

# **"The Freedom of the People is in its Private Life"**

## **The Unrevolutionary Implications of Industrial Democracy**

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**Sitting in a living room in Princeton in October 1968, Milovan Djilas told a gathering of students that the events of the previous May would not be prelude to revolution because the rebels lacked a vision of the future. What lay behind Djilas' prediction? Did he not see any revolutionary potential, for instance, in student demands for *autogestion*, that radical vision of democracy some label workers' self-management (Brown, 1974)? Did his evaluation of the Yugoslav attempt to revolutionize society by self-management interfere? Or had he perhaps retained his Leninism after all, having reflected on the consistent failure of spontaneous attempts at instituting the council system during the course of revolutions? Yet 1968 did reanimate this remarkable tie between modern revolt and peoples' and workers' councils, forcing the issue this time onto the agenda of advanced industrial societies.**

**This coincidence of revolution and the spontaneous appearance of popular councils to organize work, reestablish order, attend to food shortages, and debate political issues, though long recognized and documented, remains mysterious. We know that the classic revolutions—American, French (1789 and 1793-1794), Russian (1905 and 1917)—were sparked by the revolutionary political organization of ordinary citizens in New England townships (Arendt, 1965), French municipal commit-**

tees (Hunt, 1976), and Russian workers' and soldiers' councils. Modern revolutionary situations bring the occupation of factories by workers, of landed estates by peasants, and often of local administration by neighborhood committees: for example, the Paris Commune, 1871, Hungary, 1919 and 1956, Poland, 1905 and 1956, the Spanish civil war, from Germany to Ireland in 1919, Paris and Czechoslovakia, 1968, and Portugal in 1975. Indeed, the association is so dependable that even isolated cases of worker takeovers, such as that of the Lip watch factory in Besançon, 1973, elicit cries of impending revolution.

At the same time that sympathizers rejoice in the spontaneity of these events and in the extraordinary expression of popular will, however, they attribute their ultimate failure to this spontaneity and turn attention to the institutions of success: to the political party which governs the path of revolution by subverting the councils into instruments of its power rather than the alternative and opponent of the party system they were (Arendt, 1965: 234-285; 1972: 201-233). The party interpretation of each revolution reigns, and the councils, rather than the basis of a new system of government, become a symbol and a test of sympathies: "Tell me where you stand on Kronstadt and I will tell you who and what you are."

Despite our ignorance and divisiveness over the role of these councils in revolution, they (particularly workers' councils) continue to feature prominently in discussions on the prospects for revolution in advanced industrial society. For some this is tactic: a "steppingstone to socialist self-management" (Garson, 1976: 9) in line with the Yugoslav model, Trotsky's strategy of *dual power* as Parisian students attempted to revive it in 1968 (Brown, 1974), or hopes that modest beginnings with limited participation will slowly generalize to erode the monopoly of management and prove it the sham it is (see Bernstein, 1976; Vanek, 1971, 1975). For others it is goal: such as Arendt (1965, 1972), for whom the only revolution in advanced industrial society would be a change in the nature of government and political space from a party-based state to the council system; or the heirs of the European labor movement, for whom revolution means destruction of the class structure,

particularly as it is institutionalized in the workplace (see Horvat, 1975; Mandel, 1970).

Nonetheless, the revolutionary implications of workers' councils need not remain speculation, whether based on hopes, past revolutions, or theoretical predictions, for actual cases can be studied. In Western Europe, these are experiments, built up gradually from enterprise to enterprise, varying from job humanization in Scandinavia, to more extensive collective bargaining in Britain, and to codetermination in West Germany, each stage introduced or supported by increasingly generalized legislation. Yugoslav self-management, on the other hand, is neither experimental nor piecemeal: all working people in the socialist sector legally manage their workplaces, and the prerogatives of management depend on the specific delegation of duties which accompanies their election by peers and the decisions of workers' councils to which they are accountable. Despite differences, this multitude of approaches shares a single purpose: the restructuring of power at the workplace in the direction of full democracy (see Jenkins, 1973; Garson, 1974, 1976; Horvat et al., 1975; Hunnius et al., 1973; Vanek, 1975).

But are these examples revolutionary? Will they bring new social interests to the center in public decision-making and so change the current ranking among classes? Do they contain the potential to destroy the current pattern of societal authority and replace it with an alternative regime? The evidence from rapidly accumulating studies of worker participation is overwhelmingly negative. Though positive in many regards, these cases provide no evidence of a challenge to the current order, either of party-based politics, or of the stratification of these societies, or of the capitalist concept of rationality. Instead, one finds that everywhere such "advances" lead only to the extension of the current pattern of governmental authority to the enterprise and thus, if anything, to a consolidation of the power of the state through greater societal congruence of authority and greater legitimation of prevailing concepts of political order.<sup>1</sup>

The conservative character of these policies is more obvious in the West European examples. Shaped by agreement between

trade unions and resistant managers, occasionally mediated by political party and government, the programs continue to presume a basic conflict between the interests of labor and management, providing concessions to workers so as not to endanger, indeed to improve, the level of production and industrial peace achieved in the postwar era. Even so radical an advocate as Jaroslav Vanek describes their purpose as "the democratic self-defense by the working majority against a capitalist oligarchy in the economic sphere" (Vanek, 1971: 97). Worker representation on company boards, according to Emery and Thorsrud (1969: 65), has had the single effect of "creating progressive management" and, hence, improving "industrial relations." A handful of workers may be included in the firm's decision-making, the management may become less authoritarian and more accountable, the field of acceptable labor-management negotiation may widen, but no change occurs in the balance of power within the economy or the firm. Norwegian experience illustrates the general pattern: "little evidence of active communication and feedback between the workers and their representative" can be found; "nine out of twelve representatives interviewed make some reference to having to take a board or company view of some matters, particularly production"; and the workers' representatives on boards tend to be pushed "into the role of an ordinary board member" (Emery and Thorsrud, 1969: 24, 25, 75). As Emery and Thorsrud conclude (1969: 84), "employees' power is independent of, and external to, the boards' power. It arises from the qualities and needs that the workers bring with them to the job and, unlike the power of the board, it is not intrinsic to the organization of production." That the European Community is eagerly jumping into the fray only encourages the conclusion that workers' democracy "preserves the fundamentally capitalist nature of management, deemphasizing state regulation in favor of control through company boards" (Garson, 1976: 10).<sup>2</sup> Furthermore, if one examines discussions about what interests should be represented in the firm's government, who is best suited to represent the worker, the formation of a ruling group which, though different from the

autocracy it replaces, nevertheless maintains the clear distinction between ruler and ruled, and those social groups most likely to increase their participation in the new enterprise "regime," the clear conclusion is that European workplaces are taking on the characteristics of their governments, establishing parliamentary rule, and thus preserving the current order.

The Yugoslav case ought to be an exception, for the presumed bases of the continuing manager-worker distinction in Western Europe have been abolished with the introduction of socialist property and then self-management, and thus the abolition of the prerogatives of private ownership and the state in the economy. Nonetheless, whether one examines studies of control within the enterprise (see Tannenbaum et al., 1974), or of actual participation by workers in decision-making (see Obradović et al., 1970), or of differences within a firm in values and role perceptions (Bolčić, 1972), one finds an increasing division between managerial and worker strata. Strikes occur frequently and are aimed at external obstruction to worker control either by the market or the director and higher management (Jovanov, 1972). The principle of "distribution according to work" aggravates social relations along clearly stratified lines, and only the intervention of outside political forces appears to keep wage differentials within ideologically valued narrower limits than the market would or Western Europe does (Comisso, n.d.). Perhaps most surprising of all is the increasing clamor recently by both workers and intellectuals that the trade unions be given a much stronger and more independent role in order to defend workers' interests.<sup>3</sup>

The societal structure of authority also imposes limits on the pattern in the Yugoslav workplace. Indeed, the structure of power in Yugoslav firms suggests that the worker-employer problem has simply been transformed into a worker-state problem. Both constitutionally and practically, there remain explicit differences in the responsibility of managers as opposed to all others while the enterprise director is valued above all for his monopoly of connections to outside authorities (both party and government).<sup>4</sup> Further, problems due to the external control of capital, even after recent attempts to curb it, create

“a force outside the self-managing structure of the enterprise which inevitably influences the policies of those enterprises” (Denitch, 1976: 171). This invites a comparison with an earlier stage of social development in the Balkans: peasants in nineteenth-century Serbia, for instance, became independent owners of their own property when the new Serbian state abolished the feudal rights of landlords, only to find themselves less secure than before in their dependence on a despotic government and usurious creditors. As Jovanović wrote (quoted by Tomasevich, 1955: 41; see also Stinchcombe, 1961), “In short, there existed free peasant land property, but not a free peasantry.”

Ironic parallels also may be found among the goals of the Common Market regarding industrial democracy, the wishes of American businessmen (Vogel, 1976), and workers’ self-management as a “means of dismantling the old state apparatus and of shifting the bulk of economic decision making into nonstate bodies” (Denitch, 1976: 154). At the same time, of course, when the decisions of self-managed organizations seem to encourage unacceptable economic or political practices, the Yugoslav government does not hesitate to intervene. In fact, the Yugoslav case illustrates even more than the West European that, as Županov (1975: 84) asserts, “participation by itself cannot alter the existing, asymmetrical distribution of power between managers and employees; successful participation is likely to be the result rather than the cause of the change of the power structure within the organization.”

Although workers’ participation in management does not point to the destruction of the structure of authority within contemporary European society or to the rise of a new class to power—it rather appears to reaffirm and strengthen the structure of nation-state and parliamentary, party rule by extending it with little change to the economy—it does introduce a new path “for personal advancement out of the rank and file” (Emery and Thorsrud, 1969: 48). In both Western Europe and Yugoslavia, workers’ democracy is an avenue for individual social mobility. As one board member told Emery and Thorsrud (1969: 75), “To come on the board means for a worker a way up and out.” In Yugoslavia,

managerial strata may include directors, technical staff, white collar employees, and skilled workers, but the boundary remains imposing to the semiskilled and unskilled. Those who have a serious stake in the current system—members of the League of Communists and skilled workers—participate most in worker's councils and hold the most positive attitudes toward self-management. Similarly in Western Europe, board representatives are more likely than not to be union activists rather than ordinary workers. And in neither instance has workers' democracy led workers themselves, either individually in greater numbers or as a class, into power in the state. As an index in Yugoslavia, the percentage of working class membership of the League of Communists has remained almost constant since 1946, before the introduction of self-management; while workers are overrepresented in the League in terms of their percentage in the population by a factor of 1.6, managers are overrepresented by a factor of 9; and "the percentages for *all* categories of white-collar employees are higher than the average percentage for all categories of workers" (Denitch, 1976: 91-97).

The current movement for greater worker control appears above all to be a recognition by forces of organized authority of what Serge Mallet has labeled "the new working class." The increasing level of general education and of technical expertise of the skilled working class, without compensation in increasing power, could have been a significant force for revolution, whether one views this as a case of status inconsistency or of the increasing superfluity and thus illegitimacy of the managerial prerogatives of owners over skilled workers. Instead, these reforms appear to contain within the present regime and without basic structural changes forces of change which could be destructive if not incorporated into the current structure of privilege.<sup>5</sup> Rights to govern thus become based on skill differentials, and the change is made peacefully; industrial democracy pushes more people into the ruling strata of the economy, but it does not challenge the oligarchical assumption. That this tactic is pursued by those in power to dilute serious challenge to their dominance is seen most clearly in the Yugoslav case where an apparently more radical system,

introducing significant structural changes in the formal organization of firm management, is the product of an attempt by the League of Communists to consolidate their position gained through revolution, to contain the social mobility it unleashed, to gain popular support when under pressure from the Soviet Union, and to structure advantage within the economy to those elements most essential to the regime (skilled and technical cadre) and most likely to be a force for instability if left unrecognized. The difference between Parisian and Belgrade students' demands in 1968, the former for introducing worker participation, the latter only to have promises fulfilled and the current system realized, emphasizes this further.

Why do the hopes for revolutionary change associated with workers' councils prove so empty? Is it only a matter of time or of material conditions as Yugoslavs assert?<sup>6</sup> Two traits crucial to the revolutionary cases but not shared by current efforts at workers' management suggest an answer. The first is their spontaneity and pressure from below; the second is their essentially political rather than economic focus.

Despite the variety of attempts at workers' power which have appeared in postwar Europe, they all owe their introduction to forces of organized authority—governmental legislation, trade union negotiation, and political party platform. Thus, it should not be surprising that these experiences do not thus far challenge the structure of political advantage in each society which supports those forces; indeed, Garson reports (1976: 19) that in Western Europe “unionism seems to benefit from formal systems of participation,” while the legitimate strength of the League's leadership in Yugoslavia is surely a result above all of its program of self-management.<sup>7</sup> In addition, it is the imposition from above of opportunities for participation that limits what workers themselves might do to use these new channels to push for greater power. Many observers suggest that the disappointingly low levels of worker participation in these new institutions of worker management are the result. Rus (1975: 104-105), for instance, argues on the basis of extensive research in Yugoslav enterprises that participation is strongest and most frequent when it is spontaneous and outside the institutions



established by self-management. The same impression comes from Poland. According to Kolaja (1960: 144), while workers sneered at official statements that “workers rule the factory” and refused to participate in the workers’ councils set up by the state, they formed “small spontaneous group actions” to which they did apply the slogan. As elsewhere, workers continue wildcat strikes—acts of their own expression and under their own control. Although it is difficult to envision workers’ control produced by spontaneous, rank-and-file action in Europe because, at the least, of choices made historically in the course of the labor movement,<sup>8</sup> what we know of municipal committees in the French Revolution and workers’ and soldiers’ soviets in the Russian also suggests that revolutionary change will be difficult without it and that workers will remain indifferent to institutions which are not of their own making.

We would miss the revolutionary implications of popular councils, however, if we did not also realize their essentially political nature and purpose. This is, of course, Arendt’s point, and the reason party or trade union initiative of workers’ control—“whose approach to the people is from without and from above” (Arendt, 1965: 251)—destroys it (and must). To speak of “citizens of the enterprise,” in Dahl’s (1970: 20) unintentionally jarring phrase, is to follow the tactics of a Robespierre or Saint-Just who, once in power, no longer needed the support of the popular committees and societies and saw them as a threat to the union sacrée of the state rather than as examples of public spirit and freedom. Saint-Just justifies himself by insisting that “the freedom of the people is in its private life, attempts at a new form of government are in order to protect this state of simplicity against force itself” (Arendt, 1965: 247). Political participation is thus diverted to private life, attempts at a new form of government are channeled into workplace issues and politics can be defined as the activities of a specialized elite. If, however, one interprets these councils during revolutions as a renewal of politics, the attempt by ordinary people to influence the structuring of public authority rather than merely to decide on production issues, then other difficulties with workers’ management in postwar Europe also come to light: in particular, the complaints

that workers are interested only in narrow questions of work conditions rather than in company policy, and that their level of education prevents serious participation in decisions that matter. Both criticisms, of course, come from management.

It is the case in both Yugoslav self-management and West European experience with industrial democracy that workers demonstrate little interest in company policy, such as investment plans, budgets, and marketing, while they show intense interest in matters one might define as political, that is, direct relations of authority within which they have to work and their place in that community: the performance of their own task, the environment in which they are expected to work, the distribution of income and other benefits, and personnel policy. Decisions they define as administrative and technical do not engage their interest, nor do issues they know to be outside their influence, because they depend on conditions external to the firm or on skills they do not possess.<sup>9</sup> Indeed, unlike their leaders and theorists, workers act as if they are aware that the locus of exploitation is no longer the factory, but the structure of society itself, and in particular the nature of the control of capital.

Managers reinforce the structure which gives them privilege, furthermore, by claiming that workers lack sufficient education to take over managerial responsibilities, even though they explain increased interest in industrial democracy by rising levels of educational attainment among workers (see Business International S.A., 1974: 4). Even in Yugoslavia, where studies show that educational level is related only to the willingness to participate, not to the quality of the participation itself (Rus, 1975: 107n.), the new middle class insists that "what is wrong with self-management is precisely that it does involve workers—persons who are viewed as having insufficient culture and expertise to make decisions" (Denitch, 1976: 183). Yet, if worker interests are, as I suggest, political, that is, to establish preference orderings for the society in which they live and reduce their dependence on external influences and authority, and we know their low levels of participation are a result of the continued domination by management and initiative from above, then it is difficult to see how formal education or even

managerial experience would change matters. Indeed, owners and managers successfully defend the "skill exclusivity" which justifies their power (Rogowski, 1974: 198-263) by refining their definition of management in administrative and technical rather than political terms.

In his excellent book, *Industrial Democracy: The Sociology of Participation*, Blumberg reinforces his argument about the beneficial effects of participation with evidence from experiments with self-government in American prisons. As in industry, morale is raised, responsibility developed, the need for supervision and discipline lowered, and an aura of cooperation between inmates and staff created, with the result that there is "less discontent, less bitterness, less suspicion . . . fewer escapes, fewer riots, fewer fights among prisoners, less recidivism, and higher productivity among working inmates" (Blumberg, 1968: 135, 137). In spite of undeniably positive results for both prisoner and prison, no question is raised about the essential difference of inmate and staff or about the necessity of prisons themselves. The question of dependence and the limits of the structure within which the prisoner finds himself are underplayed in an attempt to make improvements in the "quality of life" which people consider possible.

The unrevolutionary character of current aspirations for experiments in self-government, whether of prisoners or workers, is obvious. We want to know whether the worker is less alienated, more satisfied, and more productive, whether the workplace is less demeaning, more democratic, and more open to individual creativity, but we rarely ask what the society would look like if self-management in the economy were to succeed.<sup>10</sup> For instance, we might ask whether the dispossessed owner and middle-level managerial strata would become superfluous and thus lose their privileged access to political dominance, and whether they would disappear into the working stratum or become a segment in opposition. Would cleavages develop within the working class, as many assert (see McClintock's summary, 1976: 4), would the structure of advantage be based on new criteria, would the equation between political and economic power change, would the political position of those

outside the self-managing class be distinguished (as in Yugoslavia), and what skills would control access to the performance of governmental tasks?

Experience in Yugoslav self-management does indicate possible outcomes. While the owner-managerial stratum has lost its social identity, the managerial role within the enterprise still brings greater influence over decisions than the role of worker (Obradović et al., 1970: 470). The traits which bring power in the larger society (formal education attained and political connections) also determine influence in the firm. Further, opposition to self-management does exist among those sectors ("the new middle class") whose greater educational achievement and economic success have not by themselves brought political influence. On the other hand, the segment that first introduced self-management remains in control.<sup>11</sup> Political privilege still distinguishes among strata: political leaders, then self-managing workers (divided into managerial and technical strata on the one hand and workers according to skill level on the other), and finally the pensioned-unemployed-housewife-private sector.

The fact that there is a distinction between political roles and self-managing roles and that the structure of authority in society influences the patterns of influence and their basis within an economic organization leads to a third development, known casually as "enterprise" or "group egoism." When one looks at the behavior of a self-managed organization, as a unit in the larger society rather than as a structure of internal authority and decision-making, one finds a group of individuals whose solidarity is great and whose goal is as much political autonomy and protection from outside interference as is possible (Comisso, n.d.; Woodward, 1975).<sup>12</sup> While Denitch (1976: 155) is right to insist that this does not mean that workers' councils will necessarily make decisions contrary to the interests of the larger society, it does mean that they view self-management first as an opportunity to create their own, collective political space *within the larger society*, and not necessarily to abolish conflicts within the firm. Since this instinct for autonomy seems to encourage external political forces to resist

their exclusion and to impose social preferences determined outside the organization, the members of the organization are further justified in seeing the threat to their independence in those political forces and seeking additional self-protection. Furthermore, having had no part themselves in determining the societal structure of authority—the kind of constitution, national legislation, safeguards for freedom, and state they want (Arendt, 1972: 220-221)—workers within a self-managed firm will try to use their new freedom to create a state within a state.

This quest for autonomy and for the preconditions of community within the economic organization which is not then shattered by dependence on outside political forces is reminiscent of those few historical cases of true communal politics: irrigation societies such as medieval Valencia (Glick, 1970), the post-Westphalian German home towns described by Walker (1971), preseigneurial French village communities (Bloch, 1966), the twentieth-century Israeli rural kibbutz, and most probably those municipal and workers' councils which arise in times of revolution. In all, the nature and organization of productive activities determine community membership and that community becomes a true community: citizenship flows from and is inseparable from membership as are the ethical responsibilities of citizenship, authority is consensually based, and decision-making appears to be egalitarian (see Walker, 1971: 2-3, 101). Self-sufficiency is jealously guarded as the precondition of communal ties, as if it were known that capitulation to outside authority must alter internal relations permanently.

The parallel, however slight, suggests that the real difficulty in any inquiry into the revolutionary implications of contemporary attempts at workers' democracy is the distinction we currently make between politics and economics. It suggests that our conclusions are prisoner to the way the question has been posed for more than a century and to the definitions of politics and economics with which the nation-state burdens us. We are antirevolutionary in both outlook and research when we take the nation-state as given and associate politics with the formal institutions of the state, economics with activities at the

workplace. The victory of the state in the eighteenth century has been reinforced by the workers' movement against it in the nineteenth and twentieth. The Saint-Justs win, and the people must find happiness in their private lives, whether in Western Europe or Yugoslavia. Revolutions may occur if an upwardly mobile group succeeds in challenging the legitimacy of the ruling group's claim to dominance, but they are followed by periods of statism and no change in the essential nature of government—only in the relative strengths of each social group within it. Any search for a new form of government, one which is not subject to inevitable cycles of domination and protest, appears doomed to a division of labor which is taken as natural.

Yet is it natural? Is the interdependence of an economic system based on capitalist rationality and the form of political organization we call the nation-state logical or simply historical? Is the form of human organization required by that capitalist concept of rationality logically incompatible with that required by consensual (self-governing) political authority? According to Godelier (1972: 317), the researches of economic anthropology demonstrate that "there is no exclusive economic rationality," that the organization of productive activities depends on the nature of the task, the milieu in which it is performed, and the options available to a society as a result of decisions it has made in the past. Not only must the choice of economic organization be flexible, but also "we must not seek a mechanical, linear connection between economic and political systems" (Godelier, 1972: 315). He continues, "The potentialities of a *milieu* are thus actualized or developed through the techniques of production. . . . Maximization of production is meaningless, however, without reference to the hierarchy of needs and values that are imposed upon individuals in a given society, having their basis in the nature of the structures of this society" (Godelier, 1972: 308).

Those who declare workers' democracy impossible because of the requirements of coordination and centralization in a "modern" economy confuse politics and economics just as those who expect to solve poverty with democracy. Likewise, the Yugoslav attempt to make radical innovations in governing

institutions in the economy without reconsidering the separate definitions of political and economic activity on which they are based led to difficulties. Enterprises were to become self-managing, thus politically new, but were expected to perform according to old criteria of economic rationality; as a result, the outcomes of economic decisions are often determined by politics, while no attempt is made to make the state "self-managing." Entrepreneurial activity became associated with the role of the leader, though the former is an economic function which, if Adizes is right (Adizes and Borgese, 1975: 134), cannot be satisfied in a council system, whereas the latter is a political function which ought to be thus satisfied. The confrontation becomes one between two forms of politics, the council system in the economy and the party-oligarchical system in the state, which are supposed to coexist, but cannot; thus, the former seeks increasing intervention. Perhaps in the end Djilas had something: can one be revolutionary in action without being revolutionary in thought?

## NOTES

1. Had those in charge read "A Theory of Stable Democracy" by Eckstein (1966)? I am not arguing that attempts at worker participation do not bring much benefit; my concern is rather to question their potential for revolutionary change in their respective societies.

2. See Garson's (1976: 11) elaboration of "the interest group model of organizational control" dominant in Europe which the EEC is attempting to persuade its member countries to accept so as not to impede investment flows among them.

3. According to Arzenšek (1974: 10), on the basis of research in 12 Yugoslav enterprises, "Three quarters of the interviewed persons in conflict and in the management agree to a reorganization of industrial relations where [the] Trade Union would represent the interests of the workers against the management."

4. These generalizations about Yugoslav self-management are not limited to industrial firms; see similar findings in high schools, for instance, in Woodward (1975).

5. According to Parkin (1971), the same result is produced when socialist parties attain control of West European governments, that is, opportunities for upward mobility of the working class are increased, but no attack is made on the structure of privilege itself. See Boudon (1974) on why the common attempt to change the structure of privilege through education fails as well as on factors related to the discussion below.

6. Many Yugoslavs argue that socialism is impossible without the appropriate material base, but that self-management is a faster route (less wasteful, leads to a more productive economy, is accompanied by less worker alienation) than is capitalism.

7. Some argue that self-management, particularly as it developed in the 1960s, produced pluralist forces which forced the party to be more open, thus threatening the basis of the league's continued leadership rather than supporting it. I disagree and would suggest that the pluralism was a result of social differentiation produced by economic development. At any rate, we know that when it went too far, the league reversed plural trends without any direct attack on self-management in the economy.

8. An interesting example of how choices were made in the course of the European labor *movement* which limited the range of future action and in some ways shaped its outcome is Haupt's (n.d.) discussion of the Paris Commune.

9. For Yugoslavia, see Možina (1968) and Woodward (1975); for Norway, and its probable extension to all of Western Europe, see the survey by Holter reported in Emery and Thorsrud (1969: 106-109), and their conclusion (1969: 83-84): "When we look at the behaviour of employee representatives on Norwegian boards, it becomes clear that although they share legally in the power of the board they find it very difficult to see how to use that power in ways that are in accord with the usual board purposes and at the same time make a direct impact on the working life of their constituents. The power of the board relates to, and is appropriately used for, the economic prosperity of the firm. Most of the known and obvious ways of furthering employees' interests at board level involve an increase in labour costs, with no guarantee that this will be offset by economic gain for the company, or they involve interference in the managerial execution of board policy which a board will be naturally reluctant to permit. The possibilities for jointly furthering the interests of the employees and the company seem to be more in the power-field of the manager than at board level."

10. Some attempts have been made to assess the direct influence of self-managed firms on the performance of the economy. See Milenkovitch's summary (1971: 196-211), particularly of the Ward-Domar model and of Horvat. For the society, Denitch (1976: 178-184) is a notable exception.

11. "If any central unifying fact seems to emerge from the Yugoslav data, it is that the conscious political intervention of the league leadership appears to explain more about Yugoslavia and its specific path of development than any other single variable" (Denitch, 1976: 201).

12. According to McClintock (1976), agrarian cooperatives in Peru act the same way, using self-management for political solidarity and solidarity for maintaining political autonomy from the national system.

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