

### Chapter 3

#### *THE SEPARATION BETWEEN WORKPLACE AND COMMUNE: ITS IMPLICATIONS FOR SELF-MANAGEMENT SOCIALISM*

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In the following text I intend to advance some results of a considerably larger project I am pursuing, which deals with the complex relationship: community – workplace in modern society, and its implications for the structure of power in self-managing socialism.

Because the above constitutes an ongoing research, the findings I will present here are of a provisional nature. Moreover, for the sake of brevity and conciseness, I will only disclose these findings, along with the theoretical context that gives them relevance, and the evidence that supports them, in a partial and summarized way.

#### *Nature of the Study*

First of all, the research is intended as a study on socialism; in particular on the configuration and legitimation of power under socialism; and specifically on how the two are affected, both in the objective and normative sense, by the sociological separation between commune and workplace, proper of contemporary human societies.

In my judgment this social asymmetry between the spheres of community and workplace posits a basic conflict of power legitimation, whose solution lies at the heart of any conception of a fully democratic society. It should have in its own right, therefore, a place as a core doctrinal issue of contemporary socialist thought.

The specific focus here on self-managing socialism is due to my conviction that this social system among all has come to identify politically, in the fullest way yet, this deep legitimacy friction; has the clearest historical opportunity to solve it in favor of democracy and self-rule, and has gone the farthest in the practical route towards such a solution, in the case of Yugoslavia.

Secondly, the study is intended to be historical in nature. In an immediate sense, this historical perspective simply implies that the recognition of self-management as both in theory and in practice a relatively bounded, well-defined ‘socio-economic system,’ should not obliterate its evaluation as a ‘step’ – however revolutionary – in a farther-reaching socialist evolution, i.e., its examination in the dynamic perspective of the general movement toward superior social forms.

For one thing, this approach may complement the type of analysis that, by concentrating on static definitions and cross-sectional examination of the system, or on purely comparative-static derivations about it, may fail to see the development of progressive trends and dynamic contradictions inside the concrete experiences, and to evaluate them sufficiently in the specific historical context in which such developments take place.

Secondly, the recognition that, as Professor Vanek (1975) once put it, “Self management and economic self-determination are without doubt, steps in a secular evolutionary process” (p. 171) gives us instantaneous awareness of the fact that such a process is necessarily inserted in the more general ontological evolution of society, and therefore, must build upon forms, relations and determinations objectively evolved and fixed previously in the course of such historical process.

These pre-conditions, of course, do not belong to the internal normative profile of any system; they face it – so to say – from outside, as a given base, constraint, etc. They constitute the external historical objectivity that the system finds already evolved and mature, and upon which it builds its internal systemic normativity.

The two aspects are therefore two dimensions of any socio-economic system; obviously different, though interconnected. However, once the dynamic approach is adopted we realize that the two cannot rank equally. While the inherited social forms face the systemic normativity as an objective necessity, preconditions for its existence, the inverse does not apply. The historical categories (social forms, relations, productive forces, etc.), are never fixed; in fact they resist the steadiness of any given normativity; they constantly evolve, progress, dissolve into new social forms and relations; dissolving, in the process, all previously established systems and normative codes, which thus become void of social substance, no longer historically valid, no matter how hard they struggle to stay around.

The historical perspective, therefore may help us to recognize the existence of these two aspects; to keep in mind the critical difference between them, and thus avoid what I consider a serious analytical flaw in many arguments concerning self-management, in which either the connection between the two dimensions is insufficiently taken into account – in which case the argument concentrates itself on one single side, often then normative discussion, without an adequate historical perspective – or the very existence of the two dimensions is completely missed – in which case the argument jumps randomly between the two, unaware of the underlying implications – both getting mixed up to the point that sometimes, it is hard to determine when the examination of the system is meant to be based on grounds of normative principles alone, and when the perspective of historical necessity is brought into the discussion.

In short, we propose here an approach that seeks to improve upon the lack of such perspective, which more often than not leads some standard analysis of self-management to put the emphasis on the system as a bounded, self-justified normative body, and not as a necessarily transitional stage in the dynamic development of socialism toward superior forms of social organization and cooperation, inserted, in the general mechanism of social evolution.

In the broader sense, this approach calls not for an historiographical account of the *content* of the social evolution, i.e., a mere description of facts; but for an attempt to lay bare – as in Marxism historical analysis – the *general mechanism* of such evolution (Hobshawn, 1980, p. 11), and how it relates to the concrete social forms under investigation.

So even though the historiographical evidence is essential in this context, it is not history, but rather a theory of history, what we seek to deal with in our research. Again this theory is relevant to us, especially as it may purport the complex relationship between natural and work

community, society and labor process, through the evolution of the social forms; and thus expose the intimate profile of this relationship which is inherent to contemporary industrial society and, in turn, as we move, lies at the base of the friction of legitimacy and power under socialism.

Finally the arguments and evidences discussed in the present study are of an analytical and anthropological nature.

Here again, this approach is intended to lead the investigation around the kind of arguments about society made out of simple extrapolations from cartesian logic, so usual in standard economics, and to bring into consideration the kind of meaningful aspects of social relations that anthropologists and sociologists may contribute to economic knowledge, but are usually left out, just because they, as Carol Smith (1976) noted: “Are not easily put into economic models, or engineered out of systems” (p. 4).

## INTRODUCTION

### *The Historical Justification of Socialist Planning*

From a purely economic point of view the general validity of socialism was always notionally based on the claim of functional superiority of the *planning principle* over the operation of the *market forces*.

As it is well known since the elaborations of Lange and Taylor (1938), in response to earlier allegations about the ‘logical impossibility’ of socialism, the difference between ‘plan’ and ‘market’ is not so much a matter of logics, since both could be legitimately seen as addressing basically the same ‘limiting’ problem of maximization subject to constraints, whose solution, if determinable, will always involve the same three sets of data: utility or preference functions, production functions and prices, conforming the standardized allocational exercise. The internal logic of this exercise would not change, whether prices are established as choice indicators after the general output bill is decided upon (as presumably in the socialist plan), or whether they are established by free exchange of independently produced outputs (as presumably in the market).

The contention against the market mechanism represented by the planning principle was more of a functional nature. It sprang from an essentially practical uncertainty: whether there was any reality to the alleged capability of free exchange to actually produce market equilibrium, as purported by the economic theoreticians, or to achieve in practice, at such equilibrium, socially meaningful efficiently in the allocation of resources, as claimed in the bourgeois mixtification of pure competition.

Marx was the first to lay out the theoretical foundations of this uncertainty, generally accepted today, by showing the anarchic nature of the forces in market. Selucky (1975) conveniently summarized this point in the Marxist critique of the market mechanism: “It operates spontaneously, has no internal aim and regulates production and exchange only ex post” (p. 49). By virtue of this spontaneous, self-steering nature, Marx showed, free value exchange necessarily evolves into capitalist production relations, and these into monopoly; so that free competition could, at most, produce a tortuous, irrational, inhuman form of social cooperation, under capitalism, and, if left to its own natural evolutionary tendencies, it would destroy itself,

creating in the process, inequalities, economic imbalances, profound social disharmony, and periodical crises, which only would be modified and deepened, by state intervention, so long as the underlying production relations were to remain in place.

Such were the objective theoretical bases for the rise of the planning principles; and, surely enough, the latter got to speak, in various shades and degrees, most all over the world (including, of course, the capitalist world); certainly not always as a result of a conscious discussion and appreciation of the above long term historical logic of the market mechanism, but always under the powerful impact of its factual corroboration.

It made little difference that it took orthodox economics until after the most demolishing of the above crises to date, shattered the world economy, to begin grasping – and even then only implicitly – their basic mechanism: i.e., with the appearance of the first Keynesian growth models in the late 1930s; a mechanism whose essentials were already detailed many decades before in Marx's *Capital*, Volume I (1867). The historical evidence was actually there, transforming Marx's prediction into painful facts: massive periodical destructive of the productive base of society and millions of people thrown into misery, as a result of the market operating at its best, i.e.: in the center of the capitalist world; first as the classical 'subconsumption' crises, as in 1873, and later in the form of the – already in the making by then – 'valorization' crises Post-Keynes, 'stagflationary cycles' – which take off in the midst of booming consumption and prices. The latter type represents an even deeper illness of the system, as competition gives rise to monopolistic domination of the economy, and the state steps up its economic intervention without changing the basic economic relations in society.

Since its objective was only to accomplish what competition was meant to, but objectively could not accomplish, and, otherwise, would destroy in practice (i.e.: efficient economic equilibrium, social stability and justice); the rational, 'ex-ante' application of planning seemed, by far, the most rational alternative vis-à-vis the market: that ghostly, self-steering genius, anarchically enforcing the social collaboration and division of labor, regulating the economic allocation in an 'ex post' way, and which only seemed to perform in something like the way elegantly predicted by the neo-classical theoreticians, in the very center of the system under conditions of unequal accumulation, permanent disequilibrium and stagnation in the periphery; and even then, only at the price of periodical disastrous crises and great social distress.

The oft-cited presence of economies of scale, public goods, etc., were never really valid pieces of apology for the failure of this runaway social creature (the market), since they made possible its birth in the first place. Industrial capitalism, long run product of commodity exchange, and, in turn, founding father of the modern national 'market' itself, could never have risen in the absence of such economies of scale and of the state as the great builder, war contractor, borrower, etc., to begin with (Wallerstein, 1974). These already grave results of a purely economic examination, are, however, only the starting point for a deeper-reaching sociological objection to market, which is more central to our own elaboration, and which stresses the degraded character of human relations under free market conditions. In particular the fact that under such conditions, social cooperation cannot occur as a dignified, conscious, and dialogical collective endeavor that leads toward what Paulo Freire (1973) calls "the collective

construction of social truths,” but it must take place as the anarchic, blind outcome of the forces of intercourse which face the individual as an external, inimical, alien power.

This more humanistic critique comes as a reflection of the fact that under market conditions the power of the independent producer constitutes only a chimerical freedom, since it can only be exerted under the tyrannic sway of a powerful and unkind force, inadvertently unleashed precisely as a result of the individuals’ becoming private producers, and that being the creation of men, governs men with the full force of a natural law, value-exchange. Engels (1951) wrote, referring to the original conditions of commodity exchange:

When the producers no longer directly consumed their product, but let it go out of their hands in the course of exchange, they lost control over it. They no longer knew what became of it, and the possibility arose that the product might some day be turned against the producers, used as a means of exploiting and oppressing them.... Quickly, after individual exchange is established and products are converted into commodities, the product manifests its rule over the producer (p. 242).

These are the conditions for the inhuman type of cooperation brought about by the market; one by which, “Every advance is likewise a relative regression, in which the well-being and development of one group are attained by the misery and repression of the other” (p. 205).

#### *Market Mechanism: The Ontological Heritage of Socialism*

While its logical basis could be identified readily enough, the planning principle, however, neither historically, nor ex-definitio, brings with itself a clear-cut institutional model to replace the market forces; to abolish the material conditions of value exchange.

On the other hand, value exchange, as an historical institution, was already fully mature and objectively anchored in the reality of social relations coming out of centuries of evolution under mercantilism and capitalism; and hence, bound to self-perpetuation by virtue of its own ontological weight as achieved fact and condition of human material coexistence.

Admittedly, commodity production and value-exchange are men’s creation, historically contingent forms of social relations, and therefore not as Marx put it (1950) “eternally fixed by nature for every state of society,” as they seem to be assumed in bourgeois economics (p. 93). However, they do constitute ontological necessities so long as their material pre-conditions remain in place; and in all cases short of coming to terms with them, any purely formal normativity – including planning – is essentially powerless in front of these material conditions.

So, being initially based on an institutional critique of the market mechanism, in the course of social praxis, and under closer examination planning reveals itself as a pure logicity without proven institutional substance, and therefore not different from an exercise on pure allocational logics: a mere scientific normativity seeking, by trial and error to replace, regulate, inhibit, etc., the functioning of social relations and economic mechanism already hammered in the objective social reality by a secular evolution, and stubbornly antagonizing such normativity.

In this sense, the economic argumentation for socialism, by becoming just a variation within the category of general equilibrium models – as in the early discussion of market socialism – came to share the latter’s usual infertility to explain the deep nature of mercantile relations; and, by the same token to enunciate any viable way out of them.

As it is contemporarily recognized, the general equilibrium exercise, whatever its version, constitutes, even in its restricted (economic) sense, a limited tool to explain the concrete behavior of the complex modern industrial market, insofar as the latter involves enormously complex frictions of incentive-perception and information flows with are intrinsically resistant to mathematical manipulation.

In a more general sense, the realm of pure allocational logic is absolutely handicapped to properly account for immensely more pervasive and far reaching complexities surrounding the real social existence under conditions of commodity exchange.

Note only under socialism, and in the industrialized west, but also in the third world, where even the western powers after the Second World War, suddenly began to praise the advantages and need for planning, the scientific approach has fallen far short of handling properly the complexities of the underlying real economic determinations surrounding the goals of development, economic stability, social optimization, etc.

Once the abstract terrain of models is abandoned, urgent considerations concerning real social existence begin to crop up, beside the goal of *economic efficiency*. Issues like social equity, environmental protection, communal quality of life, etc., for all their multiplicity are, nonetheless, essential ingredients of what might be called provisionally the *social optimum*; which, certainly, could *be approximated to, within the technical realm of science*, through logic, probabilistic calculations, empirical observation and testing, etc. But these cannot ultimately be decided upon, other than within the political realm itself, according to Friedman and Alonso (1970):

The recognition of the multiplicity of these goals has brought with it a growing awareness that there can be no hope of resolving the dilemmas and trade-offs among them *through technical planning alone*. Difficult value choices must be made and further choices will involve a rather uneven incidence of costs and benefits – hence growing recognition of the need to proceed through *fusion of technical planning with politics*. The very vagueness of objectives of public policy calls for operational clarification through mutual question and answer between the technical and the political realm (emphasis added, p. 118).

### *Self-Management at the Crossroads of Socialist Debate*

We could advance two analytical conclusions from the arguments so far, concerning this political and institutional aspect of socialism, which is not clearly derived from the planning exercise alone:

- 1) The resolution of the multiple trade-offs present in the objective reality of contemporary socio-economic formations, necessarily overflows the realm of scientific planning and in

the last analysis depends on the resolution of basic questions in the political sphere; i.e., to be established by political doctrine, enforced by political constitution, legislation, etc.

- 2) The basic questions involved, while touching on the political sphere, however, spring from and revolve upon the economic being of society, its material conditions, present in the production process, as historically begotten, evolved, etc.; which on the other hand, may not be capable of transformation by virtue of administrative and legislative measures alone.

In our judgment, both the theoretical elaboration of self-management socialism, and the practical development of the system (particularly in Yugoslavia) objectively discourse around the core of this dilemmatic proposition, and seek a way out of it. It is so particularly because it endeavors to overcome the failure of central-command type of socialism, which to the extent that has abolished 'nominally' (legislatively) class division, has fallen short of achieving, however, a conscious, dignified social cooperation as a matter of course in human coexistence.

This immanent resistance of ontological forms to be modified by a purely doctrinal speech, transformed into political constitution, is perhaps more evident in no other instance than precisely in the case of the legal abolition by socialism of private property and presumably its corollary: private exploitation of labor. In the domain of the nominal, legal forms the condition for the split of society into opposed classes (proprietors and non-proprietors) consists only of the assumed identity between the formal right of property and the effective right of appropriate (control).

Yet such identity could only be achieved historically, because a previous, deeper split was operated, by which the right to control itself was first torn apart from its natural unity with direct possession (spontaneous appropriation) of the means of labor, this being the original condition of ownership (Marx, 1980): "The relationship of the worker to the objective conditions of his labor is one of ownership: this is the natural unity of labor with its material prerequisites" (p. 67). Such a deeper split, obviously did not occur first in the domain of the legal forms. It occurred in the concrete sphere of the labor process, and was later 'ratified' by the legal invention of private property.

Therefore the implication for socialism is clear as expressed in the Yugoslav doctrinal evolution and in the formalizations in the west on the institutions of self-management by Vanek and others, that class division may not be abolished as a matter of legal liquidation of private property, if the separation between direct involvement in the process of labor and control over the operated means is not abolished at the time, no matter what is the legal name of the new form of property. However, from here on, the same previous arguments concerning the relation between legal forms and extra-legal conditions are also applicable to the debate on self-management.

The case may be made, for instance, that the liquidation by socialism of class relation in this deeper sense of restoring the unity between control and involvement, either in the autonomous commune as in the Chinese approach, or in the autonomous work collective as in Yugoslavia, has not been powerful enough to prevent the disintegrating effects of more basic

inherited contradictions embodied in the antagonistic character of the social labor process under commodity production, and in the secular separation between community and work-place.

In the case of Yugoslavia which is more central to our discussion, the achievement of such integrative unity in the work place is of course a great social advance over other forms of socialism; but from it, it does not necessarily follow, nor may we derive ex-definitio, that similar integrative tendencies will also take place in the economic sphere as a whole, upward in the community and in society at large.

The basic arguments against these extrapolations are as follows:

- 1) Unless we adhere to the much problematical framework of spontaneous general economic equilibration based on assumptions such as the atomistic character of society, horizontal aggregativity of utility functions, etc., as providing the automatic bridge between particular and social satisfaction, we would be hard put to explain why the interest of the whole social body would be secure by the mere juxtaposition of the individual interest of the work-collectives or by their aggregative behavior as subjective, atomistic agents, acting autonomously and for their own advantage within the market and in absence of direct social mediation. Yugoslavia witnessed the magnitude of the disintegrative tendencies potentially given rise to by this approach, during the period of the 1963 constitution, or of liberalistic self-management.
- 2) To Vanek (1970) there is no question that in participatory systems the possibility of identification of interest between *work-collectives* and *natural communities*, may be expected to increase; but that, of course, is only necessary when and if (holistic and solidary ideological development excluded) both spheres physically coincide for a given population; which is, in turn, not a necessary occurrence at the very basic level of society, especially in view of the relatively different metabolic laws of the two spheres concerning a specific socio-economic space configuration in the region.

The experiment of self-management in Yugoslavia, has made the fact evident that such identification is far from automatic. Actually the whole set of legislation, coming out of the process of amendments between 1968 and 1971 and culminating in the constitution of 1974 with the institution of Self-Management Agreements and Social Compacts represents the political recognition both of the existence of the basic asymmetry of interest between work collectives and territorial entities, and of the essential friction of legitimacy between the two in the administrative and political process, as well as the spontaneous contraposition between each work community's interest under conditions of commodity exchange.

We move therefore that:

- a) The question of the separation between involvement and control is neither the only nor the fundamental factor standing in the way to full social cohesion and cooperation under socialism, i.e., once private property is abolished constitutionally.
- b) Restoring the unity of both is far from a merely legal matter, for it is objectively conditioned and overshadowed by more profound antagonisms embodied in the

fragmentation of the labor process and in the separation of the latter within the social life of the community.

*The Obstacles to Social Cooperation: Beyond Class Antagonism*

Summarizing the argument so far: while the scientific planning approach alone falls short of solving the complicated real frictions of information and incentives involved in achieving both economic efficiency and the social optimum, the political attempts beyond pure planning, to harness the relevant social forces and determination via genuine participation, must as well face wide asymmetries deeply penetrating the structure of industrial society, which turns in many respects social life into a schizoidic existence, and keep those frictions standing stubbornly as formidable obstacles in the way of full, conscious social cooperation.

Generally speaking, these schizoid-like determinations appear in the form of: 1) the separation between community and work place, 2) the fragmentation and antagonistic character of the social labor process and 3) the separation between involvement and control. These we examine in full detail in the larger study, but only few introductory remarks on the general argument can be made here: The assessment of these essential splits in the base of society, by no means precludes the recognition of the fundamental antagonism of class division, nor do we mean in the following discussion to diminish the value of class analysis to understand the historical motion of society. We move, however, that from a certain point, all historical classist modes of production, along with their particular class configurations, have continuously flourished, and progressively built upon the basic social separations enumerated above, widening them each time around, until under capitalism their disintegrating effect gets exacerbated.

In this sense, we are concerned with a social process reaching deeper than the evolution of class antagonism itself – and in some sense necessarily antedating such antagonism – as it involves a basic alteration in the original relation (natural relation) of property over the means of labor i.e., the spontaneous, naturally given unity of men to land and all other natural means of subsistence. Indeed I take that the basic outcome of this alteration remained fixed underneath all the various forms of property relations adopted later on in the surface as class relations; in other words it lies at the base of the class antagonism in all modes of production.

Closely considered, our three essential splits in the basic structure of society represent nothing more than changes in the deep ontological essence of property relations from what they were when they emerged naturally out of human coexistence and appropriation of the natural means of labor. As Marx put it (Tokei, 1979), “The relation to the objective conditions of production as naturally existing, as the objective being of the individual by means of the community” (p. 51). With this point several important implications are already in place, some of which we could introduce into the analysis as working hypotheses:

The three essential antagonisms described, namely the separation between the spheres of life and work, the fracturing of the work sphere into antagonistic work units, and the dissolution of the natural unity between involvement and control, within the work unit are:

- 1) To variable extents, common conditions embracing all classist modes of production; the class relation in each case both expressing and furthering such deeper social ruptures in a particular way, i.e., being fed by, and feeding them back;
- 2) The foundations – as it may follow from the above – for the very existence of class society itself, which would have perhaps not risen, had those antagonisms not been already in place through social evolution.
- 3) Not necessarily conditioned by, or tied to class division. In other words, insofar as class division could not have appeared but in the presence of deeper antagonistic determinations, the inverse does not follow; i.e., the abolition of class relations does not automatically rid society of the basic contradictions in which it is materially engulfed by millennia of evolution and which keep on seeking to tear it asunder.

As it follows from the above, we view the order in which the three basic contradictions were presented, as the precise order of their importance and depth of their position in the social structure of modern industrial society, the separation between involvement and control being only the ‘last,’ surface expression in the development of such antagonisms. We also view the three as conforming a causal chain in which, each factor evolves out of the maturation of the previous one.

To examine in detail the nature and development of the second and first basic separations we proceed through several approximations in order to a) establish the general trends in the evolution of labor through the diverse modes of production; b) show how the endless process of fragmentation that dominates this evolution could only begin when the labor sphere itself was detached from the sphere of communal life in general, opening the possibilities for the individual, and the individual sphere of labor to reach an unprecedented development and power vis-à-vis the community itself, and finally c) show how the resulting antagonistic character of the labor process is in fact the extralegal (ontological) condition handicapping the absolute unity between the functions of involvement and control in the industrial society.

### *Secular Character of the Form Commodity*

As a first approximation, the fragmentation and privatization of the social process of labor appear in general, as the historic domination of commodity exchange over production.

The form commodity itself has not always been around, much less has its dominion over the process of production; but it certainly antedates capitalism, and envelopes it as one of the general pre-conditions for the latter’s rise. This already has profound implications for the theory of socialism, especially, post-central-command, self-governing socialism; for if mercantile relations are a necessary prerequisite for the existence of capitalism, the suppression of the latter does not imply the suppression of the former.

The debate on the permanence of mercantile relations (or the conditions for mercantile relations) under socialism precisely as a major obstacle in the way of social cooperation, once the capitalist mode of production is abolished, has of course been going on for a while both in the east and the west. Of course, any supposition that the elimination of capitalist relations would bring automatically the uprooting of mercantile exchange is necessarily unwarranted. Capitalism

did not bring about the form commodity; it found the latter already dominating the material sphere as a matter of course, and built upon it. Capitalism itself is only a particular expression – though a highly developed one – of commodity relations, which were around long before its rise; such relations therefore for all we know do not have a cause for not staying around long after the liquidation of capitalism.

More importantly, if, as we argue in our work, it is the privatization of the labor process, not in the legal but in the ontological sense that we have discussed, what lies at the root of commodity relations, then the liquidation of the capitalist mode of production is barely the beginning of the process of elevating social cooperation from being the blind outcome of the forces of intercourse facing the individual and society from outside with the power of natural necessity as in the mercantile societies, to being a true conscious and solidary collective endeavor which socialism is supposed to bring about.

The evaluation of the survival of commodity relations under socialism is the more important, the more it is realized that the next step on the above process must clearly be the liquidation of those relations themselves: a step that will certainly not withstand, in principle, the technical nor the ‘social’ division of labor implied by all human cooperation (Tokei, 1979):

This division of labor is a necessary condition for the production of commodities, but it does not follow conversely, that the production of commodities is a necessary condition for the division of labor. In the primitive Indian community there is social division of labor, without production of commodities” (p. 51).

In our research, then, we assess where does the present analysis stand with respect to such a debate before undertaking the detailed exposition on the labor process sketched above. Secondly we derive an analytically manageable definition of the labor process itself, which the very fact of the fragmentation makes of course not transparent. This is a whole task in itself; but absolutely necessary for our analysis to make sense. Lastly, we revisit the basic notions surrounding the relations of property, real appropriation and control as stemming from the labor process itself, in order to lay bare the ontological profile of such relations, hiding underneath their legal formulations.

### **MERCANTILE RELATIONS UNDER SOCIALISM: THE DEBATE**

Discussions on the survival of commodity relations in socialist countries, usually tend to focus on the circulation sphere, at the expense of detailed investigations of the conditions in which the process of labor takes place under current socialism. The form commodity however, can only be partially understood as a category of circulation; i.e., by looking only at the particular form of economic intercourse that it entails. On the contrary, the nature of mercantile exchange, as any other form of intercourse, is already fully specified in the form of the underlying – and, in fact, inseparable – social organization of production. Thus, the form commodity is primarily a category of labor, a form of the labor process.

To be sure, circulation itself is a necessary component of commodity relations. Indeed the first commodity, could never have appeared, if the original unity between manufacture and agriculture within the self-sufficient primitive community had not been destroyed, and the

ensuing social division of labor had not created the possibility of labor to be spent not for consumption, but for barter; and goods to be consumed not by the direct producer but transferred to someone else. Further, a particular form of this transference (value exchange) was shown by the classics to be the form of circulation characteristic of all forms of commodity production (even of the rudimentary ‘petty’ commodity production), vis-a-vis still earlier forms of communal labor and distribution. But in the Marxian perspective, generalized value exchange was only the surface outcome of the dominion of certain kinds of social relations over production; i.e., the expression at the level of circulation of things, of a process involving relations between men in the sphere of labor.

In this sense, a Marxist assessment of commodity relations in post-capitalist societies must both, repeal the kind of reifying overemphasis on the circulation sphere that filtered certain early debates on socialism, and widen the analysis of deeper determinations embodied in the labor process, analysis much abridged usually in subsequent discussions.

### *The Social Substance of Commodity Exchange*

The conditions of commodity exchange are clearly underspecified in the mere ‘busing’ of goods between individuals, or in any pure logic attributable to it, abstract from labor. In its form as exchange, circulation may resemble an independent lawfulness, with existence of its own; a pure proportionality problem whose specification depends in the limit, on no objective historical condition of labor whatever, but – as in the neoclassical value problem – on the fixed, subjective notion of utility, and transtemporal assumptions of scarcity, differential natural endowments, individual insatiability, etc., and whose solution is determinable as a mere allocational exercise. On the other hand, from Marx’s critique of the fetishism of commodity, it follows that the assessment of such apparently self-containing, transhistorical logic of circulation, however sufficiently it appears to explain exchange, cannot substitute for a detailed specification of the underlying production sphere in screening the presence of commodity relations; and that once such specification is in place, the logic of circulation immediately reveals its subsidiary character. Perhaps in no other place does Marx (1950) express this point with more force than in the critique he called “vulgar economy.”

The value form of the product of labor is not only the most abstract, but is also the most universal form, taken by the product in bourgeois production, and stamps that production as a particular species of social production, and thereby gives it its special historical character. If then we treat this mode of production as one eternally fixed by nature for every state of society, we necessarily overlook that which is the *differentia specifica* of the value-form, and consequently of the commodity-form, and of its further developments, money-form, capital-form, etc.... Once for all I may state, that by classical political economy I understand that economy which since the time of W. Petty, has investigated the real relations of production in bourgeois society, in contradistinction to vulgar economy, which deals with appearances only, ruminates without ceasing on the materials long since provided by scientific economy, and there seeks plausible explanations of the most obstructive phenomena, for bourgeois daily use, but for the rest, confines itself to systematizing in a pedantic way, and proclaiming for everlasting truths,

the trite ideas held by the self-complacent bourgeois with regard to their own world, to them the best of all possible worlds (p. 93).

Still, early characterizations of socialism could not avoid this fetish substitution of circulation categories for real social relations, although in a transposed way; as they undertook to prove that value exchange could be done away with, without leaving the realm of formal logic; so that the dictatorship of the forms of circulation, would be vanquished by power of their own circulation logic, as in the first formulations of market-socialism.

Indeed, since the same logic of exchange as purported by a purely formal allocational exercise, will yield optimality, given any coherent set of assumptions concerning social welfare, production functions, etc., not necessarily defined by the autonomous market forces, there was a clear justification for the socialist planning argument that optimal allocation could be achieved without having commodity circulation. By the same token then the implication was powerful that the essentials of mercantile society might be overcome ‘administratively,’ i.e., by virtue of *replacing value-exchange with a different circulation rationality* – established in the plan, etc. – still as a matter of an exercise on the formal logics of efficient allocations. This extrapolation was not justified.

#### *The Survival of Commodity Relations Under Socialism: How Long? How Deep?*

Admittedly, the fact that circulation between firms of a socialist industrial sector – or, for that matter, between units of a giant corporation – constitutes already a degraded or merely apparent mercantile exchange is, in an immediate sense, a matter of transformation in the circulation logic. Namely, only when, and if the internal exchange rates resulting from quantities of output and employment centrally imposed upon the individual units are at variance with the clearing prices that would result from spontaneous valorization or free competition between units, we will know that the logic of mercantile circulation has been dissolved in favor of a different ‘optimal’ allocational rationale, whatever it may be, within the conglomerate.

But such new rationale alone can hardly be enforced if changes affecting the institutional setting of the production sphere, are not already in place, by whose power alone value-exchange can be obliterated (or mitigated) and replaced by price administration, physical allocation, etc., within the firm, the conglomerate, the sector, or the economy. Concretely, the laws of commodity exchange are held back from full operation in this type of setting, primarily because the outputs of the different units are not allowed to face each other as independently constituted values, products of independent labors, in the act of exchange; and this is entirely a function, not of the rational power of a new circulation logic, but of the degree to which monopoly and centralization has effectively penetrated the organization of the labor sphere.

This point is already of far reaching significance for socialism, especially because it is a two-way argument; namely, for all that commodity relations can only be effectively (and are being indeed) transformed, not in the circulation, but in and by the transformation of the production spheres and will not be idyllically abolished by decreeing a socially superior distributive rationale as a matter of allocational planning, this process of transformation will necessarily have to take the form of the encroachment of the social-reproductive apparatus upon

the individual units of labor, i.e., the elimination of the latter as separate social spheres, within the social process of production; and this can hardly be achieved by decree either.

Incessantly antagonizing this encroachment are the complex frictions involving information flows, individual incentive requirements, etc. that appear ‘naturally’ linked to each stage in the development of industry and its technical mastery on the natural forces, making the individual sphere of labor (firm, unit) the insuperable cell of the reproductive apparatus.

The long struggle in the Soviet Union, and other eastern countries with value-exchange (first to cast it out, later to accommodate it within socialist circulation), reflects, perhaps, more than anything else, this pervasiveness of the individual unit of labor: to the extent that it exists as a socially differentiable, naturally self-centered microbody and insuperable constituting cell of the reproductive apparatus, it opposes continuously the latter’s independent existence as a social whole, with its own immanent rationality.

In the research, we pursue this argument and its implications in full, while attempting a general examination of the conditions for commodity relations under socialism. Here only the conceptual object and nature of this examination may be established. In this sense the analysis presented so far suggests that is primarily in this dialectic relationship between the social and the individual spheres of the labor process, as it shows itself in the concrete evolution of industries and branches vis-à-vis the individual productive unit, and not in the logic of circulation, where the conditions for the presence or absence of commodity relations should be looked for.

#### *The Need for a Socialist Reconsideration of the Labor Process*

Summarizing the argument on this section: the political economy of socialism has established that there is nothing notionally inconceivable with circulation based on exchange in the absence of autonomous market and commodity production. Marxian analysis goes further to show that no circulation between separate producers constitutes commodity circulation (regardless of its ‘exchange logic’) unless the decisive requisite that those producers should become independent of each other is fulfilled. We have argued, accordingly, that the practical validity of the socialist planning argument cannot be realized as a matter of mere allocational planning, but to the extent that the privatization of the individual sphere of labor is liquidated.

In the evolutionary course of the private sphere of labor from the first simple commodity production up to the highest stages of monopoly capitalism, the back of pure value exchange is broken as the necessary logic of circulation; but only when and if such private sphere is abolished ontologically (and not only legally), society may be able to adopt (or cast out) value exchange, or any other circulation logic, as a matter of pure rational choice; i.e., not in response to material and social determinations embodied in the process of labor, that subjugate it to the form commodity. Is the private property relations in the sphere of labor what explains the subjugation of such sphere by the forms of commodity production and circulation; yet not in their legal constitutional formulations as expressions of a socio-political will, but as they express a stage in the evolution of the objective antimony between the individual and the social spheres of the real labor process. This stage, as we argued earlier, corresponds to objective conditions ontologically evolved in the labor sphere, that could only be overcome by further objective

transformation of such sphere and that could only backfire under pure legal repression of suppression.

But then, what are those conditions that make up for private property relations? In other words, abstracting from pure legal formulations, what ontological conditions can we isolate in the social process of labor, by looking at which we will know it is being carried on 'by the accounts of private individuals' or groups of individuals. This takes us to examine the objective nature of human labor. What is it? How has it evolved? What is the significance of its present form of organization in industrial society?

### **THE SOCIAL LABOR PROCESS IN HISTORICAL PERSPECTIVE: IMPLICATIONS FOR SOCIALISM**

#### *Yugoslav Workers' Self-Management and the Social Notion of Labor*

At first the Yugoslav doctrine of self-management did not make this inquiry on the nature and evolution of human labor. It took for granted the dominant presence of the work unit as already found under the conditions of capitalist commodity production: the individualized firm as a universal form of organization of labor, and built upon it its systemic normativity; first by transforming the work unit into a true work-collective, and second, by elevating it to the position of ultimate depository of economic decision power in society.

The principle of free association of labor is the base upon, as Supeck (1975) puts it, the integration of society which proceeds "from bottom up" under the Yugoslav system of workers' self-management (p. 7). Even the institutions designed to generalize the rights of self-determination to the whole of society, beyond the basic working collectives, are, themselves, based and built upon the primacy of such principle of free association of labor, from which all the decisive power in society stems.

Accordingly, the work collectives in general enjoy a relative supremacy over every other sphere of life within Yugoslav society; they are the true origin and end of the political power. Indeed, the whole system is intended to "give the working people in general, complete control over all aspects of social reproduction, social capital, income and surplus labor, in short, over the conditions, means and fruits of their labor as the material base for their political power" (Kardelj, 1978, p. 16).

However, as we shall discuss below, to the extent to which the work collectives have the primacy over the cellular territorial communities, as the base and foundation of the political power in the system, is the status of man as worker within social relation of production, rather than that of man in general, within social relations "in general," what becomes the true dominant source of individual power and freedom.

To the extent to which the "working community" in the present stage of development of the human productive forces, has existence as a distinct human community, separated from the natural, (territorial) community – and hence, their interests are not necessarily mutually consistent – the sphere and relations of production do not comprise the whole of human existence and social relationship. For this reason, as long as the sphere of the productive process relevant to man's material survival, continues to be alienated from the sphere of natural human

life, i.e. the natural community, the confrontation between the latter and the working community, as to which one is the legitimate base for the “integration of human society,” and the ultimate source of political power, is at the center of the development of self-management socialism, both in its theoretical and practical dimensions.

### *The Atomistic Notion of the Labor Process: A Critique*

Our common sense idea of labor is very much fixed in the image of the individual laborer (or group of laborers) in the direct work environment; and when we think of labor as a process we tend first to imagine it as occurring in this idealized sphere: the Proudhonian ‘producer and the workshop.’ The notion of the labor process as, above all, an individual matter is here conveyed in two ways, i.e., not only in the immediate sense that labor occurs as a relation of an individual subject with his/her particular means of subsistence, but also in the sense that it occurs within basic social aggregations (workshops, etc.) each of which although perhaps encompassing a plurality of individuals interacting with each other, faces the rest of society as an integrated singularity of interest, a separate individuality or unit of work.

How much this notion has pervaded also the gamut of social theory and doctrine reveals the extent to which such ready – made image of the ‘producer in the workshop’ has come to be assumed as the definitional framework for human labor in general, rather than an accidental manifestation of its historical evolution; its necessary, immanent expression, rather than a particular form, securely evolved through diverse modes of production and therefore contingent upon the continuous transformation of labor itself in human society.

This of course is commonsensically justified by the universal fact of the social division of labor, and the ensuing secular detachment of the work unit vis-à-vis social production; but unless these conditions are taken as fixed transhistorical premises themselves, the above extrapolation is not acceptable as the basis for a legitimate examination of the labor process in general. The real lack of scientificity lies precisely in such ahistorical assumptions. Thus, for instance, because the entire neoclassical analysis of the production process builds upon the given reality of the *individualized enterprise* as it emerged as a form of organization of labor out of the whole pre-capitalist evolution, the general validity of such analysis has to rest on the single assumption that the labor process *must* forever express itself in this particular way.

This fact alone explains why neoclassical production analysis must absolutize the existence of the ‘firm,’ as a separate social body and must present itself first and foremost as a theory of the ‘firm.’ Of course, an abstract, transtemporal concept of firm or work unit may be a permanent requirement of any formal exercise on the technical organization of tasks, or economic allocation of resources in the labor process. To the extent that this exercise falls entirely in the realm of pure logics, the ahistorical character of its premises may be justified. But the relevant notion in our present critique is not that of the work unit as a pure logical formalization, but as a real human entity, that engages the spectrum of concrete social relations in each society as a historically evolved self-centered *social body*, i.e., aggregation of human individuals that presents society with a particular ‘claim’ as legitimate sources of interests and trading partner.

Concerning the firm, neoclassical analysis is not really true to either approach, but rather mixes up both. Effectively it starts from the work unit as it appears historically under capitalism: the private firm and its historical claim toward society: private profit, but then tries to absolutize them as a transtemporal (logical) requirement of all economic efficiency. The application of neoclassical analysis to the case of monopoly yield also irrational results even for its own special equilibrium standards.

But there is nothing in the mathematics of efficient allocation per se that would yield a case against the advantages and economies of scale whenever they exist; here again is only the postulate of the capitalist firm and that of its private profit claim toward society, what turns these economies of scale and the whole analysis sour; for it alone explains why monopolistic competition appears and hence: holding back technical progress to protect the value of invest capital, chronic unemployment, etc.

It is precisely the presence of the profit motive that makes the capitalist firm not a pure mathematical formulation, but a very real historical product, submerged in concrete social relations. Consequently by adopting this particular motivational mechanism as a crucial explanatory piece, neoclassical production analysis sails its 'marriage' with this particular historical form of organization of labor. On the other hand however, the applicability of such theory in absolute terms depends on postulating the capitalist firm as a transhistorical form of the labor process as much as the subjective value (utility) theory depends on postulating non-satiability as an eternal characteristic of all consumers in all societies.

### *Social and Individualized Spheres of Labor*

As noted earlier, the presence of the detached sphere of labor (be it the household, the workshop, the capitalist firm or whatever else) gravitates upon any general definition of the labor process no more than the human individual and his/her distinct capacity to work does; and this gravitation goes beyond the limits of the neoclassical school. Analyzing labor and labor power in his excellent book of 1974, Braverman stated, "Labor like all life processes and bodily functions is an inalienable property of the human individual" (p. 54). According to our research though, no examination of human labor may support this assertion, unless the notion of labor is restricted to the very special meaning of purely physical, 'bodily function,' in which case we are not differentiating human from the objective labor of animals.

In all its manifestations and levels of aggregation – even as the most personal activity of the individual brain – human labor is social in nature, and therefore by definition does not belong exclusively to the separate sphere of the individual. This fact may not be legitimately neglected in any contextual analysis; and, on the contrary – except perhaps for the above restrictive notion in Braverman – the examination of human labor in different analytical contexts, not only confirms its social character, but may help us to specify it in detail. Analytically we must be allowed to view the labor process at different levels of aggregation, i.e., either as it occurs within the *individualized sphere* in its diverse historical forms (household units, individual crafts, workshops, etc.) – true particular processes of production, or else detached units (phases) of more general processes of production – or as it occurs in the form of objective cooperation in *the social sphere*, between the different units, crafts, branches, etc., also as they appear and disaggregate historically.

But trying to understand individual labor, without recognizing first its insertion into the social process of production makes as little sense as trying to explain the existence at all of the individual crafts, without first establishing the fact of the social division of labor; fact which already presupposes the existence of the social sphere, and therefore postulates the ontological priority of social cooperation, that faces individual labor both as a necessary and an antithetical pre-condition.

We cannot pursue here – as we do in the larger study – this examination of the labor process in all its contexts, but such examination leads us to the following conclusions concerning its essential characteristics:

- 1) It is above all a *finalistic (teleological) process* by which men consciously appropriate and for their own purpose transform nature as the ‘inorganic object of their subjectivity.’
- 2) In true human labor, the finalistic character is never chimerical. It constitutes at the same time a real (effective) control of the teleology of the work involved, based on the appropriation of its materiality: its objective conditions, purpose, outcome, etc.

Any productive aim, as a pure finality, conscious project, does not become labor unless it gets united in practice with the actual appropriation of the real elements that will make such an aim to materialize. This unity, however, is not given ex-definitio at the level of the human individual, according to Braverman (1974):

In humans, as distinguished from animals, the unity between the motive force of labor and the labor itself is not inviolable. *The unity of conception and execution may be dissolved.* The conception must still precede and govern execution, but the idea as conceived by one, may be executed by *another*. The driving force of labor remains human consciousness, but the unity between the two may be broken in the individual and reasserted in the group, the workshop, the community, the society as a whole (pp. 50-51).

Despite his generally insightful analysis, Braverman’s order of exposition here, unjustifiably suggests the notion of such unity as pre-existing by definition at the level of the individual in which, only later, it would be broken, and then ‘reasserted in the group,’ as if individual consciousness, mindful labor, and individuality in general were possible at all outside the context of the human group, and not having it even as their necessary, existential pre-condition.

Our investigation convinces us, on the contrary, that the unity between the intentionality and the materiality of human labor, between its conception and its execution occurred originally, and by definition in the group, and only later on, through a complex evolution, was ‘reasserted’ at the level of the individual.

## **COMMUNITY AND LABOR PROCESS: THE LONG RUN VIEW**

*The Original Primacy of the Community*

As schematically advanced already, and examined in detail in the study, we pose the thesis that both the conscious and the real appropriation of the teleology of labor belonged in the first place, and in its own right, to the community of human individuals, as Marx argues:

The spontaneously evolved tribal community or, if you will, the herd – the common ties of blood, language, custom, etc. – is the first pre-condition of the appropriation of the objective conditions of life... Only insofar as the individual is a member – in the literal and figurative sense – of such community, does he regard himself as an owner or possessor. In reality *appropriation by means of the process of labor takes place under these preconditions*, which are not the product of labor, but appear as its natural or divine preconditions” (Hobshawn’s translation of Marx, 1980, p. 69).

Social evolution, however, leads to the detachment of the individual sphere of labor within the community, process in which the former not only gains relative independence from, but also power against the latter. That constitutes what we have called provisionally the privatization of the labor process. When petty-commodity production began to develop within the primitive agricultural community – which was both a working and a natural community at the same time – labor began to move, settle, relate to natural endowment, organize itself, etc., along patterns completely independent from the metabolism of the original community, based on territorial tie, kinship, language, tradition, etc., and to develop its own logic of organization: the social division of labor.

With the advance of this division of labor and of commodity production over agriculture, the “individual productive unit,” as the footloose, crystallized expression of the spontaneous flow of labor in its own dynamic relationship with the natural resources, grew more important over time as the very incarnation of the production sphere, the center-ring upon which the whole process of creation of material value rests. The natural way in which material resources are spread and available to man throughout the world, and the historical way in which human resources are distributed are constraints that, in the face of the limited possibilities of transport, have made appear the ‘unit of work’ (work-shop in late feudalism, firm, enterprise in capitalism) as the superior social tool of concentrating and organizing resources in the most efficient way to produce commodities.

This empowerment, however, occurs primarily in the material sphere of society and only secondarily, and with a time lag, in the sphere of legal formulations. Indeed it did not begin with, nor did it depend on the rise of legal private property, but on objective developments in the sphere of the production forces, bringing the individual up to the center stage of production vis-à-vis community. Tokei’s (1979) quotation from Marx argues:

The community itself appears as the first great force of production; special kinds of conditions of production, e.g., animal husbandry, agriculture, lead to the evolution of a special mode of production, both objective and subjective, the latter appearing as qualities of the individuals (pp. 51-52).

Private property as a legal form, therefore, was only a relatively late – though necessary – formal consequence of a long material process by which the individual and the individual sphere

previously gained factual control on the objective conditions and outcome of labor to such an extent, as to be able to enforce such appropriation vis-à-vis society. Elsewhere Marx's words suggest the following:

Circumstances arise in which individual property does not require communal labor for its valorization . . . entering substantially new conditions of labor and developing the energies of the individual further, the more such factors operate . . . the more do conditions arise which allow the individual to become a private proprietor of land – of a particular plot – whose special cultivation belongs to him and his family (in Hobshawn, 1980, p. 72).

Legal private property can only serve to consecrate this objective development of the 'energies of the individual' by virtue of which the individual would valorize his/her possession independently of communal labor.

In our research we undertake to study how this rise of the individual sphere of labor occurred, and how it ultimately led to enthrone the 'producer and the workshop' as the center ring of the production process. Viewed from another angle, we examine the process of transformation of property relations in the deep, extralegal sense explain above, of the objective relation of the individual and the means of labor *in the context of society*, i.e., as they relate men not only to nature, but also to each other in the process of production. The essential lines of this process have been systemized, although in a somewhat different context, by Tokei (1979) in describing the metamorphosis of this three-way relationship from its Asiatic or 'tribal' manifestation to its Germanic or feudal form.

Elaborating on Marxian investigation of pre-capitalist formations, Tokei shows how while in the Asiatic form, the individual can only relate, as a proprietor, to the means of labor (in this case land) thorough the community, i.e., as a natural member of society. This situation is diametrically reversed in the Germanic form where, on the contrary, the social membership of the individual is only granted once his/her private ownership of a piece of land is asserted, and only as a consequence of this previous condition, with an 'intermediate' stage present in the 'antique' form represented by the Greco-Roman state, in whose context private property over land rises for the first time, and, for a while, thrives alongside the ancient institutions of the common property, the *Ager Publicus*.

#### *The Present Evolutionary Trends in the Labor Process (Beyond the Industrial Setting)*

The historical investigation above shows us the very process by which the sphere of production becomes relatively autonomous from the sphere of the original "natural community." It is the same process by which it becomes fragmented into multiple atomistic, subjective, self-contained "units;" and this is the same process by virtue of which production itself acquires an ever increasing independence as a different "domain." In this process, natural resources, labor and, later on, its accumulated expression, capital, relate to each other, move and organize themselves spatially and historically, responding to a complex of social and natural relations of production that, even though occurring within territorial socio-historic formations, maintains its relative autonomy from the latter's influence, its own laws of development, its own partial logic and rationality.

Another extremely important conclusion extracted from this historical analysis, which concerns the development of socialism is that to the extent to which society's capacity to dispose of the social product is a function of the integration of the productive process, the process of fragmentation yields, as a result, not only the inability of the natural community to dispose of the material wealth by its own, but also its heavy dependence on the behavior of the individual productive units within the productive apparatus, even to provide such output.

On the other hand, the scientific and technological development, being, largely the process of ever advancing homogenization and integration of the productive process, is the defined historical limit of this secular fragmentation in the sphere of production. Paradoxically, the technological development that historically has always stimulated such fragmentation, by reducing constantly the productive process to its minimum set of activities in every sphere of human production, is precisely the condition for the process of reintegration of such productive activities; which, under the current technological and scientific revolution takes the form of the principle of automation.

This principle, as Richta (1969) has shown, along with other homogenizing trends, facilitates the above mentioned integration not only in the means of production itself, but also in the field of raw materials and in power resources, with an invariable result throughout. The increase leads to the exclusion of physical labor from the process of production, coupled with the increasing capability of man and society, as a unity, to control such process directly, and to dispose of its product entirely.

The upsurge of technology is excluding man with his limited physical and mental powers from production proper, introducing an intrinsic technical unity as the basis of automatic working, the technological revolution carries on from the point where the breakdown of labor into simple elements ended (in this sense it takes complex mechanization to its logical conclusion); but it employs, on the other hand, a synthesis which is a natural technical process that man has achieved and appropriated – and therefore control (p. 26).

The critical importance of this ability of society as a unit to dispose of the value created, directly, for overcoming the “crude” phases of socialism – predicted by Marx – is becoming clearer. Of course, we are not here talking about the idea that ... “Society one day will dispose in an ‘integral’ manner ‘all’ the means of production socialized, and ‘all’ the products ... up to the last nail” as Ernest Mandel (1974) once put it rather mockingly (pp. 180-81). Instead, there will emerge a level of economic integration in which the productive apparatus is capable of yielding the bulk of the needed social output, and of making it available to everyone in society ... “with a relatively minor dependence on the behavior of the individual unit of production” (Pirela, 1980, p. 15).

Richta (1969) further writes:

To the extent to which man allows the products of his past labors to operate as natural forces, with a consequent withdrawal of human labor power from participation in the immediate production process, there enters into production a far more powerful force of human society – science as a productive force in its

own right, operating on a basis of all-inclusive social cooperation. The production process then ceases to be labor in the immediate sense; it finds its support in 'man's understanding of nature.' [Hence] human activity is then relegated to the pre-production stages, to technological preparation, research, science and the welfare of man (pp. 27-28).

So, it is clear that as the productive apparatus reduces its dependence on the individual atomistic unit of production, so it does society as a holistic united entity. Furthermore, as the role of the individual unit diminishes, so does the labor as main substance of the value produced in society, and thence, the role of commodity exchange.

### *Workers' Self-Management and Full Self-Managing Democracy: The Process Toward Mature Socialism*

Reacting against Soviet statism, the Yugoslavs asked themselves, "Who controls?" past labor which took them to the power of the work collectives, and the principle of free association of labor. Certainly the relevant question of socialism always has been "Who controls the past labor?" but the issue involved in scientific socialism was never the working collectives, not even only the working class, but the whole society. The working class was not to perpetuate itself in power, but to bring about the classless society of the future, and, with it, its own elimination.

But the formula by which the work collectives are the ones "who control" past labor does not guarantee in any meaningful way, as already shown, the identification of interests of the productive apparatus, with the interests of society as a whole, nor with the interests of workers as a class. There is nothing in such a formula itself that could substitute for *political education* and *ideological advance* to make the working collectives adopt as theirs, the holistic vision of the general social and working class's interests. Here, again, it is difficult to see how this holistic approach could come about if the democratic process outside the work place, in the natural communities does not gain weight relative to, and at the expense of the autonomy of the work collectives, either by voluntary giving up of such autonomy by the workers themselves, by virtue of their ideological advance, or by the strengthening of the democratic institutions intervening in the productive process, led by forces coming from outside the work collectives.

Hence, the tremendous importance and progressive character of institutions such as Self-management Agreements and Social Compacts, to achieve the goal of "all-inclusive social cooperation" within the socialist evolution. Such actions represent the best effort to leave behind the empirist view of "working class" power as a purely aggregative notion by introducing the principle of mutual obligations outside the work collectives; not only with respect to other work collectives, but also towards the citizens and the natural and socio-political communities. However, institutions such as the Self-Management Agreements and Social Compacts do not substitute for the basic primacy of the work collectives in the Yugoslav system. Instead, they were built upon such principles as their basic premise, the predominance that makes such agreements viable.

Certainly, to the extent to which the stages of development of the productive forces entails the establishment of social priorities, the principle of social predominance cannot be done away with in such agreements. In this sense, the antagonistic character of the productive

process, namely: the friction between needs and resource endowment, technological constraints, inherited economic and spatial inequalities in the amounts of past labor accumulated, etc., make the social agreements appear, necessarily, as “compromise solutions” aimed to preserve cooperation and unity vis-à-vis the competitive, disintegrating tendencies of the market, rather than the expression of a society that can already afford organic consensus.

Thus, the notion of social agreement here, necessarily requires a “social articulation of interests *with predominance*,” the latter being typically controlled by the work collectives. Conversely, if such agreements were to eventually evolve to become more comprehensive forms of social predominance, they would be more and more at variance with the primacy of the work collectives. Showing a highly sensible analytical mind, Kardelj (1978) implicitly recognized the fact that the hegemony of the work collectives under the Yugoslav system represents the survival of profound contradictions at the level of the process of production and reproduction. So he writes:

These contradictions cannot be simply abolished, they must be transcended through history, through the further development of the productive forces, through a further emancipation of man from material need, and of course *through further development of the system* (my emphasis), which will become increasingly capable of dealing with problems of this kind. This will be achieved through self-management practice, by workers themselves, subject to continuous influence of socialist progressive, ideological and political forces (p. 27).

The strength of this thesis is its historical nature; indeed such contradiction within the Yugoslav system may only be overcome by virtue of the development of the productive forces.

Its main weakness is that, it fails to reach the necessary consequences of such historical perspective. First of all, the problems derived from antagonism and inequalities in the relations of production, are not merely “problems of this kind,” they are the very “crux of the matter” of human and self-management socialist development. Secondly, given the objectively atomistic character of the work collectives, the evolution and improvement of the system would more likely be achieved by “the influence of socialist progressive, ideological and political forces,” namely, by political education and ideological development, rather than “by the workers themselves” with only market forces at work.

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