

Chapter 7

WORKERS' SELF-MANAGEMENT IN POLAND

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For several decades now, Poland has been a popular subject abroad. During the whole post-World War II period up to 1980, few books and papers were written about Poland. Their authors were usually Poles living abroad or foreigners, with often, alas, only a superficial knowledge of Polish realities. Scarce, on the other hand, were papers written by authors living and working daily in the Polish reality they describe. The present chapter is intended to contribute, be it only a small degree, to bridging this gap regarding economic democracy through self-management.

Thus, it is intended to show what are the most important facts and problems from the history of workers' (employees') self-management in post-war Poland, with special consideration of the period after 1980. The choice of subject is motivated by the fact that this topic has become one of the central concerns in Poland.

The author wished to deal separately with the evolution of the theory and practice of self-management in Poland, but making this distinction proved in some cases to be impossible. This was particularly so in the stormy period of 1980-1981 when various political forces fought over self-management and its shape, and this process defined the whole of the theory and practice of self-management. It is only in the more recent past that one can speak of the beginnings of true self-management and Polish self-management theory.

The present paper comprises three parts, in which the consecutive periods, 1944-1980, August 1980-December 1981 and 1982-1985, are analyzed.

STAGE ONE: 1944-1980

Within this span of time, there were a few short periods during which self-management was brought to life and the same numbers in which it went into long hibernation. The periods of liveliness took place at historical turning points, moments of political activity by Polish society as a whole, and lack of weakness on the part of the central authorities, while periods of atrophy occurred at times of political stabilization, politically passive behavior by society and with the presence of strong central power (Horvat, 1982).

The first signs of life come in the years 1944/45, when workers were taking over factories abandoned by the occupants or devoid of owners; they were rebuilding the plants with their own hands and putting them into production. This process found its legal reflection and sanction in the decree of 1945 on factory councils. The strengthening power of the central authorities and introduction of Stalinist methods of management of the economy and society soon led to the annihilation of these buds of workers' self-management.

A real eruption of the workers' self-management movement took place a decade later in 1956. It accompanied the violent stream of political events started in June of that year by the strike of Poznan workers, which was put down in bloodshed, and terminated in October when the

central power was taken over by a new group of people who enjoyed, at the beginning, a vast support from society. The spontaneous movement giving birth to new workers' councils was legalized in the law on workers' councils in November 1956. This law gave the workers' councils broad legal capacities, including the appointment of the factory's director. This law was probably even more radical than the analogous Yugoslav law of 1950, which initiated the development of self-management in that country.

The new party and state authorities, however, treated workers' self-management with deep distrust. In principle, they did not have a vision or a goal towards which the nation could be led. The philosophy adopted by the new government can be reduced to just a few simple precepts, such as ensuring the country's external safety, ensuring internal order, and not getting involved in risky economic projects. Such a philosophy did not leave sufficient margin for the radical transformation of social relations, including the creation and maintenance of employees' self-management. Taking advantage of a decline in social tensions and in the political activity of the working class, the authorities introduced a new law on workers' committees in 1958, which severely limited the significance of workers' self-management. According to this law, the workers' committee became just one, and in fact, the least important one, of the three component parts of the so-called Workers' Self-Management Conference. The other two components were those of the trade union and party organizations (Kabaj and Wroblewski, 1978). This led to the downfall of the importance of genuine self-management.

A new stirring of the idea of workers' self-management took place after 1970, although on a much smaller scale than in 1956. Dramatic events in the city of Gdansk were followed by a new change of the governing group, and, in a wave of criticism directed at the errors committed by the previous authorities, various concepts for the improvement of the country's socio-economic system were put forward. The new government chose to aim at speedy economic development of the country and improvement of the standard of living. The intended methods for carrying out these plans were investments, modernization of production assets and technologies, and improvement of skills. It must be admitted that such concepts were widely approved by the public. Problems emerged only afterwards, when declared goals were no longer being attained. These concepts did not leave much room for self-management. In general, self-management, whether for factory workers, or for inhabitants of a certain territory, or within a cooperative, was regarded as synonymous with dilettantism, and therefore opposed to the notion of "proper" professional skills.

From the legal point of view, only a superficial form of workers' self-management preserved its continuity throughout the period 1958-1980. The self-managerial practice of this period would not, however, deserve any attention were it not for the fact that, in an important way, it shaped workers' attitude towards self-management, an attitude which was afterwards reflected in the significant period of 1980-1981.

In 1958 the principle of one-man management triumphed again, at the expense of self-management which was additionally weakened by the creation of the Workers' Self-Management Conference, mentioned above. Power was very unequally distributed within the Conference: actual workers' self-management became the weakest partner, a weakness which led to its being subordinated to the enterprise's trade union organization. It was the union that organized self-management committee elections, and rules issued by the central board of trade

unions determined in a detailed way the manner in which self-management should proceed, the rights and duties of self-management activists, and so on. In their turn, trade unions were unconditionally dominated by the communist party. Thus, within the power setting formed by such partners in the enterprise as the directors, the party organization, trade union and self-management committee – the last was the weakest.

This weakness of self-management was one of the causes for the low level of interest that workers began to show in the idea of self-management. This made it easier for the stronger partners to manipulate the self-management process, by placing people trusted by and subordinate to management in the self-management bodies, which led to total dependence of these bodies on the enterprise, and to their isolation from the workers. The alienation of the latter from self-management deprived it of its natural basis, weakened its power and thereby made it even more dependent upon stronger partners. This, in turn, led to the eventual atrophy of self-management, and to the decline of its meaning and relevance.

Such practices lasted over 20 years as a negative influence on workers' attitudes. From their point of view, self-management was something alien and of little importance. Inimical and derisory attitudes towards particular self-management bodies were automatically transferred to the whole idea of self-management. Workers became deeply convinced that it had nothing to offer them, just like the trade unions, which were also subject to the authorities. But under these circumstances, the idea of independent trade unions which were organized after the image of the unions in capitalist countries, started to gain popularity among Polish workers. Such popularity was enhanced by observing living conditions in Western countries and, surprisingly, by official propaganda, which explained that the high living standard of workers in the West came from the power enjoyed and used by their trade unions, which were able to force employers to pay high wages and social overhead costs. The situation therefore seemed ripe for the creation of strong independent trade unions in Poland through which the employer, i.e. the state, could be compelled to provide wage increases and greater social benefits. This reasoning was corroborated, in the workers' opinions, by existing practices. It repeatedly turned out that, after each period of workers' demonstrations and strikes, the authorities were able to find resources for wage increases and/or price decreases. It sufficed only to press for them hard enough (Pajestka, 1983).

Along with the weakness in self-management practice, there also was inadequate theoretical debate. The problems of self-management were pushed away into the distant peripheries of research and theory carried out by Polish economics experts. Except in a few sporadic positive cases, nothing innovative was created (Balcerek, 1973). But even these were narrowly-oriented studies describing examples of employee participation in the West and the few modest practices of self-management practice in Poland.

Thus, the history of workers' self-management in Poland up to 1980 shows how easily self-management ideals die during periods of political status quo when such ideals are not backed by politics and science, and when they do not become a part of a coherent strategy for changing social relations.

STAGE TWO: AUGUST 1980-DECEMBER 1981

This very short period was extremely rich in important events, which is why it deserves separate treatment. This was also a time of frequent changes in the situation and attitudes of the main actors in this drama. But changeability often left foreign researchers with false impressions, especially when they stayed only a short time to observe and then try to encompass whole period as a single entity. Writing about this time is difficult also because of the intensity of change in events and situations, as well as the emotions that were aroused. It is quite easy to be accused of allying oneself with inimical forces of the regime, on the one hand, or antisocialist instigations on the other.

The period 1980-1981 started with mass strikes by workers which led to turnover in the composition of the central authorities, this time with no bloodshed. It also led to the creation of independent trade union organizations, primarily the rise of *Solidarnosc*, or “Solidarity” at the Gdansk Shipyards.

The attitudes of the striking workers and the activities of Solidarity during the first few months of its existence, generated a strong trade-union consciousness within workers. However, any search for self-management-oriented postulates would be in vain, both among the famous 21 Points of the workers strike in August 1980 in Gdansk, as well as the demands put forward during the numerous strikes during the autumn and winter of 1980/1981. The demands formulated were, for the most part, trade-unionist nature, concerning such things as wage increases, shortening of working time, increasing social benefit funds, and so on. They also addressed broader political questions such as the democratization of political life in Poland, the softening or abolition of censorship, the limitation or liquidation of the so-called “nomenclature,” the limiting of privileges granted to people from the power elite, recognition of the pluralistic nature of the trade union movement, and so forth. These political demands cannot be treated as constituting a push towards workers’ self-management.

The idea of self-management was, in fact, brought into the light of day, not by Gdansk Shipyard workers, but by intellectuals in Warsaw. Perspectives of social change were opening up at this time, as proposals for economic reform proliferated. These new possibilities often referred, and with quite strong emphasis, to the self-management idea. This idea also found its place in the economic reform concepts being elaborated by the national government. Accordingly, self-management was to be one of the three “pillars” of reform, together with independence for, and self-financing of, an enterprise. The concept was backed by the Ninth Extraordinary Party Congress (PUWP), which took place in July 1981.

The newly-coined self-management idea encountered an almost unanimously negative reception among workers and the activists of the strongest trade union, Solidarity. They considered the creation of self-management as an attempt to transfer the burden of the crisis, and the fight against it, onto the workers’ shoulders. Instead, they felt that the whole responsibility for the crisis should, in fact, rest upon “Them” (i.e. the party, government, directors, administration, and scientists). Besides this, workers and trade union activists considered the running of enterprises as none of the workers’ business. Instead, they believed that it was the duty of managers who got paid for doing just that. Therefore workers’ participation in management could only be a cost-free source of help to management.

Workers' participation was thus not perceived as a possible opening in the direction of a democratic Polish society, but rather as an additional unwanted duty, a "penalty" for harm not done. The negative attitude of trade union activists was also caused by another fear, namely, that the independence and self-management of enterprises without one supreme employer to whom demands could be addressed, might lead to a breakdown in the unity of the newly-formed trade union, Solidarity. Both ordinary workers and trade union activists preferred a demanding position rather than becoming a co-managing and co-responsible partner. As can be seen, Solidarity did not in that respect differ much from many Western trade unions, with their own negative attitudes towards self-management.

Therefore, a situation developed which may seem paradoxical today to many people: the government, backed by some intellectuals, was at this moment *for* workers' self-management, while Solidarity, supported by the majority of workers, was *against* it. This situation lasted until June 1981.

It was during this month that an important change occurred. It occurred on the Solidarity side, mainly within its top-level leaders. They suddenly and radically reversed their attitudes and started, with the energy of the newly-converted, to fight for radical worker self-management, and to make it the main point of their overall strategy.

The change of Solidarity's attitude towards the self-management ideal was so thorough and abrupt, it made one wonder. There were two possible interpretations about this change. The first is that Solidarity, or at least its top activists, had matured politically and become ready to undertake the citizen's duty of co-responsibility for combating the national economic crisis. The second, is that the Solidarity leaders saw the independence and self-management of enterprises as a way of taking over national power. There is evidence to support both these interpretations.

Behind the first explanation is that of a so-called "personality crisis" which the union had experienced in the spring of 1981. The spontaneity and enthusiasm which had accompanied the birth and quick growth of this union by then had passed. The general belief at the outset that solidarity was sufficient to press the authorities hard enough to force them to find money for everything began breaking down. Social support around the nation had likewise diminished. As a trade union, Solidarity had simultaneously attained everything, and yet it had nothing. It had achieved wage increases, but market collapse had caused an incredible drop in living standards. It had succeeded in obtaining Saturdays free from the job, but time was now lost in the interminable shopping queues. This resulted in people having no more free time than before. Solidarity had fought for citizen's rights, but rationing had abolished the free choice of the consumer. It even limited freedom of movement because of the regional system of rationing, registration of rationing cards in shops, and so on. There was an urgent necessity for a change in philosophy, and for the creation of a positive program of action. And that is what happened, with workers' self-management as the foundation of this movement for change.

The second interpretation of all this is corroborated by certain circumstances and the very abruptness of change itself. During this particular period of time, a growing influence upon the Solidarity leadership started to be exerted by advisers who were regarded by Polish authorities as their political enemies. These advisers could perhaps persuade the union leadership that, in

gaining an upper hand in self-management and the creation of independent enterprises, the union could gain power over the entire economy.

Most probably, various key people had different motives. For some, self-management was an authentic strategic option, while for others, it was an instrument of political struggle. I would not venture to estimate the proportion of these two conflicting groups within Solidarity.

Notwithstanding different motivations, declaring its support for self-management became very important to Solidarity. From that moment on, the trade union organization became transformed from a narrow, syndicalist framework to that of becoming *par excellence* a significant political organization. The self-management catchword became an important factor in mobilizing huge masses of Solidarity activists. They were the initiators and organizers in the creation of self-managerial bodies in their workplaces. Just as in the autumn of 1980, the energy of union members focused on the formation of their own organization, so that in the fall of 1981, it became directed at the creation of self-management bodies, although the latter movement occurred on a smaller scale. It should be stated here that the enthusiastic attitude of Solidarity activist leaders was not shared by rank and file worker-members, which formed quite a contrasting picture. This was also recognized in sociological studies conducted by the union itself.

The change in Solidarity's position with regard to self-management also opened up broad possibilities for Warsaw's intellectuals to sympathize with the union, and to argue present their more liberal views. For them, the idea of self-management became a positive value around which their creative efforts could be organized and towards which they were directed. Most often, the drive which these people, as well as the union leaders, felt towards the self-management concept was only equaled by their ignorance. Lack of adequate knowledge of the weaknesses and problems of self-management allowed them to push for perhaps its most radical form.

Thus, the significance of the change in Solidarity's position vis-a-vis self-management, consisted not only in the fact that it turned from being an opponent to becoming a proponent, but also in that it proposed a form of self-management which had considerable clout, much stronger than had been envisaged in previous government-run programs. The term "Self-Managing Republic" (i.e. Poland) became the fundamental political slogan of Solidarity. Thus, there was much more at stake here than just workers' self-management.

Whether the intentions of Solidarity were sincere or not, the speed and scale of change of the organization's stance were viewed with great suspicion by government officials. They treated Solidarity's new position as a tactical political maneuver, or at least as dangerous romanticism, but not as a sign of the union's readiness to take co-responsibility for leading the country out of its economic crisis. It must be stated that, in many of its moves, Solidarity justified such suspicions, persistently refusing, for instance, to support the government's necessary price increase decision.

It was in such conditions that, in the middle of 1981, a bitter political struggle took place between the government and Solidarity over the shape of employee's self-management (Wachtel, 1984). This conflict concentrated around the question of who should appoint an enterprise's

director. Solidarity insisted that the director should be appointed by a workers' self-management body, while the government argued that it should be by governmental bodies. There was general agreement from both sides that the reformed Polish economy should link with Yugoslav and Hungarian elements of workers' self-management

In the course of this sharp political conflict, two very important laws were passed by the Polish Diet on September 25, 1981: the Law on State Enterprises, and the Law on Self-Management of an Enterprise's Employees. These two bills were to form the foundation of the economic reforms being prepared at that time. Their significance can be compared to that which the Law on Associated Labor had for the Yugoslavia economic system of self-management. The bills were, on the one hand, a compromise among the proponents of various scopes of enterprise independence and various forms of employees' self-management. Yet on the other hand, they deferred solutions to many important problems for a later date. It should be noted that these solutions were introduced after martial law had been declared, that is, in the context of an entirely different political situation.

A model of the new Polish economic system, as designed in these two laws, can be described as follows: The independent, self-managing and self-financing enterprise was to become the basic element of the Polish economic system. The authorities would direct the economy with purely economic instruments. Direct intervention by them in the form of orders (directives) should be limited to a few, clearly defined situations. These would be in questions of national defense, reduction of the consequences of natural disasters, fulfillment of international agreements and contracts, and so on. Exceptions to this general rule were so-called public utility enterprises, e.g. enterprises in the municipal sector. Their independence was severely limited, and they would not be subject to self-financing.

Power in an economic enterprise would be held by three decision-making bodies: First, a general assembly of employees (and in cases where the number of employees is higher than 300, an assembly of employee delegates), second, an employees' committee, and third, the director-general of the firm. The hierarchically highest body is the general assembly, and the lowest, the director general, who was to function as an executive arm of the self-managing bodies. Both the self-managing bodies and the director act independently when carrying out their legally-defined tasks. They can mutually influence each other, and they are able to stop actions related to decisions taken by the other side, through a veto. The director is able to stop a decision of the employees' committee, if this decision does not conform to legal regulations, and likewise, the employees' committee is able to stop a director's decision which does not conform to legal regulations and self-management decisions. In conflicting situations, the ultimate decision would be determined by a court, or through an arbitration commission.

Regarding the most controversial issue, that of the director's appointment, a compromise solution was adopted consisting of joint decision-making by both sides, i.e. by enterprise self-management and by the state authorities. In the majority of enterprises, the director general would be appointed by the employees' committee after competition for the post and the appropriate state authority decides to accept the self-management-appointed candidate. For enterprises "of special significance to the economy," there would be a reverse procedure to be in force. The list containing the names of the latter enterprises was to be put together by the government with appropriate consultations from the trade unions, and it would be presented

later. This actually began to occur under martial law, but without any consultations with the unions. The new unions formed under martial law were just being set up, and the actual list turned out to be quite long.

With regard to the more detailed organization and functioning of the enterprise and its self-management systems, the solutions adopted were similar to those of the analogous Yugoslavia mechanism. An important difference was the fact that in Yugoslavia the weight of management had been put upon the basic organizations of associated labor in the larger society. Yet in Poland, management was to be executed at the enterprise level.

A number of exceptions from these general rules were also specified, aiming primarily at limiting enterprise independence and self-management within those firms which were subject to the ministries of national defense, finance, and justice, as well as Polish firms operating abroad.

All in all, in spite of certain exceptions and limitations, the two laws granted what was for Eastern Europe, an extraordinary degree of independence and scope of self-managerial power to the enterprises and their workers.

After these bills had been passed into legislation, an intense process was begun for organizing new self-managerial bodies in enterprises, and adapting already existing ones to the new rules. Some firms succeeded in completing this process before the declaration of martial law in December 1981. A very important role in this process was played by Solidarity activists, especially by young people with university educations who worked in the enterprises, such as engineers, mid-level managers, and white collar workers. Thus, in a period of one year, Solidarity underwent an important evolution from being a traditional blue collar workers' organization with typical trade-unionist goals and features, to a new political organization dominated by an industrial intelligentsia that had far-reaching societal objectives.

As far as scientific thinking about self-management is concerned, this period was too short to allow for the research and publication of important theoretical works. It was, however, a very significant time with regard to discussion, debate, and analysis. Many scientists, especially the younger generation, discovered self-management to be an object of study worthy of special attention. In this context, the visit of Branko Horvat to the Institute of Planning in Warsaw, just a few days before martial law was proclaimed, played an important role. The lecture he gave then is often quoted, even now, in publications on the economics of self-management.

STAGE THREE: 1981-1985

This entire societal development was soon interrupted by the proclamation of martial law on December 13, 1981. This event requires a few words of commentary, because its interpretation clearly impacts the possibility of understanding previous and later societal events, including those related to self-management.

Two highly different interpretations regarding the declaration of martial law can often be encountered abroad. According to both, however, the period of 1981-85 became the final phase of a fight between good and evil. In this conflict, one of the two sides won, and then had nothing more to do than eliminate the residual resistance of the defeated enemy, and annihilate all that had been achieved in the period 1980-1981. Also, according to both interpretations, if all the

achievements of 1980-1981 were not eliminated, then this was seen only to be due to the continued resistance by the defeated side, or to errors on the part of the victors, who did not exploit their success to the fullest. These two interpretations are based, however, upon very simplistic thought schemes, which are unable to grasp the whole depth of the problems, divisions and complications haunting Polish society.

In the first of these two interpretations, the fight between good and evil ended with the victory of evil, the communist power structure. The good side was Polish society and its spearhead, Solidarity, fighting for democracy, national independence and human welfare. Evil was embodied in the authorities, primarily in the Party, because they represent foreign interests in Poland, those of the USSR, and they enforce a totalitarian system upon the masses. But, this interpretation does not allow for an understanding of other aspects pertinent to that period. For instance, why was introduction of martial law and its subsequent course relatively peaceful? If it had been true that the authorities were faced by a whole inimical society of at least ten million solidarity unionists who were united as a homogeneous and bellicose organization, there would have been a much fiercer conflict. But application of physical force by one of the sides may not entirely explain the weakness of the other. Martial law showed that society's support, and also that of the members of Solidarity within the union's leadership, was quite moderate. This corroborates the existence of a certain gap between the Solidarity leadership and its rank and file members, which already had been observed before the proclamation of martial law. The fate of Solidarity after its delegalization is also in line with this observation. Several attempts to organize demonstrations, or even symbolic strikes, to protest against the very unpopular decision of the authorities to increase prices ended without success.

Nor does this interpretation allow for an understanding of what made the authorities agree to the reactivation of employee self-management, albeit in a more constrained form than that of the bills passed in September 1981. The idea that this was enforced by Solidarity does not make sense, in view of the actual helplessness of this organization. Equally doubtful is the explanation that this move was forced by the working class, in general. The fate of employee self-management after 1981, like that of other changes, resulted from a much more intricate power play between various social interests than simply a fight between evil authorities and the good society.

According to the second interpretation, the good side was constituted by government authorities which together with the party and the army, defended socialism in Poland. In this view, the evil side was Solidarity, a counter-revolutionary organization inspired and taken over by imperialist agents, which was just one step away from bringing down socialism. By taking this reason to its absurd conclusion, it would seem that the fate of the whole Polish political system, a country with 37 million inhabitants, depended upon the good or bad will of the American CIA.

A more precise evaluation and description of the circumstances in which martial law was introduced does not lie within the scope of this chapter. Two aspects, however, should be noted, those of Poland's international political situation, and its economic situation. The country's international political situation did not give the authorities a very large margin to maneuver. In this context, the proclamation of martial law may be considered a necessary evil (Dragosavac, 1983). With regard to the economic situation, this necessitated some very unpopular moves,

such as huge price increases, reinstatement of basic work discipline, and so on. Making these moves without the introduction of martial law seemed almost impossible, according to government officials, some Polish economists, and even émigré experts such as Waldemar Kuczunski, the previous Associate Editor of *Tygodnik Solidarnosc* (“Solidarity Weekly”).

Notwithstanding its causes and circumstances, the proclamation of martial law was a heavy blow against workers’ self-management, and, under martial law, economic democracy was weakened in several ways. Starting on December 13, 1981, the activity of the self-management bodies, along with that of other organizations, was forbidden although this interdiction later began to be lifted in the spring of 1982. Many active believers in self-management ideas, activists and intellectuals, were jailed, or they found themselves becoming outsiders, or their activity was limited in some other way. Within the period of interdiction of self-management activity, the authorities carried out a number of actions which were, according to law, within the frameworks of self-management, such as the appointment of directors, the creation of enterprise associations and the like, thus putting *faits accomplis* in front of future self-managing bodies. These circumstances had a negative influence on the morale and trust of employees, and on their engagement in self-managerial activities.

In the self-management suspension period, the functions of self-managed structures were taken over by company. Yet in the spring of 1982, a very slow process of self-management revival commenced. A decision to reactivate self-managed enterprises was formally made by the economic minister, responding to directions from both political and military authorities. Thus, the fate of self-management was placed in the hands of its most ardent opponents: company directors and national economic administrators. This process of resuscitation was accelerated at the end of 1982 by pressure from changing political factors. An important role in the mobilization of this pressure was played by the Diet, especially by the Diet Committee on Employee Self-Management, and also by the Minister for Economic Reform. At the end of 1982, self-management was again functioning in 3,620 enterprises out of a total of 6,580 throughout the nation.

One expression of this political pressure was, for instance, an obligation imposed on ministers and state authorities to allow self-managed bodies to recommence their activities within a deadline of three months, i.e. up to March 19, 1983. This was stipulated in the bill on the special legal regulations in force during the period of suspension under martial law, passed on December 18, 1982. According to this bill, only those self-managerial bodies which were elected in accordance with the law of September 25, 1981 could be reactivated. In other enterprises, new elections were to be held and new self-management statutes adopted. From this moment on, there was an acceleration of growth in reactivated self-management bodies. By the end of October 1984, self-management was active in 6,403 enterprises, i.e. in 87 percent of those entitled to have it. This included almost 6 million employees out of a total of approximately 11 million of employees in the social sector of the economy, according to the Secretary of State for Economic Reform (1985).

But the revival of self-management did not mean a full return to all the legal workers, management rights resulting from the laws of September 1981. Limitations on those rights were of both a direct and an indirect nature. Direct limitations consisted in transferring certain rights formally belonging to self-management that were now given to other bodies such as the

directors, the central economic administration (ministers), and, at the end of the period in question, also to the newly-formed trade unions. Indirect limitations consisted in constraints put on enterprise independence in favor of the central economic administration, and in the creation of large associations of enterprises. To this set of limitations should be added the broadening of the list of enterprises which had narrower degrees of self-management and independence. The range of these limitations was in itself not quite uniform: in some domains there was a gradual retreat from limitations, while in the other ones, new limitations appeared. Evaluation of the results of these changes depended upon who one asks. Circles close to the government hold the common opinion that the general direction was positive, i.e. it was leading to a strengthening of self-management. The opinions of economists who supported self-management being disconnected from the government, were, however, quite to the contrary. The actual direction of the evolution of self-management became more clear after the law required that all self-management limits should cease as of January 1, 1986.

Besides the formal limitations, there were also frequent cases of placing illegal limitations on the role of self-management, especially by enterprise directors and the economic ministry of Poland.

The first and most important formal constraint to which self-management became subject was deprivation of the right to appoint a firm's director. With time, this limitation was gradually lifted and, in 1984, employees' committees appointed over 200 directors of enterprises. Simultaneously, however, a number of small, but important changes in enterprise organization were introduced, which weakened self-management's position vis-à-vis the director. These changes included: the removal of the right to determine the director's wage, and a modification in the way in which the conflicts between the director and self-managed workers were resolved. Since that time, the director began to be able to stop implementation of a self-management decision, not only when it did not comply with the law, but also when this decision threatened certain societal interests. Moreover, the director's veto could cause instantaneous halting of any action related to the decision. Such decisions could only be undertaken anew when a court, or an arbitrating commission, ruled in favor of the self-management side. In the case of a director's decision, it is the other way around. When this decision is vetoed by self-management, it can nevertheless still be implemented, until a court or arbitrating commission rules in favor of self-management. For example, during the first half of 1985, one of Poland's largest companies, *Huta Warszawa* (Warsaw Metalworks), huge conflicts occurred between the firm's director and the self-management body, leading to numerous lawsuits and slowdowns in production.

The revival of self-management was accompanied by equipping the economic ministries, with the power to suspend self-managerial bodies in particular enterprises for periods of up to 6 months. They even had the power to dissolve self-management, and, this power was occasionally utilized. However, in order to stop potential abuses, the Council of State was vested in 1983 with the right to annul any administration decision in this domain. The economic ministry also gained broad powers of intervention in the internal affairs of an enterprise, including the power to formulate and assign concrete tasks, many of which went beyond the scope envisaged in the law on enterprises. This kind of limitation resulted partly from Polish economic problems. A tremendous market imbalance, which occurred at the moment when economic reforms started, made it impossible for the market to efficiently perform the function of resource allocation. Under such circumstances, a centrally-administered approach to rationing

took over the process of resource allocation. This inevitably led to limitations on enterprise independence. According to widely shared opinion, however, such a situation had a tendency to petrify because, on the one hand, it ensured a peaceful life for enterprises, and on the other, it provided a *raison d'être* for the economic ministry.

One great danger to the independence and self-management of enterprises was the process of monopolization taking place in the Polish economy. It consisted in the creation of huge, integrated associations (socialist corporations) in which firms tend to lose their independence and even their legal identity. This process gained greater momentum during 1985, with the central economic administration acting as the initiating agent. This was primarily a consequence of the fact that, from 1986, the possibilities for the administration's direct intervention in the internal affairs of enterprises had been limited. The administration, unable or unwilling to utilize instruments of indirect control, wished to shape such economic structures, which would make it easier to direct the economy. The only real braking forces in this process were the self-management bodies that might be broken in the future. This was justified by the fact that enterprises, when joining an association, gain certain advantages, including a significant increase in wages. This was not by any means because of a greater efficiency of the socialist corporations, but because of their greater bargaining power.

A further limitation on self-management's impact with respect to what was envisaged in the laws of September 1981 had been established by a broad interpretation of the notions of enterprises that were "of particular significance for the economy," as well as "public utility enterprise," as defined by the government when the lists of such enterprises were compiled in 1983. Approximately 1,400 enterprises were listed in the first category, and 434 in the second. In such organizations, independence and self-management are constrained, as already noted. The list of public utility enterprises included, for instance, those firms, which by virtue of their type of activity cannot earn their own income, but must function irrespective of their financial performance (e.g. schools, hospitals, city cleaning services, and the like), and are thus not subject to self-financing, or the law of insolvency.

Another threat to workers' self-management came from the creation and development of new trade unions. These were initiated and supported by the political authorities after the previously existing trade unions, including Solidarity, had been dissolved by government intervention. Formation of these unions entailed the necessity of transferring part of self-management's work concerning wages, work conditions, social affairs, etc. to the newly-created official trade union bodies. This caused the conflicts between self-management and the unions, and such conflicts were far more dangerous for the former than the latter, since the political authorities, which have a decisive voice in these matters, were more apt to support the certainty of the union, rather than an uncertainty of self-management. Development of these new trade unions also created a threat to enterprise independence. The unions were organized according to the classical branch principle, and since 1984 have also had a central board. They were inclined to prefer unified systemic solutions encompassing whole branches, and this especially applies to wages. Thus, the trade unions became a natural ally of those who supported the socialist corporations.

The ups and downs of self-management, as depicted above, resulted from the conflicting interests of various socio-professional and political forces. It therefore seems useful to analyze the attitudes of the main participants with regard to self-management.

Political authorities displayed an ambivalent attitude towards self-management. On the one hand, it seems, they were not opposed to the idea of the broader working masses taking over a portion of enterprise management duties and responsibilities. Such a view is corroborated by numerous declarations made by representatives of the highest authorities. At a meeting with representative of employees' self-management, Poland's leader, General Jaruzelski (1985), declared the following:

The workers' movement, from the beginning of its existence, put forward, together with the question of ownership of production means, the question of working-class, employees' participation in management. All the historical changes which occurred in this domain, resulted from the fight of the workers' class, of working masses for their rights. The process of the economic implementation of social ownership requires: dialectical unity of central planning and the initiatives of employees' collectives: persons professionally dealing with management and participation in management of possibly the broadest circles of working people.... The development of self-management stems from the very essence of our system, in which it is organically implemented.... The whole of society is the owner of the socialist enterprise.... On the other hand, the host of this enterprise, as a portion of the whole national property – is its collective, through the intermediary of its democratically-elected, democratically-acting and vested with the appropriate competences of self-management. This is the essence of the doctrine, of the philosophy of employees' self-management functioning, and we must more and more deeply confirm it in practice. Self-management is then the way to overcome the old and, finally, the harmful division into “we” – “they”, “ours” – theirs”. It is also an essential condition for strengthening the motivation to productive work and effective managing, to technological, organizational and economic progress.

Simultaneously, however, the authorities, still influenced by the events of 1981-81, were afraid that self-management bodies could be seized by the political opposition which advocated greater democracy. This feeling was deepened by the fact that in the employees' committees there were many ex-activists of Solidarity and radical plans in the underground movement of Solidarity, who viewed self-management as their last chance. It should be stated here that, irrespective of the goals which the political opposition wanted to attain, it regarded self-management as instrumental in their attainment, as a “bridge head” for changing society. The worries of the authorities were also caused by a lack of conviction as to the economic efficiency of self-management (Szeliga, 1985).

Enterprise directors and government economic administrators constituted a group with extraordinarily definite and homogeneous views on self-management. If it had been up to them, self-management would already have been annihilated. This group voiced arguments related to the alleged economic inefficiency of self-management, and its ineffectiveness in the decision-making process to diminish the workers' cause. But the real basis of their negative attitude lied

mainly in the fact that self-management changed the rules of the game to which those at the top had become accustomed. It was this very group that most often initiated limitations on self-management and violated its rights. Cases of self-management rights violations became so common that the Supreme Chamber of Inspection was forced to undertake a special investigation of abuses. It showed that, in more than a third of the enterprises inspected, the rights and competences of the employees' committee had been illegally constrained.

The attitudes of this socio-professional group were highly influenced by the community of engineer technicians, who brought up the principles of the "scientific organization of work," and constituted the core of the managerial stratum. It was within this community, more often than any other, that the opponents of self-management worked to block its success.

The scientific and journalistic community, consisting of economists, sociologists, and lawyers, was very heterogeneous. Extreme attitudes were encountered within it, but a moderate sympathy for self-management was dominant. This community, though, was more united on the issue of defending enterprise independence.

Employees of enterprises did not present a unified opinion, either, but instead of a distinct division into followers and opponents of self-management, there was a division among workers who were either more or less active in self-managerial functions. The most active were those who had been elected to the employees' committee; much less active were those elected to the delegates' assembly, and still less, other rank and file employees. Employee attitudes were negatively influenced by the suspension of self-management under martial law and by the way in which self-management was reactivated afterwards. These attitudes, and the degree of support given by employees to the self-management idea, depended to a large extent on whether a given self-managerial body was elected before or after the declaration of martial law. Those elected before enjoyed greater trust and support from employees, which is why they turned out, usually, to be more active. In some enterprises, the employees became so discouraged that self-managerial bodies were not created, despite the existence of the formal right, and even duty to do so. In approximately one third of the cases, existing self-managerial bodies were only formal constructs. Another threat to self-management arose from the fatigue of people caused by the daily difficulties of life in Poland, which led to a decrease in their activity in self-managerial bodies, especially in the general assembly of employees.

During this third stage in the history of self-management in Poland, there appeared a large and quite energetic group of self-management advocates including a majority of self-management activists, a number of scientists and economic journalists, as well as some politicians. This period saw the flourishing of scientific inquiries into workers' self-management. Institutes belonging to the Polish Academy of Sciences, ministerial institutes, the Institute of Work and Social Affairs, university-type schools, including the Academy of Social Sciences, associated with the Party, as well as individual scientists, conducted numerous studies, primarily of a sociological nature. The problems of self-management occupied a lot of space in socio-economic journals, particularly in *Zycie Gospodarcze* (Economic Life). There was also a separate journal devoted to the problems of employees' self-management – *Tygodnik Robotniczy* (Workers' Weekly). This topic also became the subject of scientific conferences, some of them international in scope that argued for this democratization of Polish economy.

On the other hand there were critical opinions about self-management mostly among specialists in management and organization. They considered the managerial system to be always more effective, irrespective of the political economy's situation. This resulted, according to them, from the fact that skillful management has a decisive influence on an enterprise's results, while self-management introduces an element of dilettantism, constrains the freedom of choice of company directors, and waters down responsibility. They were inclined to treat self-management as either a necessary evil, enforced by the political situation, or as a beautiful, but unrealistic idea of the socialist-utopian kind. Such opinions became quite common among Polish economists, along with U.S. researchers, particularly those at Cornell University.

CONCLUSION

As stated at the beginning of this chapter, the history of workers' self-management in Poland to date is a history of short ups and long downs. Is this history going to be repeated again? In contradistinction to previous periods, there has been a quasi-balance of forces between the supporters and adversaries of self-management, and there are many scholars still undecided about it. It may be that the fate of workers' self-management derives from the activity of Polish workers themselves. The development of economic democracy in Poland's future will depend on whether it turns out to address the authentic needs of working people, and at the same time, whether it will contribute to the process of solving the burning problems of the Polish economy. The successful development of self-management requires satisfaction of both of these conditions, because otherwise, the delicate balance may be destroyed, which would then give advantage to the adversaries of workers' self-management in the years ahead.

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