: workers' self-management; and the strengthening of the relationship with the company's German partner, Hoechst. He said that:

In our self-management relationships, there were some problems in changing people and habits towards work and obligations. I can say that these relationships of self-management are still impeding us.<sup>26</sup>

In line with the discourse of the time, the management of *Jugoremedija* declared in 1993, in a notice to workers, that property transformation would lead to 'more efficient business decisions' while:

The motivation of workers would be higher for better work and the better results of the company.<sup>27</sup>

*Jugoremedija* workers welcomed property transformation and the abolition of self-management.

It's a fact that the abolition of the workers council was accepted by everybody. Everybody voted because it was too much and nearly nobody was against it. Everybody couldn't wait for this to happen.<sup>28</sup>

A member of the last workers council remembers also:

They [other workers] were just waiting for the abolition of the workers council. They were even calling us – the workers council – communards, the Red Gang [Komunari; Crvena banda] and so on. The earlier it was gone the better because they thought that a new time was coming and that democracy was coming which enabled everybody to get shares and be owners and get their cash dividends.<sup>29</sup>

The dissolution of the workers council was therefore welcomed by most workers in *Jugoremedija*. Workers criticising the privileges of the political elites and the League of Communists during the protests towards the end of the 1980s also had an influence on self-management bodies. Workers associated the workers council with it and saw the western European system as the more favourable (Archer 2015; Archer

26 *Ekonomska politika* (1990) 'Princip zatvorenog kruga' 13 August no. 2002.

27 *Zrenjanin* (1993) 'Pretvaranje društvenog kapitala "Jugoremedije" u privatnu svojinu' 26 March.

28 Zoran Rakić in: Ravnopravnost (2011) *Radničko samoupravljenje. Jedno iskustvo* (documentary film).

29 Interview with Vedran, 15 April 2015.

2016: 26; Musić 2016: 15). Nevertheless, it was also the possibility of becoming a co-owner of the factory, in the context of the economic crisis in the 1990s, that enforced property transformation and, therefore, the dissolution of the workers council. In particular, this was interesting to the workers of the successful company *Jugoremedija*:

And somebody told the workers what was most interesting for them then and what was most comfortable for them to hear: they will get shares. That meant that their property got a certain value. (...) And with this, they will have cash dividends if they realise profits. They remembered the good times when the medicine factory had a positive balance sheet. They knew about how we were working in the factory and that there would be some cash dividends.<sup>30</sup>

Srečko, the member of management also quoted above, emphasised that property transformation in the 1990s was necessary to keep the social peace, while privatising social into private property:

It wasn't a real privatisation. It was like how can you say to people that there is a new law on privatisation: (...) everything was social, but now it is not social [property] any more. Every one of you can own something... but we were not on the stock market; I couldn't take my shares which I had on paper and sell them to somebody.<sup>31</sup>

Even though property transformation was seen by the political and economic elites as necessary to enhance the efficiency of companies and the motivation of workers, the workers of *Jugoremedija* experienced privatisation in a rather negligible way. Many workers could not remember the 1993 property transformation, or did so only slightly. Some emphasised that the purchase of shares did not happen consciously:

I don't know what kind of privatisation this was. Really. It wasn't clear at all. We all went to sign something. All to the legal department. Something was privatised, we got some shares. We don't know what it [the first privatisation] was. Really, I don't know. It was not interesting any more, these shares [*deoničarsko*] (...).<sup>32</sup>

Vedran, a warehouseman, agreed and pointed out that workers did not experience privatisation as a major change. Additionally, he also highlighted the education gap in which workers might have been able to learn about the rights and obligations that shares implied. He saw the trade union as responsible for this.

Workers got these shares but it was still not seen as something like that [i.e. as a privatisation, KJ]. (...) During this time it was not important what shares are. That was not important and nobody explained it to us. The trade union didn't do its job and didn't explain to people

30 Interview with Boris, 15 April 2014.

31 Interview with Srečko, 5 December 2013.

32 Interview with Ivana, 7 April 2015.

what it meant to get shares. Somebody told you, but it was not clear because you couldn't touch it.<sup>33</sup>

## Conclusion

Yugoslav workers' self-management underwent different stages of development in its forty years of existence. The architecture of workers' self-management was changed, and structures were adjusted and recreated, with the proclaimed aim of giving workers power in the factory. Individual memories of workers and sociological research has shown, however, that this aim was not achieved. Even after the 'Law on Associated Labour' of 1976, the promises of an egalitarian system were not fulfilled. Workers did not achieve self-appropriation of companies as the processes of decision-making were similar to those in capitalist or state-owned systems. This was seen even more clearly during the economic crisis of the 1980s in particular. Workers associated the self-management system with the influence of political actors and with a system of unfair privileges. The dissolution of workers' self-management was seen as one way of putting an end to it.

Even though the system of self-management of the late 1980s was still the one which was most favoured due to the job security it offered, this trend declined during the 1990s. During the time of the UN-imposed sanctions, the dissolution of Yugoslavia and the wars, the social security of workers deteriorated. This had an influence on work and the social situation of workers. The prospect of becoming co-owners of a factory which had continuously expanded during the previous thirty years seemed to the workers to be an advantageous one. The possibility of gaining cash revenues was even more desirable even though, at the same time, it was not at all clear what being a shareholder actually meant in practice.

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