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CLASS, PARTY AND THE MARKET IN YUGOSLAVIA

1945 - 1968

Leslie Benson

Thesis presented for the degree
of Ph.D. to the Faculty of Social
Sciences, University of Kent.

November, 1973

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ABSTRACT

This study considers the impact of processes of economic change on the class order of post-war Yugoslavia.

Section I discusses the changing patterns of material inequality which have emerged since the founding of the communist state. It shows that economic development falls into two distinct and dissimilar periods. The first, which lasted until 1965, was characterised by a high degree of state control over the allocation of resources. The hallmark of this regime was heavy investment in new jobs, leading to a high rate of upward mobility and the low, stable differentiation of incomes according to skills. In the later phase, productivity was made to rise very much faster than the rate of expansion of the occupational structure, and this signalled the removal of the conditions which had made for low class differentiation. Severe unemployment and runaway inflation also accompanied the intensification of the socialist market, so that by the end of the sixties inequalities stemming from the division of labour were considerable indeed.

Section II deals with the adaptation of the political order to the exigencies of decentralized decision-making. Although the centralized state bureaucracy shrank in size and power relative to the immediate post-war years, the Party continued to control recruitment to positions of authority through informal mobility mechanisms. However, the increased power and independence of local elites has produced a problem for Party centralism. Uncontrolled power frequently leads to its abuse, and social consciousness of the 'veza' system illustrates

the force of the political order generally in shaping perceptions of the class structure.

Section III examines the consequences of the unification of political and organizational authority for social relationships at work. The role of top managements within local elite structures inhibits the professionalization of management, and the present balance between political power and economic decision-making is not well suited to the operation of a competitive market. The concentration of power in the hands of top managerial personnel tends to be destructive of good social relationships within the collective. Manual workers are deprived of effective influence within the enterprise, while professionally-oriented managers resent the restrictions on their role imposed by political supervision. Nevertheless, it is clear from conflict situations that it is the manual/non-manual division which is acquiring the greatest salience, although the historical development of the Yugoslav industrial system also gives rise to other forms of combination and coalition.

Section IV points to the fluidity of the status order, brought about both by rapid mobility and to the confusion generated by two very dissimilar periods of economic growth. Rural provenance, education and power are discussed separately as sources of social honour ascription. Following the analysis of Section II, it is hypothesized that the relationship between power and status should be of especial concern in Yugoslav society. In particular, it is suggested that the power and wealth of the state is relevant to an understanding of the low status of routine white collar occupations, since employment outside the productive sector in various administrative

bureaucracies confers privileges not contingent upon the market. Housing, and its relationship to status, is examined in this context.

The conclusion reached is that under market conditions the Yugoslav class order is beginning to display greater similarities with western societies. However, this process of convergence is limited by political factors, and it is more useful to assimilate the class order to those models which emphasise structural strains between the political system and the requirements demanded by the management of social change. On the other hand, the point is stressed that the requirements of economic growth work independently of the political will to control them, and the successful manipulation of class inequality is closely linked to one special form of economic organization. It is not an attribute of the monoparty system as such. Indeed, it is finally argued, the Yugoslav Party has proved itself markedly inept at identifying and rectifying the conflicts which have appeared with the loss of centralized control over the allocation of resources. The state tends rather to accentuate the inequalities deriving from the market, casting doubt on its ability successfully to manage the tensions which the market increasingly fosters.

LIST OF ABBREVIATIONS

For the sake of convenience, certain abbreviations of Yugoslav publications are used in the footnotes. They are listed below. The first two items can be traced by looking them up in the main Bibliography; the next three are located in the short list of statistical compilations which follows the main Bibliography.

JUS 1966

JUS 1972

SZS I

SZS II

SZS III

St.B. Statisticki Bilten

St.Rev. Statisticka Revija

St.God.Jug. Statisticki Godisnjak Jugoslavije

Soc.Pol. Socijalna Politika

INTRODUCTION

(1) Problems and perspectives

This study deals with aspects of structured inequality in post-war Yugoslavia. More specifically, it will try to provide the basis for an appraisal of some of the issues raised by the problem of class stratification under conditions of monoparty rule. It follows that a single state cannot furnish the clues which would move the most general sociological controversies significantly one way or the other, for or against the argument that industrial societies tend to show (at least limited) similarities of class structure. Both communist and capitalist societies display an extended range of stratification patterns,¹ and the attempt to reduce these societies to a very small number of analytical categories is bound to be hedged with every conceivable kind of philosophical difficulty. As Talcott Parsons remarks, "the theory of stratification is not an independent body of concepts and generalizations which are only loosely connected with other parts of general sociological theory; it is general sociological theory pulled together with reference to a certain fundamental aspect of social systems."²

However, at the level of what Merton calls "middle range" sociological theory,³ a number of substantive propositions have been put forward concerning socialist societies, and within this context the particular experience of Yugoslavia has a strong claim to systematic analysis. For reasons which owe most to historical accident, the Soviet Union has tended to provide most of the empirical ammunition for the distinction between two types of stratification. More recently, however, serious research in other east European states has permitted

a broader range of social structures to be included in the debate,⁴ and their histories suggest some striking similarities of change which distinguish them from the Soviet Union, although the latter's distinctiveness makes it for just that reason a critical check on over-generalization.⁵ Knowledge of these societies can help us to refine the contrast between competing models of socialist stratification systems.

This process of refinement is already well under way. It is not proposed here to go into a detailed analysis of the "classlessness thesis" and "convergence theory", as Parkin characterises them.⁶ Each umbrella shelters shades of sociological opinion, and the empirical consequences which flow from each type of approach are best dealt with where they can be shown to have an appropriate application to the Yugoslav case. Nevertheless, it is important at the outset to acknowledge that the two central conflicting interpretations do have the common ground, that they are really concerned with the analysis of social change. Thus, one of the most uncompromising convergence studies, that of Kerr and his colleagues, makes quite explicit that the validity of their approach rests in reducing questions of social change to the economic one, since on a phenomenological level industrial societies do differ sharply, and none more so than the two major industrial powers.⁷ Goldthorpe, by contrast, with his now-famous dictum that "class stratification and a monistic political system are to be regarded as incompatibles"⁸ suggests that none of the social changes which this theory predicts can properly be thought of as necessary structural adaptation to a society's economic arrangements, because unified elites have shown themselves quite capable of managing economic development without sharing political power, and nothing

but compulsion will induce such a sharing.

Disagreements of this kind are valuable because they direct the attention of empirical research to stratification as the principles by which inequalities are fostered and sustained.⁹ But each perspective must be capable of admitting of degrees of 'classness' if it is to stay in business, since neither of the pure models is capable of empirical application to a complex reality. In the empirical analysis of actual societies, accordingly, we find no place for uncompromising theoretical approaches. Inkeles, for example, who argues powerfully for the operation of industrialization as a factor in patterning normative convergence,¹⁰ nevertheless concludes in his study of Soviet society, carried out with Bauer, that centralized state power is a major source of social cleavage, with class playing an important but secondary role.¹¹ It is to this set of problems, the degree of class formation and its consequences for social structure under conditions of limited political freedom, that this study is addressed.

The concept of class can be the source of endless problems and confusions, because it is an essentially heuristic device employed to explain a given set of social phenomena which have been previously identified, and which may be only tenuously linked with its original - and very useful - association with inequality generated by the division of labour. Weber offers a way out of this difficulty by suggesting that the formation of discrete social groups always takes place around the dimensions of class, status and power.¹² These groups he calls communities, which are defined by the sense of their members that they belong together,¹³ although the habit is widespread in the sociological literature of speaking of 'social class'

to designate groups characterised by any admixture of the three dimensions of inequality. The Weberian triad thus provides a way of locating major breaks within the structure of inequalities around which social classes are likely to form. However, Weber is careful to point out that the existence of communities is not something which can be assumed, but remains to be shown for every specific case, even though his analytical method equips us with directions as to where to look for them. So, he treats the common denominator of 'objective' social class position ("life-chances") as to some degree problematical in its connection with community. He follows the Marxian distinction between the class-in-itself and the class-for-itself, but divorces the concept of social class (analytically, not necessarily empirically) from its association with the relations of production and political conflict which the distancing of years had shown to hobble the usefulness of the concept.

Weber is thus sometimes credited with introducing a 'subjective' element into stratification analysis which opened wide the problem of relating 'objective' information about inequalities to the actual existence of social classes. This led at one time to an entirely spurious competition between 'objective' and 'subjective' definitions of social class, which failed to perceive that although the view of social actors of differentiation might vary from milieu to milieu, the differentiation is itself a precondition of consciousness of community. As Ossowski puts it, "Those who take class consciousness as a criterion of the class system, as American sociologists do, do not question the 'objectivity' of the conditions from which this consciousness arises."¹⁴ Varying degrees of 'stretch' are no doubt possible in the dimensions of inequality without producing

discrete social groups, but we cannot doubt that increased inequality also increases the likelihood of such formations.

However, one aspect of 'subjective' stratification has proved so valuable in explaining differentiation between manual and non-manual occupations that it has established itself as a distinct sub-division within the dimension of class. In empirical analysis, the division of class, status and power has been found to be amenable to much more subtle application if the intervening variable of 'work situation' is included. We owe this distinction to Lockwood, and it is particularly valuable in sorting out those groups around the middle of the social class hierarchy which are otherwise liable to become confused when considered within the broader categories of the market, status and power, but which are marked off by the kind of work they do.

Weber's analytical method is applicable to all societies. The question of whether Yugoslavia or any other socialist society has a well-marked class order, however, must go beyond the elementary perception that they are characterised by discrete groups, or conflict, or whatever evidence is chosen, because all bearings are lost if class is not linked with the division of labour in industrial society.¹⁵ The question, "is a society class-stratified" can be reduced to the other question, "to what extent does the industrialization process impose similar patterns of inequality?" in all three dimensions. Despite all the modifications which his theory has undergone, Marx's perception of industrial capitalism as progressively imposing more of its own patterns and constraints on political and social forms still has strong claims on sociological attention. The inner focus of the perception, it is true, has radic-

ally changed. The idea of class simplification and polarization has been falsified by events. The history of the communist states has shown that the emergence of a property-owning bourgeoisie as the dominant political class in succession to the feudal order is a special, not ideal-typical, case of social transformation. However, the idea that industrialism must bring elements of uniformity is hard to shake off simply because of the increasing size, scope, complexity and spiralling rate of change characteristic of the economic system of advanced industrial countries, in a world in which the drive to industrialism is "quasi-instinctive" (Orwell). In the following pages, then, we set out to ask "empirical questions about how closely [class, status and power_] coincide, which depends on what, how far any of them may be minimized, and so on."¹⁶

(ii) Method of classification

The basis of analysis of social groups in this study is occupation. "The analysis of social stratification in terms of occupation is equally justifiable whether it is the causes or the consequences of the nature and distribution of occupations which is to be assessed. To explain the distribution of occupations is largely to explain the social inequalities found in industrial societies, and to explain its consequences is to explain how it is that these are modified or preserved. Occupations are the mechanism by which the influences of natural endowment, upbringing and education are translated into differences of wealth, power and prestige, and the most significant moves which the individual can make in all three dimensions will be by means of a change from one occupation to another."¹⁷

Deriving from the use of occupations as a classificatory basis, we also have the use of occupational groupings. This presents no problems conceptually, but it should be observed, for the sake of a proper evaluation of the worth of the statistics taken direct from Yugoslavia's Federal Bureau of Statistics, that sometimes use has been made of groupings which are not altogether comparable, at different points in the study. This problem is discussed in Appendix A. A second derivation is the use of skill/qualification groupings in analysis. These come in two forms, one which is applied to the job, not the man, and the second which is applied to the individual and depends on the possession of generally recognised diplomas and degrees, and so on. The first is normally referred to as "job classification" and the second as "formal qualification/skill" ranking. It is, in fact, a considerable advantage to have both elements

of classification at our disposal,¹⁸ but only if the distinction is clear from the outset. This distinction is explained in Appendix B.

(iii) A note on nomenclature

Since the issue of class is such a confused one, it has bred numerous competing terminologies. Weber's solution was to devise a series of terms each of which would be rigorously applied to only one aspect of inequality, reserving "community" for discrete social groups. However, there is the problem that although this specific terminology has exactitude in its favour, the associations of 'class' and 'community' in everyday speech keep on getting in the way of both reading and writing. In order, therefore, to minimise these difficulties, it seems best to set out a usage which is acceptable linguistically and then to try to use it consistently.

Thus, 'middle class' and 'working class' are synonyms here for the non-manual and manual strata respectively, while 'stratum' is used in its normal abstract sense of any horizontal grouping linked by one or more of the three dimensions of inequality. 'Class' and 'social class' are used interchangeably to mean any stratum to which we can plausibly impute some degree of community (in Weber's sense), except when 'class' is mentioned with specific reference to Weber's own definition of it.

Within the non-manual stratum, various distinctions are from time to time made. 'Clerical' or 'routine non-manual' personnel comprise those employed in low-level administrative posts, and coincide very neatly with the Yugoslav classification of 'finance and office personnel' which also figures in various

tables. The 'higher white collar' or 'professional' grouping refers to that collection of occupations carrying the highest rewards and prestige in society. In statistical presentations it is sometimes treated as identical with the group of 'strucnjaci i umetnici', which is translated as 'higher white collar' but which in fact includes a large number of middle level (Q) occupations.¹⁹ This has to be borne in mind. The group can be more sensitively identified with the VHQ/HQ grouping (work organization's classification) and this device is also used. 'Leading cadres', the third subdivision, has no counterpart in western class systems. Although it covers political and administrative officers, it also includes a range of occupations conferring authority within the professional structure. Issues of classification and equivalence are dealt with in more detail in the two appendices.

NOTES

1. This point is made by T.B. Bottomore, Classes in Modern Society, Geo. Allen & Unwin Ltd., London, 1965, p 54.
2. Talcott Parsons, "A Revised Analytical Approach to Social Stratification", in R. Bendix and SM. Lipset (ed.), Class, Status and Power, 1st edition, The Free Press, New York, 1954, p 128.
3. "Middle range theory ... is intermediate to general theories of social systems which are too remote from particular cases of social behaviour, organization and change to account for what is observed, and to those detailed, orderly descriptions of particulars that are not generalized at all." Robert K. Merton, On Theoretical Sociology, The Free Press, New York, 1967, p 39.
4. See Frank Parkin, "Class Stratification in Socialist Societies", Brit.J.Soc., December, 1969, which incorporates material taken from Poland, Hungary, Yugoslavia and Czechoslovakia.
5. Much of the distinctiveness can in fact be plausibly traced back to the relations between these states. Andreski, for example, argues that the degree of liberalism which the Polish Party shows by comparison with that of the Soviet Union is possible precisely because the Red Army guarantees the political status quo. S. Andreski, Elements of Comparative Sociology, Weidenfeld & Nicolson, London, 1964, p 332. Economic imperialism may well have slowed down the need for economic reforms in the Soviet Union, too, and so on.
6. Frank Parkin, Class Inequality and Political Order, Paladin, London, 1972, pp 137-41.
7. Clark Kerr et al., Industrialism and Industrial Man, Harvard, 1960, passim.
8. J.H. Goldthorpe, Social Stratification in Industrial Society, Sociological Review Monograph No. 8, p 114.

NOTES

9. This way of putting the matter comes from M.G. Smith, "Pre-Industrial Stratification Systems", in N.J. Smelser and R. Bendix (ed.), Social Structure and Mobility in Economic Development, Routledge, London, 1966, p 142.
10. See Alex Inkeles, "Industrial Man", Amer.J.Soc. LXVI, July 1960, p 28.
11. A. Inkeles and R.A. Bauer, The Soviet Citizen, Oxford University Press, 1959, p 300.
12. This again is an assertion which stands or falls by the usefulness of the distinctions in explaining a wide range of stratification systems, and the differences between them.
13. H.H. Gerth and C. Wright Mills, From Max Weber, Routledge and Kegan Paul, London, 1948, pp 182-6 contains a discussion of class and status, and their relationship to community-formation.
14. S. Ossowski, Class Structure in the Social Consciousness, Routledge & Kegan Paul, London, 1963, p 138.
15. As Bottomore (1965, p 16) remarks, despite all the divisions of sociological opinion about social class, at least this point of agreement has not been lost.
16. W.G. Runciman, Social Science and Political Theory, Cambridge University Press, 1963, p 141.
17. W.G. Runciman, "Class, Status and Power?", in J.A. Jackson (ed.), Social Stratification, Cambridge University Press, 1968, p 55.
18. See below pp. 49-51.
19. See Appendix A.

SECTION I

CLASS AND THE MARKET

Class for Weber united a number of people "having in common a specific component of their opportunities in life insofar as this component is represented exclusively by economic interests in the possession of goods and opportunities for income, and is represented under the conditions of the commodity or labour markets."¹ In its dynamic aspect, therefore, class stratification can be thought of arising from the complex of personal and social attributes which a society defines as relevant in individuals for the allocation of scarce material resources. For the mass of people in industrial societies, and particularly in Yugoslavia where severe restrictions are placed upon the ownership of private property, the chief source of class advantage stems from the possession of scarce and desired skills which can be employed in a full time occupation. So, it is useful to see class as an aspect of power in industrial societies characterised by a lack of these skills. This is the formulation suggested by Bendix and Lipset, though it is more realistic to view class differentiation as a source of power over one's own life-chances, rather than a component of power over the life-chances of others, as they suggest.² That is to say, we can most usefully see class in industrial societies, in contrast to earlier and less complex forms of economic organization, as operating as an independent factor in the allocation of rewards by linking them with performance, and thus undermining the ascriptive basis of material inequalities.

'Performance' as a principle of stratification has acquired considerable notoriety in stratification theory because of its mishandling in the hands of functionalist theorists. Nevertheless, a component of the functionalist perspective is invaluable in understanding the similarities in rewards which industrial

societies do in fact show. As Cohen points out, the functionalist and conflict theories of stratification can readily be seen as addressing themselves to two different questions, concerning respectively the problems of genesis and persistence of stratification in complex societies.³ Thus, to point to a privileged and protected class order at one point in time is not to deny the operation of structural imperatives at the beginning of a rapid drive to industrialization. For the immediate post-revolutionary phase in a socialist society the question is not whether there is to be a socialist intelligentsia but how quickly it can be created, and the Soviet Union's New Economic Policy, following so closely on the heels of civil war, amply demonstrates how even the most centralized political machine may be forced to compromise with economic circumstances. The key problem which arises between the Party and the intelligentsia over time is how far the Party can afford to limit the latter's independence in economic and social development. Stalin, who carried out an industrial revolution largely by means of administrative coercion, very early called attention to the suffocating effect of Party power when applied to economic processes.⁴

Stalin had a choice. Yugoslavia had none, or so we must interpret the remarkable ideological about-face which occurred after the Cominform resolution of 1948 had expelled Yugoslavia from the communist economic fraternity. In common with the other People's Democracies which came into being after the war, Yugoslavia showed no signs of producing any alternative to the Leninist-Stalinist theory of socialist development. Indeed, the Yugoslavs prided themselves on their model orthodoxy, which had led to the removal of Zujovic and Hebrang, who had argued

that the rapid accumulation of capital could only be achieved if state capitalism compromised with elements of bourgeois control. The ideological document of these years was the Five Year Plan. By 1952, a new ideology of self-management was complete in all its essentials.

The outlines of this ideology are already well known.⁵ What is less readily observed is the latent function of the ideology as a guide to economic strategy. It was inevitable that the withdrawal of such powerful economic patronage should signal a major break with the past. By the end of 1947, Yugoslavia was already exchanging 50% of both imports and exports with the Soviet Union, and the communist states together constituted her sole source of the plant and technology necessary to the creation of a self-sufficient economy.⁶ Given the determination of the Yugoslav leadership to maintain their independence, they took the two most obvious steps. The first was to increase defence expenditure, throwing an already overstrained economy into still deeper waters. The second was to devise a system of economic organization which would create wealth under its own, independent momentum.

So, in each strand of the new ideology we can detect consequences for economic institutions which were very quickly reflected in legislation. There were three such major strands, decentralization ("the withering away of the state"), liberalization ("socialist democracy as the revolutionizing of mass consciousness"), and the continued political monopoly of the Party ("the critique of bourgeois democracy as an instrument of class domination"). The last element was a simple declaration that political opponents would be suppressed. Decentralization, while important in an administrative and technical sense,

can be regarded as the necessary correlate of the principle of liberalization. What the Party's new programme amounted to was an admission that it could not force the transition from a peasant to a modernized economy, but must in the future rely upon enlisting the help and co-operation of those upon whose skills the future both of Party and nation depended. Kardelj made clear from the very first the connection between liberalization and economic performance. "Socialism means the raising of the social consciousness of the entire people, means the creative labour of every individual for himself and for the community, means a huge rise in labour productivity, and all this is impossible to achieve except with a free man who is able and ready to give what he can of himself."⁷

In social practice, nowhere was the new ideological stance better evidenced than in the sphere of industrial relations as they affected manual workers in industry. During the Plan period, workers were treated simply as a passive resource to be integrated into the planning scheme along with all the other factors of production. Conditions in the factories were such that new labour recruits were less attracted by the benefits of state employment than squeezed into it by rural poverty. This was paid for in terms of constant infringements of labour discipline, low motivation on the shop floor, and a very high turnover among the workforce. The reaction of the authorities to this latter problem, by way of example, was purely punitive at first. A law of 1948 tried to hinder the free movement of labour by instituting fines for ignoring prescribed quitting procedures, and commissions were actually empowered to suspend notices given by workers. In 1950, parallel with the new law on enterprise management, this regime was greatly modified.

Notice could be freely given, and the quasi-military, administrative allocation of labour ended.⁸

From the very outset, then, the new ideology constituted a carefully stated and reasoned appeal to a different and softer relationship between the agencies of political power and the population in the process of social development. Very far-reaching reforms flowed from this new approach. The process of dismantling much of the state bureaucratic apparatus was already well under way by the early fifties. New systems of accounting were introduced covering the productive sector which marked the relaxation of centralized control not only over enterprise profit-making, but over the decision-making functions of the enterprise itself. In 1955 there began the process of reconstituting the territorial administration of the country with a view to making the communes into large, self-sufficient economic and social units with greatly increased autonomy, which is such a marked feature of Yugoslav social structure compared with other communist societies. How all these developments affected the growth of economic differentiation and industrial organization we now move on to consider.

(i) Incomes

The distribution of income in Yugoslavia reflects very clearly two qualitatively different trends in economic policy which divide the periods before and after 1965. The first two years after the war saw a massive effort of basic reconstruction, which was largely achieved by the quasi-military organization of labour, with consequently very little economic differentiation. The introduction of the first Five Year Plan at the beginning of 1947, however, made possible the application of the economic power of the eastern block to the building up of industry in the country, with spectacular results for the occupational structure. Social sector employment rose in 1946 and 1947 by 60%, and in the two succeeding years by 30%.

Table I.1 Employed persons in the social sector, 1945-51 (000's)

	Total employed	Manual workers
1945	461	
1946	721	
1947	1,167	655
1948	1,517	935
1949	1,990	1,235
1950	1,944	1,196
1951	1,834	1,166

Source: SZS I, table 4-1; M. Bradic, "Struktura radništva FNRJ", Soc.Pol., 7/1952, p 434.

Given the low level of pre-war industrial development, and the heavy war losses, it was inevitable that the raising of the quality of the workforce should present an especially acute problem for the authorities. The shortage of both manual and non-manual skilled personnel was severe, and this situation

persisted throughout the fifties, with a most marked and beneficial effect particularly on the position of highly qualified managerial and technical cadres in the labour market. The government's response during the operation of the Five Year Plan was to increase differentials in wages at a rapid rate. Like everything else that was done in Yugoslavia at this time, the aim was clearly to copy the Soviet example of eschewing 'equality-mongering' in favour of the creation of a socialist technical intelligentsia.

Table I.2 Income differentials in industry, 1947-51, by skills

	US	SS	S	Q engineer
1947	100	114	151	229
1948	100	112	156	250
1949	100	120	169	246
1950	100	113	152	236
1951	100	111	148	-

Source: R. Stajner, "Problemi strucnih kvalifikacija i produktivnosti u industriji", Soc.Pol. 10/1960, p 20.

In the wake of the Cominform Resolution there followed a brief halt to this process of income differentiation, which was a response to the drastic fall in national income which ensued. What the government came up with was a complex of social and economic reforms aimed at the redistribution of income in the short term, largely through the operation of highly egalitarian welfare policies, and at producing greater profits from industry in the long run. The most obvious immediate consequence was the virtual disappearance of pay differentials. When all allowances and benefits were calculated, the average income of state employees in 1953 was only 4% higher than that of manual workers.

The critical scarcity of skills in the economy kept managerial incomes relatively high during the period, but even they earned only some 22% more than unskilled blue collar men.⁹ Some of the difficulties into which the economy had run can be gauged from the fact that it became partially disengaged from the circulation of money. Coupons were used as a means of ensuring an existentially adequate standard to the population in the matter of diet, and the issue of coupons for food was strictly regulated according to the physical requirements of the type of work. Also characteristic of this period was the proliferation of socialist honorifics, such as 'shockworker' and 'hero of socialist labour', which were the only means by which more intensive production could be stimulated.

This levelling off of rewards, however, represented only an enforced interlude in a continuing determination to put into effect policies for increasing rationality and efficiency in investment and spending, for which the government chose two complementary strategies commonly adopted by governments everywhere: the encouragement of higher productivity and the pruning of state spending.

In pursuing the first objective a method of accounting and income distribution was introduced in the productive sector designed to discriminate between enterprises by penalising those which showed a poor rate of return on investment. During the period of centralized administrative planning the sole responsibility of the enterprise had been to fulfil its output norms as determined by the federal agencies. This had led to the hoarding and waste of both labour and materials, since the enterprise simply presented the bill for both to the central budget. After 1952, the productive sector was separated from

the central budget for accounting purposes. Managers ceased to be purely state officials, and were accorded a limited planning autonomy. In addition, part of the enterprise income was made dependent on its output so as to encourage economies and organizational innovation.

The move to market mechanisms took place with great circumspection. Between 1952 and 1954, alterations in the system of income distribution were minimal. Within the enterprises the proportions of net income available for wages were fixed by the state organs unilaterally. The earnings of each worker were entered to his credit, and the sum of all earnings formed a 'paper' pay fund which should in theory have been met from the profits which accrued over and above such earnings. In practice, the state constantly defeated this scheme by allowing insufficient profits to be allocated for productivity payments, in its haste to find more income for investment. As a result, there nearly always appeared a substantial gap between the theoretical total of the wages fund and the money actually left to the firm for distribution, and workers could never be sure of getting what they thought they had earned.

In 1954 an attempt was made to rationalise this productivity element in wages by dividing pay into two parts. The first (and larger) portion was a fixed sum paid out to the worker based on an evaluation of the skill required for the job and the time spent working. The other part varied in proportion to the profits chalked up by the enterprise as a whole. However, the whole process was still very much under the control of the local authorities in the communes. The state continued to fix the pay fund on the basis of the previous years trading figures. In order that the system should not commit the state to paying

out sums above an acceptable level for the fixed part of incomes, the enterprise was obliged to set up its time/skill evaluations in close consultation with political bodies, and the criteria so determined were expressed synthetically as a 'tariff position' ('tarifni stav') for every employee. In the same way, only a predetermined percentage of the profits might be allocated in productivity bonuses. By this means the state ensured the control of income distribution so as to protect money earmarked for new plant, but at the same time did stimulate the acquisition of skills.

Further reform was triggered off in 1958 with the final realization that no way could be found of supervising the establishment of tariff positions in such a way as to ensure comparability of rate for the job in different firms. Enterprise managements proved adept at up-grading the skill level for particular jobs, so bumping up the cost to central funds of the fixed portion of incomes. Accordingly, the system was modified considerably to give much more weight to the variable portion of incomes, and income tax was introduced for the first time as a means of taxing high productivity for the benefit of the state budget. Finally, in 1961, this process of change in the pursuit of productivity drew to its logical conclusion. Tariff positions were abandoned altogether, and with them the state regulation of wage relationships within the enterprise. The notion of job evaluation on a uniform basis for the whole of the country was jettisoned in favour of the principle that enterprise income should in future be the sole criterion for determining the level of personal incomes.

Revolutionary though this was as a principle, the effect in practice was modified by two factors. The first was the

continued grip of the state authorities on overall economic development, and particularly its control of prices. The second restraint on the rapid growth of income differentials was the high level of taxation levied on successful firms. 30% of the total sum reinvested by an enterprise had to be duplicated and paid to the state investment funds at republican and communal level. Both these forms of control acted to slow down the differentiation between weak and flourishing enterprises, and between different branches of the economy. This regime continued until the economic reforms of 1965, when for the first time, in the words of a Yugoslav economist, "after almost a decade and a half the 'tax on high productivity' was done away with."¹⁰

The years 1961 to 1965 form an interim period in economic growth. After 1961 the rapid expansion which had marked the previous decade fell off, and, though regarded at first as falling within the normal range of economic fluctuation,¹¹ it became apparent quite soon that the centralized regulation of prices was distorting economic growth by favouring manufacturing industry at the expense of the primary branches of the economy. State economic power was being misapplied, and it was resolved to set in motion preparations for more far-reaching applications of market principles as instruments of policy. Prominent among these preparations was a heightened interference by the state authorities in income distribution, so that "from 1962 to 1965 social intervention ... actually increased in relation to 1961."¹² The reason for this development, contrary to overall political trends, was that in 1961 the responsibility for drawing up pay schedules passed to the self-management organs of enterprises, and the plans for economic reform raised the very real danger of creating an intolerable situation among lower income groups,

which already lived on the margin of economic existence. These plans foresaw measures which would raise the cost of living by releasing more money for consumption. Some enterprises could offset this by raising productivity, but not all, and even in these enterprises there remained the question of whether lower income groups could force the recasting of existing pay schedules in their own favour if they suffered disproportionately from a relatively small average drop in the real value of incomes. A determined attempt was made, in fact, to spread the consequences of economic reform, as equitably as possible between the various skill groups without destroying what were felt to be economically useful differentials.

All these trends are reflected in table I.3. Until 1961, the process of economic differentiation by skills went on apace. Figures for 1963 show the beginning of a reversal which continued until 1965, when the market situation of personnel employed in the productive sector was again allowed to reassert itself.¹³

Table I.3 Income differentials in Industry, by skills, 1951-66

Non-manual	<u>1951</u>	<u>1954</u>	<u>1957</u>	<u>1959</u>	<u>1961</u>	<u>1966</u>
VHQ						270
HQ		238	290	316	333	220
Q	125	155	170	186	190	163
UQ	101	123	119	132	135	117
Manual						
HS		205	223	243	249	193
S	120	146	149	159	160	135
SS	105	118	117	125	124	113
US	100	100	100	100	100	100

Source: Parkin, forthcoming; St.B. 548, p 7, (figures for 1966). For 1951, all non-manual personnel above Q grade are shown together. Until 1961, the VHQ grouping did not come into existence as a separate category.

This pattern is remarkable for the favourable location within the incomes' hierarchy of skilled and highly skilled manual workers. The latter men in fact constitute a maverick grouping, in the sense that they very often tend to have positions of responsibility in the enterprise. A survey by the Institute of Social Sciences in Belgrade showed that well into the sixties 42% of highly skilled men covered had supervisory functions in production,¹⁴ which would tend to distort the picture of earnings of men on the shop floor. As a group, highly skilled workers, particularly those possessing formal skill qualifications, were highly upwardly mobile, because the educational system lagged in its ability to match industrial expansion with trained technical cadres, and this would be reflected in the job classification schedules themselves. Many highly skilled workers should be classified as in the first line of management. However, even skilled workers have maintained income advantages over routine non-manual employees, which testifies to the relative market strength of the two groups.

Employees in the non-productive sector were naturally much more closely affected by the second aspect of government economic strategy aimed at drastically cutting back its own spending. For them, the first signs of the new economic priorities were reflected in the shedding by the state bureaucratic apparatus of about 220,000 employees, or around one tenth of the total number employed by the social sector at its 1949 peak.¹⁵ This in itself suggests the extent to which the state apparatus had drained off scarce resources in personnel and money during the phase of centralized planning. Some of the dismissals may have occurred because of the recession in the productive sector itself, but Bilandzic confirms the extent of the shake-out which

took place, recording that at the beginning of 1950 alone 100,000 jobs were abolished through the state's pruning of its administrative and political organs.¹⁶ This change had a doubly beneficial effect in that it also released for re-employment in other fields scarce literate personnel with experience of administration.

In the wake of the levelling of incomes in the early fifties, however, public employees showed signs of reasserting their grip on state resources to the detriment of the central budget. This occurred because all non-manual personnel outside the productive sector remained linked to a bureaucratic structure which determined their levels of income without reference to any clear-cut market criteria. Fundamentally, the scheme by which these people were paid had remained that put into operation in 1947. An elaborate system of grades was operated, only loosely tied to formal qualifications.¹⁷ In 1957, a new law tried in some measure to duplicate the reforms in the productive sector. Twenty-two pay grades were set up, and related to qualifications, admission on the scale being related to schooling (or its accepted equivalent), and length of service, the larger portion of pay being linked to the first of these criteria. So, the income attaching to a job could vary, until the individual acquired the qualifications to match his job grading. In principle, the two should coincide, and the policy was obviously to raise the quality of the personnel in the state service. An outstanding feature of the system, on the other hand, was the extent to which the responsibility allowance for hierarchical position increased going up the basic pay scale. At the bottom of the scale it formed a 13% addition, while at the top it added 80% to the individual's income. The reform was thus

clearly aimed mainly at the lower and middle echelons of the service, and lack of formal qualifications penalised relatively little the 'career' administrator, where Party affiliation no doubt largely supplanted qualifications as the chief criterion of mobility.

Throughout the public service sector at this time incomes were considerably more attractive for all qualification groups when compared with their non-manual peers in industry. The bottom of the public service scale in 1958 was at least equal to the average earnings in industry for that year,¹⁸ even without the responsibility allowances which tended to accentuate the divergence between comparable groups as public service employees rose in the hierarchy. In addition state service had the advantage that for each qualification group existed a range of pay grades, so that promotion and income advance were to some degree separated. The exact workings of the system are obscure, but in theory the idea was that the grade and salary of public servants was reviewed annually by a commission, which based its decisions on reports from superiors. Probably, therefore, the system was not only relatively expensive, but open to all kinds of manipulation by cliques at all levels, with consequent tensions arising between the bureaucratic structure and the younger, professionally trained entrants to the constituent professional groups.

Subsequent changes, largely completed by 1964, severed the connection of most employees in the non-productive sector with the state apparatus. They now drew their incomes from either the communal authorities or from independent budgetary organizations such as the social insurance service. A notion of a centrally determined rate for the job in teaching, health work

and so on disappeared, though in fact the republican authorities continue to act as a brake on wild oscillations of income by specifying the permissible range of fluctuation.¹⁹ However, incomes in the non-productive sector do vary by regions, and are in principle fixed by the resources available from the productive sector to pay for them. As a result, by 1966 incomes in the non-productive sector lagged behind the averages for the productive sector, at all levels of non-manual qualification.²⁰

Despite the changes which took place up till 1965, income distribution trends retained an underlying unity. Differentiation by skills represented the sole major principle of divergence, because the government acted to repress the possibility of regional and enterprise variations in the interests of a politically guided wish to iron out some of the inherited disparities in levels of economic growth between republics. In 1953, for example, there was a gap of only 13.3% between the average incomes in Slovenia and Macedonia, which had already widened by 1966, the first year of economic reform, to 30.5%.²¹ Economic reform, on the other hand, did not operate in a simple way to divide the regions. After 1964, the state ceased its policy of forcing and protecting the growth of manufacturing industry in favour of increased stimulation of the primary sectors of the economy, especially the production of raw materials. In addition, agricultural prices were allowed to rise much faster than those of manufactured goods, by 250% as against 140% in the period 1964-8.²² Both these measures brought considerable relief and advantage to the southern republics, and especially to Serbia as the main producer of food. In addition, the Yugoslav economy began to diversify much more, the share of industry in a rising social product falling by 6% between 1964 and 1967.²³ Develop-

ment resources were transferred to other types of economic activity, notably commerce and tourism, in which the less industrialized areas could more successfully compete. Even so, the new autonomy given to enterprises has favoured the more developed republics, with Slovenia showing a runaway tendency to improve its rate of increase in social product per capita.²⁴ However, the introduction of progressive income tax, along with the other reforms, has been successful in keeping inter-regional variation within bounds, with the less developed republics in fact tending to close the gap between average incomes in the 1964-8 period.²⁵

However, the stably patterned incomes structure characteristic of the period of centralized administration has been severely shaken by the growth of differentials by enterprises and branches of the economy. In general, government policy has favoured in the second half of the sixties capital-intensive branches of industry, especially those with an export potential. As a result, there has been recession in the older, labour intensive types of economic activity, such as textiles, which produced for a booming home market in the fifties and formed the staples of employment growth at that time. The position of these industries worsened almost overnight, as the government brought to an end in the latter half of 1965 the various forms of subsidy which had enabled many firms to show a profit even under the most improbable conditions.²⁶ By the end of that year one economist calculates that 30% of all Yugoslav enterprises were operating on the margins of failure.²⁷ In short, within a framework of rising real incomes the post-reform period has been characterised by a massive redistribution between enterprises. In Serbia alone, in the productive sector in 1967, the highest

average income of the richest work organization was twenty times higher than the lowest, although within enterprises income differentials remained fixed at around 5:1 generally speaking. The Serbian Bureau of Statistics reported in November, 1967, that "the broad mass of work organizations (37%) employing a substantial proportion of all employees (43%) have an average monthly income of 500 - 700 dinars ... 22% of work organizations with 19% of all employed have an average income of less than 500 dinars ... 6% of the total mass of incomes paid out in industry and mining went to 3% of those employed, who had an average income of 1,200 dinars or better, and 1% of employed persons took 3% of total incomes, and earned over 1,400 dinars a month."²⁸ Considering that the average income in Serbia in 1967 was 762 dinars, and that 60% of all employed worked in branches of the economy where the average was below this level, it is clear that very great inequalities are rapidly emerging under the new system.

Two types of enterprise have benefited from the new regime. The first comprises those firms which have been able to adapt to competition because of good management or because purely contingent factors - good communications, cheapness of raw materials, nearness to urban centres - have worked to their advantage. A second is made up of firms which for some reason or another enjoy or contrive a monopoly of the market. Two prominent cases in point are the electricity supply industry and the petroleum producing combines. The shift to the market imposed upon an older state-regulated form of economic organization has thus produced its own peculiar features which have distributed income independently, in very many cases, of any meaningful criteria of efficiency and productivity. The

socialist principle of income distribution 'according to work performed', which was consistent with the emergence of income differentials by skills, has in the later period been increasingly sunk in the capricious workings of economic chance. What the country actually now has is "distribution according to income achieved. As the engaged funds vary greatly from enterprise to enterprise in their volume and effects, so the outcome of income also varies in relation to engaged funds, and independently of the volume and quality of work, as the statistics clearly show. This results in the fact that, for instance, a worker employed in the electrical supply industry earns twice as much as one employed in the paper or tobacco industries for the same work and qualifications."²⁹

The divisive effects of economic reform acquired even greater salience because they took place against a background of a falling standard of living for the mass of the population. The government vastly miscalculated the effects of removing price controls upon the rate of inflation. A report issued by the Council of the Trade Union in June, 1969, noted that it had originally been expected that reform would add a total of 28% to the cost of living, in the immediate post-reform period.³⁰ In 1964-5 alone, after only six months of the new regime, this figure had been exceeded by 7%, and by the following year the cost of living had risen by a further 23%; this contrasted with a rise in real incomes 1964-7 of 29%, spread very unevenly over the population.³¹ We can be sure that the officially acknowledged drop of 12% in real incomes which occurred between August and December 1965³² was for some groups a much more catastrophic figure. Further, it was not an isolated drop, but the beginning of a longer-term process. The major dock strike at Rijeka in

1969, for example, was occasioned by the prospect of cuts in pay and benefits to workers which would have reduced their real incomes by some 30%.³³

The worst hit groups were those in lower income brackets, because the items most affected by inflation were existential necessities; rents and rates rose by 154%, 1964-8, clothing by 82%, food by 77%.³⁴ Although differentials to some extent cut across class boundaries, the working class got the worst of the situation. Industrial workers recorded the lowest rise in real incomes of any group in the post-reform period.³⁵ The new principles of income formation introduced a new element into the situation of the working class as a whole. For the first time, many skilled and highly skilled men came to share the deprivation previously reserved for their less skilled fellows. Estimates are now on record that "70% of workers' and peasants' families have a below average income and just make ends meet, while 20% barely maintain themselves on the margin of existence."³⁶ Of course, workers in profitable enterprises continue to be distinguished from their counterparts in western economies by their fixed share of the all profits, which is distributed to the collective rather than swelling the income of owners and shareholders, so that their incomes can be relatively high.

Not only the working class, but a wide cross section of the non-manual stratum has felt the shock effect of economic reform: and not only in industry, but in the non-productive sector as well. On 31.3.1968, four groups made up some 85% of all personnel employed in the non-productive sector: those employed in elementary schools, the health service, social services and communal administration.³⁷ The low pay of the latter group reflects to a large degree its very poor qualific-

ation structure, but the effect on incomes is the same. In 1967 the pay of these people was around the national average.³⁸ Though certainly in nothing like the straits in which large sections of the working class finds itself, the income position of this section of the occupational structure has been sufficiently threatened to produce scattered strikes, which are uncommon among non-manual personnel generally: by court officials in Lazarevac, doctors in Kraljevo, medical personnel in Ljubljana, educational employees in Ptuj and Osijek.³⁹

The net outcome of this situation has been to render more conspicuous that class of employee in the non-productive sector which is isolated from the effect of the market on their incomes. What these employees have in common is that their sources of income are linked in various ways to the overall increase in wealth. Social insurance employees are one such group, because their incomes derive from fixed levies on the mass of gross personal incomes of work organizations spread over relatively wide areas. Banks and chambers of commerce are in an even more favourable position. They have an important regulative role in the economy which is delegated to them by the state, and for their services they charge fees. However, there is the important difference that the subscriptions to such organizations are obligatory, so that they cannot be considered as discharging an equivalent function to their western counterparts. Full-time officials of the 'socio-political organizations' - the Party, Trade Union, and the Socialist Alliance - are similarly privileged and protected because their organizations are financed by a levy on personal incomes. We thus find the existence of an income elite in which those occupational groups figure largely which are concerned with administration or the handling of

wealth, rather than with productive activity. Some industries had well-above average proportions of personnel in the top income bracket, but not many,⁴⁰ and very few qualified for inclusion into table I.4 which shows those branches of activity in which the largest single group of employees was clustered in the top income bracket. Given that income differentials do not vary much, this indicates the existence of considerable financial advantages for all employees in those branches.

Table I.4 Branches of economic activity having their largest single percentage of employees in the top income bracket, March, 1970

Branch	% in top income bracket (2,000 dinars or better)
Film industry	21.0
Civil Engineering consultancy	41.4
Air traffic personnel	32.9
Foreign trade	20.2
Commercial agencies & services	17.4
Business associations	26.4
Higher Education	24.8
Research institutions	20.6
Socio-political organizations	18.3
Chambers of commerce	40.2
Banking	23.5
Insurance	18.6
Other financial organizations	33.9
Republican administration	22.8
(All branches of economic activity)	5.5
(Yugoslav average income: 1,083 dinars)	

Source: St.B. 682, tables 1-1 and 1-2

We have the word of the Party itself that this situation has become the subject of invidious comparison. "While the majority of work organizations try through grinding effort to

increase their incomes by adapting to economic reform, we find work organizations where people earn 10,000 dinars a month without difficulty ... While a cleaner in a bank earns 1,000 dinars a month, there are graduate teachers who earn 700. This is becoming a political issue, irritation, annoyance and active dissatisfaction are creeping in among work-people."⁴¹ Probably some of this dissatisfaction stems from the fact that the principles of income distribution have been thrown into disarray. Those who banked their careers on educational attainment and the acquisition of skills appropriate to a market economy find themselves confronted by anomalies which undermine their faith in the logic and fairness of the system, and it is perhaps important for the crystallization and articulation of discontent that the educated classes have been victims of these anomalies. These anomalies, further, have also been instrumental in drawing attention to the basis of privilege in Yugoslav society, and there is a growing stream of criticism directed specifically against the fact that "the Yugoslav economy supports a disproportionately greater weight of 'superstructure' than economies of similar strength ... We criticize 'political' factories which bring in no national income, but we pass over 'political' factories disguised as institutions, and there are many of them, some of which have been for years demanding billions, and giving society questionable returns."⁴²

Lastly, we have to take particular notice of the group of clerical workers in industry. Market forces dealt very unkindly with this group both in the fifties and the sixties. In the fifties one could almost say that not to achieve mobility, especially in non-manual occupations where the shortage of skills was most chronic, was a mark of distinction. At the

Table I.5. Average monthly income of selected occupations in Industry, 1969
In new dinars, according to qualifications and type of job

Qualification	Type of job		
	Management	Technical/Manual	White collar/Specialist
VHQ	1. Enterprise director	1. Construction engineer	1. Secretary of enterprise
	2. Technical director	2. Mining engineer	2. Legal adviser
	3. Head of planning dept.	3. Metallurgical engineer	3. Translator
	4. Head of sales	4. Machine engineer	4. Economist in planning dept.
	5. Head of accounts	5. Electrical engineer	5. Economist - sales
	6. Head of personnel	6. Production engineer	6. Economist - statistician
	2607	2283	1767
Q		2323	2024
		1941	1972
	7. Construction technician	7. Metallurgical technician	7. Book-keeper/accounts clerk
	8. Mining technician	8. Machine technician	8. General book-keeper
	9. Metallurgical technician	9. Electrical technician	9. General clerk
	10. Machine technician	10. Production technician	10. Laboratory technician
	11. Electrical technician		11. Technical draughtsman
	12. Production technician		12. Wages clerk
		1493	1386
		1373	1010
		1336	1097
		1515	1133
	1341	938	
		880	
		1149	
		964	
		967	
		959	
		1119	

Table I.5

Average monthly income of selected occupations in Industry, 1969
In new dinars, according to qualifications and type of job

Qualification	Type of job		
	Management	Technical/Manual	White collar/Specialist
UQ/US manual		13. Unskilled worker	18. Courier 19. Typist
		690	689 830
HS manual		14. Shift foreman	
		1358	
S manual		15. Foundryman 16. Machinetoolist 17. Metal latheman 18. Finisher 19. Machinefitter 20. Fitter 21. Welder 22. Machine assembler 23. Sheet metal-worker 24. Electro-welder 25. Electrical mechanic	1025 1205 1087 1030 1128 1039 1116 1217 1127 1233 1121

Source: St.B. 663. This survey covered 28% of all employees in the social sector, except those employed by the Ministry of Defence.

bottom of the pyramid, however, recruitment rested heavily on the bottomless well of rural recruits. Routine non-manual work was chiefly a transitional occupational grouping, therefore, with good opportunities for promotion, but carrying with it low rewards. In the sixties, the spread of mass education and the effect of the arrival in the mid-sixties of the exceptionally large post-war cohorts of children with finished secondary education had the same effect. The position of the clerical workers can usefully be seen as part of a process which has had a curious distorting effect on the incomes structure in Yugoslavia. Namely, the rapid spread of the educational structure quite early saturated the demands for non-technical occupational categories, while the demand for other types of school leavers and graduates remained buoyant.⁴³ As a consequence there occurred a systematic devaluation of non-technical schooling on the market. Table I.5 shows that Q clerical personnel in industry earn between a quarter and a third less than their technically qualified peers. This discrepancy runs right through the pattern of incomes, with top management offering the only path by which non-technical personnel can acquire parity with the group of engineers.

(ii) Income-related benefits

Social insurance⁴⁴ organization was one of the chief means by which the state sought to cut back its spending during the fifties. Immediately after the war state employees had considerably superior conditions of welfare than manual workers.⁴⁵ Just as income differentials shrank after 1949, however, so the state in 1950 put into effect a series of welfare measures

designed to protect the poorest and most vulnerable sections of society. The right of insured men to sickness benefit was no longer subject to a time limit, for example, and payments during pregnancy were extended. This legislation very much emphasised the rights conferred by citizenship to state welfare protection at a politically divided moment. One significant class of gainers under the new scheme, for instance, was those who had behind them a considerable working life under the pre-war Yugoslav state. For the first time these people were allowed to count their pre-war service towards their pension entitlement.

In terms of income redistribution, the most markedly egalitarian stroke of policy in 1950 had been an enormous increase in the allowances made for children. In view of the falling national income, what there was had more or less to be allocated according to strict criteria of need. The sum given over to child allowances in 1952 was more than fourteen times greater than in 1951. It was paid out at a flat rate of 3,000 (old) dinars per child, without regression, and at the time 3,000 dinars constituted a sizeable income: for example, a skilled worker with one child received about a quarter of his total income from this source even as late as 1956.⁴⁶ The success of decentralization in restoring normal economic conditions enabled the government to put this policy into reverse after 1955. In 1956, child allowances made up 43.6% of the income of a four-member working class family. By 1961, this proportion had fallen to 24.8%, and the trend has continued. During the period up to 1969 the nominal value of the allowance had still not doubled its 1952 level.

The change in policy was paralleled in other fields of

social insurance. It was applied to the health service in the first instance, by a law of 1955, but the changes here were a paradigm for the rest of the social services. These changes incorporated three broad principles which have remained in force until the present time.

The first, and major, principle was that blanket coverage of social insurance expenditure from the central budget ceased. After this time it is not possible to talk about the development of social insurance as a whole, but only about the individual services. The new scheme set up separate funds according to their intended use, health insurance, pensions insurance and so on. These divisions of budget corresponded to the competencies of insurance bureaux at various territorial levels. Local (communal) bureaux became responsible for short-term risks, especially health insurance, and the republican offices for long-term insurance, such as pensions.

A second change in the accounting process ended certain anomalies in the distribution of funds. The state determined the income of the social insurance service as a fixed proportion of the wages funds of enterprises and work organizations within the territorial divisions. Owing to the very uneven economic levels of the Yugoslav state, this had led to some areas making a profit, while others ran at a loss, which had to be made good from the central budget. This state of affairs ended.

Thirdly, a sliding scale of contributions from work organizations to the social insurance funds was introduced. Thus, a bureau could make available a lower rate of contribution to enterprises on its territory which consistently paid in more than they took for the costs of insurance to their employees. In this way, insurance expenditure was linked with profits and

efficiency, and did a great deal to force enterprises to remedy such situations as high absenteeism caused by poor safety regulations. In the case of health insurance, the state subsequently shed its responsibility for all except long-term sickness benefits, by making the work organization responsible for the first month's payment during absence from work of their employees.

What these changes amounted to was the definitive separation of the insurance service from the state bureaucracy. The service now forms a parallel bureaucracy linked horizontally through the social insurance 'communities', so-called. At the communal level this community is composed of all insured persons, who are entitled to receive accounts and attend assembly meetings, and to make suggestions about the running of the system. The republican community is made up of communal representatives, while at the federal level are delegated republican representatives who work in close co-operation with the political authorities in the running of the system as a whole.

What these organizational changes did, then, was to shift the whole emphasis in social insurance spending to earned-income resources. However, the provisions of social insurance have not acquired a discriminatory character during the process of decentralized administration. Pensions insurance, for example, is entirely controlled by the authorities, and no private schemes are permitted which typically differentiate groups of employees in western economies.⁴⁷ Though charges for the health services are beginning to creep back in, they are not generally of such a level as to constitute a real barrier to access to medical facilities.⁴⁸ When all reservations have been made, these facilities still operate mainly to divide those who have

employment in the social sector from the rest of the population. This is because all social insurance benefits, including health and child allowances, are tied to the work relationship and do not constitute rights of citizenship as such.⁴⁹ The system thus isolates the mass of the peasantry in the rewards' ladder, and also accentuates the tenuous position of the unskilled worker, who may be frequently - willingly or unwillingly - a bird of passage within the main structure of occupations. The linking of welfare and incomes in this uncompromising way thus gives an especial weight to the experience of the various social groups of the possibility of unemployment.

(iii) Unemployment

The incidence of unemployment in Yugoslavia constitutes a kind of mirror image of the two phases of economic growth which we identified in the section on incomes. During the fifties the occupational structure expanded at a rate which kept unemployment low for all skill groups.⁵⁰ A changing economic structure after 1965, with its emphasis on technology-intensive development, accelerated a process of threat to the livelihoods of unskilled workers which had been intensifying since the early sixties, and also began to increase quite strongly the chances of all the qualification groupings of finding themselves jobless.

Between 1952 and 1960 employment in the social sector rose by between 6% and 11.2% annually, except during 1955 when a halt was temporarily called to the recruitment of unskilled labour.⁵¹ Blue collar occupations grew from 1.2 millions in 1952 to 1.9 million in 1960, and the white collar sector from 0.5 to 0.9

million.⁵² After 1962, however, the economy expanded the productive sector only at a much reduced rate, and after 1965, again as a result of economic reform, employment in the social sector actually dropped, by 0.4% in the period 1964-8.⁵³ In terms of contrast between manual and non-manual occupations the periods before and after 1960 show a striking difference. Although exact figures are hard to come by, a reasonably accurate computation shows that between 1960 and 1967 the productive sector created manual and non-manual jobs in equal proportions, about 250,000 of each.⁵⁴ The period of the fifties, on the other hand, produced over 700,000 jobs in the manual category in the productive sector, as against 180,000 non-manual ones.⁵⁵ This, combined with the relatively greater expansion of the non-productive sector in the later period made the sixties a time of great white collar expansion,⁵⁶ within the context of a decelerating rate of job-creation.

These changes reflected the dramatic drying-up of the demand for unskilled labour, which began at the turn of the decade. Between 1953 and 1960 the level of unemployment rose by only 1.1%. The following two years added 75,000 to the unemployment books, and by 1969 the percentage of unemployed was around nine in every hundred.

Table I.6 Percentage of labour force unemployed, 1953-69

Year	N (000's)	%
1953	81.6	4.6
1955	67.2	3.1
1960	159.2	5.7
1965	237.0	6.6
1969	342.0	9.0

Source: see Note 57.

Unskilled workers have borne the brunt of unemployment, as table I.7 shows. The qualitative difference between the periods before and after 1965 in excluding unskilled manual labour and unqualified non-manual personnel from developing industry can be judged from the fact that between 1964 and 1968 productivity rose by 19% and employment by only 1%.⁵⁸ The economy has not in fact expanded fast enough in recent years to prevent even the higher non-manual grades from feeling the pinch. They doubled their unemployment rate in the post-reform years, and now stand on a par with skilled manual workers in this respect, who in fact stand the least chance of being unemployed relative to their numbers in the total workforce. The falling rates of unemployment among UQ non-manual workers is the consequence of a tendency unique to this group, that its absolute numbers are beginning to dwindle, and not simply the fact that it is stagnating with respect to other groups, as is the case of unskilled workers.

Table I.7 Unemployment, according to formal skill groups, 1957-69

Year	Group			
	VHQ, Q, HQ	UQ	US, S	SS, US
1957	5.8 (17.4)	1.5 (13.0)	14.4 (30.6)	78.2 (39.0)
1961	2.8 (15.8)	2.4 (14.4)	11.2 (28.5)	83.7 (41.3)
1965	4.5 (-)	5.6 (-)	11.7 (-)	78.2 (-)
1969	12.1 (19.4)	3.4 (9.2)	13.5 (29.7)	71.0 (41.7)

Source: SZS II, table 4-5, St.God.Jug. 1967, table 104-13, Indeks 10/1969, p 41. The figures in brackets refer to each group as a percentage of the total workforce. N.B. In row 4 the bracketed figures refer to 1967, not 1969, and the statistic was not available for 1965.

The social effects of this high rate of unemployment are

mitigated in the case of unskilled workers by the fact that they do not, in the main, form an urban proletariat dependent on state relief. The highest rates of unemployment develop in those areas where the process of industrialization is beginning. A 1961 study of the Nis district showed that the town itself had an unemployment rate of 6.9% compared with the national figure of 5.7%. The other four constituent communes had an overall rate of 22% unemployment. As the study makes clear, the first effect of industrial growth is to destroy the village economy, creating a pool of largely unskilled labour which can only be absorbed over time. However, the proximity of the rural environment to some degree cushions the new unemployed where they are not geographically mobile. Nearly 40% of rural dwellers had 3,000 (old) dinars a month coming in, and only one in ten of them had no income at all. Almost a third of the urban unemployed had no income, and some 40% less than 3,000 dinars a month.⁵⁹ Given that the family holding would provide free lodging and many dietary needs, it is clear that we have to distinguish carefully between unemployed workers who have definitively abandoned the holding and those who are registered as unemployed in the hope of eventually moving into the social sector.

As we might deduce from this, the rates of unemployment between regions vary very much. In Kosovo and Macedonia in 1968 it was 27%, whereas the next highest rate was in Montenegro, 9%. Slovenia's rate was around half the national average at 3.7%.⁶⁰ Bosnia's low rate compared with the other under-developed republics is misleading. (The rate in 1968 was 7.8%).⁶¹ Bosnia by 1961 had still not reached the stage of transferring rural population into the social sector,⁶² the only republic or

region not to do so. Industrialization there has disturbed relatively little the traditional peasant economy, but when it does so we can expect a steep increase in the incidence of unemployment. Rates of unemployment, therefore, rather than statistics on income, show up best the economic inequalities between the regions, which post-war economic policy has not altered very much.

At the other end of the occupational hierarchy, the government in recent years has tried to offset the operation of the labour market by introducing a law compelling work organizations to take on certain numbers of people with completed secondary and university schooling.⁶³ This is a positive obligation from which the organization must obtain a release if it so wishes. This move is difficult to explain except as a political response to the exceptional difficulties which young persons with the highest qualifications find in making a start to their careers.⁶⁴ Youth and inexperience are both severely penalised in the labour market. Between 1957 and 1965 between 80% and 90% of all unemployed were those with less than five years of working life, and in 1965 41.9% of them were under 24.⁶⁵ In the period of state-manipulated employment growth this situation righted itself fairly quickly. In 1957 some 60% of unemployed had been on the books for less than three months. By 1966, the situation was exactly reversed. 61% of unemployed people had been waiting for more than three months.⁶⁶ Further, their distribution did not show the same tendency to tail away over time. 20.7% of unemployed in the latter year had been waiting for jobs for over a year, and over half of these for more than two years.⁶⁷ In contrast to the fifties, the sixties has seen the appearance of the problem of chronic unemployment.

The compulsory employment of young educated people thus alleviates a potential source of informed and articulate discontent.

The fact that young beginners are relatively deprived in the labour market means that very few unemployed can claim cash benefits. In 1966 only 12.6 of unemployed were drawing benefit, and a third of these were qualified non-manual employees (or higher) and skilled workers.⁶⁸ Unskilled labour is frequently seasonal and migrant, and these workers often find it difficult to fulfil the basic qualification of a year's work, which is the prerequisite of cash benefit entitlement. We can reasonably infer, too, that the system of cash benefit is run with the strictest eye for economy. Although the law permits the payment of up to 50% of salary to the unemployed person, in 1966 the average payment per person monthly was just under 180 dinars, at a time when the average national income was 736 dinars.⁶⁹ Most important of all, the labour law still in force reflects the harsh conditions of the fifties, so that rights to unemployment welfare provision cease 1) when the employee is sacked, 2) when he gives notice, 3) when his job ceases to exist, by reason of reorganization or bankruptcy proceedings, for example.⁷⁰ It is difficult to see who eludes this comprehensive filter. Again, the law discriminates in favour of education and skills, since those completing apprenticeships, technical secondary schools and university courses may in theory be eligible for relief.⁷¹

The other main deprived group (besides unskilled workers) are women; and once again the two are linked. Unskilled and semi-skilled work attracts women, and in 1966 70% of these two categories seeking work for the first time were women.⁷² In 1967 women made up some 44% of the unemployed, although at about

that time they constituted only 30.2% of the workforce.⁷³ The employment bureaus evidently apply a fairly consistent bias in the allocation of jobs. Records show that the chances of a man finding a job in 1966 were four times as high as for women, and this relationship held good even in the unskilled categories.⁷⁴ The plight of men is clearly easier to some extent, but nevertheless the employment prospects for unskilled labour are exceptionally gloomy. In 1968, it was estimated that the current social plan would create 190,000 qualified white collar jobs, and 260,000 skilled and highly skilled jobs. At the same time half a million unskilled workers were thought to be surplus.⁷⁵

(iv) Occupational mobility

Career mobility has provided very mixed fortunes for the various social groups over the years. In analysing the length and direction of mobility, the following hierarchy is used based on a study carried out with sample census figures in 1960.⁷⁶ Running from 'high' to 'low' the groupings are:

1. Leading cadres
2. VHQ and HQ personnel
3. Q personnel, especially technically trained people, HS workers
4. Skilled workers, artisans in the private sector
5. Intermediate group. (This includes white collar employees, many of whom will have the Q status, sales and defence personnel)
6. SS and US workers
7. Peasants

This list is not intended to represent an ordering according to strictly status characteristics, that is, an unidimensional ranking. What is claimed for it is that movement from one group to another would involve significant changes in one or more of the dimensions of inequality. In fact, the hierarchy is sufficiently broadly drawn as to reflect quite accurately all three dimensions of inequality, and this is a feature of status rankings generally. The point that is being made here is that consensus over synthetic evaluations of status has to be treated as problematic if we are to account for disagreements about status rankings, which is a typical feature of status studies empirically.⁷⁷ It is especially important to regard each dimension of inequality as in principle distributed separately from the others in the Yugoslav case because, as we shall show in the following chapter, class and Party provide potentially conflicting bases of social promotion.

Career mobility has generally taken place within the two broad categories of manual and non-manual occupations. Between the two groups, however, the differences are marked. For all grades of manual workers movement both upward and downward has been common, though in the case of skilled men this downward movement may be in part the consequence of classificatory discrepancies. Non-manual groups have experienced only a negligible amount of downward mobility, and in the case of the intermediate categories high rates of upward mobility were found, between 1946 and 1960.⁷⁸ This contrast reflects the relative rates of expansion of the occupational structure for each type of job.

Even more striking is the means by which mobility was achieved. Formal schooling played little part in determining the mobility of manual workers within their class. Although

the mass of highly skilled and skilled men acquired their qualification through examination, this was normally taken after training on the shop floor combined with instruction, as table 1.8 shows. The situation after 1960 is not clear in detail, but on the basis of available evidence it seems that in-service training continued to be the most common route to higher skill ratings. Between 1958 and 1964, the proportion of highly skilled and skilled workers who obtained that rating while still in the under-19 age group remained static, suggesting that attendance full time at trade schools was not a prerequisite for mobility into skilled jobs at least until the mid-sixties. After that date, judgement has to be reserved.

In the period up to the mid-fifties, non-manual people also experienced opportunities for rapid promotion without previous schooling, or its equivalent in vocational education while in employment. To some extent, emphasis on formal qualifications obscures the true extent of the mobility possibilities of these people, because at the time the government operated many types of educational crash-courses to try and bridge the desperate shortage of non-manual skills.⁷⁹ For example, many secondary school teachers went through courses lasting only six months to acquire their formal qualifications. This now normally takes four years.

The spread of mass education rapidly put paid to this situation. During the fifties a phase of expansion went on in all forms of higher and secondary education. The number of students graduating from faculties and polytechnics⁸⁰ jumped from around 8,000 in the quinquennium 1945-9 to six times that number 1955-9. In the next five years numbers again more than doubled to a total of 108,000 graduates.⁸¹ This spate of young

Table I.8 Employees in the social sector, 1961, according to means of acquiring skill/qualification

	No quali- fication	Qualification obtained through					N
		I	II	III	IV	V	
VHQ	-	83.6	5.9	3.3	6.3	0.9	128,145
HQ	-	54.4	19.8	7.9	17.5	0.4	70,800
Q	-	78.4	7.6	5.9	7.6	0.5	373,687
UQ	-	71.0	12.0	7.6	8.2	1.2	409,728
Auxiliary	75.5	-	-	-	-	24.5	82,277
HS	-	7.5	5.4	77.5	8.9	0.7	163,072
S	-	15.2	2.7	69.0	12.5	0.6	842,993
SS	-	0.8	1.1	14.0	75.6	8.5	426,471
US	97.0	-	-	-	-	3.0	1,018,338

Source: Milic, 1965, table 9, p 131.

I - regular schooling, II - schooling during career, III - vocational examinations, IV - awarded on the basis of performance at work, V - unknown.

educated people greatly changed the look of the non-manual workforce. As the above table shows, by 1961 over 80% of VHQ cadres had acquired the qualification through university attendance. Further, numbers continued to rise, although some levelling out occurred. In the four years 1965-8 some 117,000 students graduated, while trends indicated that for the quinquennium as a whole this figure would rise to about 150,000.⁸² This expansion was of course paralleled at the level of the secondary schools as well.⁸³

Because of the continued buoyancy in the non-manual labour market in the early sixties, the effects of this expansion did not become at once apparent. The post-reform years stopped the creation of new jobs, and as a result the possession of a formal

qualification among non-manual groups came increasingly to coincide with the work organizations' job classification schedules, with consequently little mobility for those without the proper qualifications. The productive sector was a little easier in this respect, showing most probably the effect of the relative shortage of technical personnel and also the relative number of jobs in the non-productive sector for which schooling is an essential prerequisite of professional admittance. Nevertheless, figures for 1967 show that career mobility beyond a job classification more than one step above the individual's formal qualification was a rarity. The crucial break in the non-manual hierarchy came between the Q and HQ groupings. Movement between these two was difficult even for those with the formal Q classification, while between the HQ and VHQ groupings a good deal of fluidity of movement is observed.⁸⁴ This break is likewise confirmed by the following table.

Table I.9 Percentage of non-manual employees holding the formal qualification to match their job, 1966 and 1969

	VHQ	HQ	Q	UQ
1966				
Prod. sector	59	46	74	190
Non-prod. sector	87	72	102	140
1969				
Prod. sector	66	63	84	174
Non-prod. sector	88	85	95	154

Source: St.B. 652, tables 1-1 & 1-8,
St.B. 672, tables 1-1 & 5-1.

Table I.10. Occupational mobility 1946-1960

Occupation

1946

Occupation

	PEASANT	US	SS	S/Hs	ARTISANS	SALES	UR	Q, HQ	VHQ	LEADING CADRE	TOTAL
PEASANT	97.1 83.3	54.8 227 6.8	34.4 92 2.7	16.7 109 3.2	6.9 9 0.3	10.9 7 0.2	3.1 9.5 2.8	4.1 11 0.3	—	14.6 14 0.4	65.2 3,366 100.0
US WORKER	0.8 10.8	20.8 86 40.4	16.9 45 21.1	6.1 40 18.8	1.5 2 0.9	3.1 2 0.9	3.3 10 4.7	1.8 5 2.4	—	—	4.1 213 100.0
INDUSTRIAL, CRAFT WORKER	1.6 5.5	18.8 78 9.4	39.7 106 12.8	68.6 448 53.9	48.5 63 7.6	12.5 8 1.0	15.5 47 5.6	8.9 24 2.4	1.3 1 0.1	10.4 10 1.2	16.1 831 100.0
ARTISAN	0.1 5.6	0.7 3 4.2	—	2.5 16 22.6	30.8 40 58.4	1.6 1 1.4	1.3 4 5.6	0.4 1 1.4	—	2.1 2 2.8	1.4 71 100.0
SALES	1.3 —	0.7 3 3.9	—	12 8 22.6	3.1 4 5.2	12.5 40 51.9	2.3 7 9.1	3.0 8 10.4	2.7 2 2.6	4.2 4 5.2	1.5 77 100.0
MERCHANTS, BIG OWNERS	0.1 27.3	—	—	0.3 2 18.1	2.3 3 27.3	1.6 1 4.1	—	0.4 1 9.1	—	1.0 1 9.1	0.2 11 100.0
WHITE COLLAR, DEFENCE, COMMERCIAL	0.3 1.9	3.4 14 3.4	7.5 20 4.8	3.8 25 6.0	5.4 7 1.7	7.8 5 1.2	40.1 122 29.4	57.2 155 37.1	34.7 26 6.3	34.4 33 7.9	8.0 416 100.0
HIGHER NON-MANUAL	—	0.3 1 0.7	1.1 3 2.2	0.6 4 2.9	1.5 2 1.5	—	5.9 18 13.1	21.2 57 44.7	58.6 44 32.1	8.3 8 5.8	2.7 137 100.0
LEADING CADRE	2.5 —	0.5 2 5.0	0.4 1 2.5	0.2 1 2.5	—	—	0.3 1 2.5	3.0 8 20.0	2.7 2 5.0	2.5 24 60.0	0.8 40 100.0
TOTAL	56.0 2,889	8.0 414	5.2 267	12.6 653	2.5 130	1.2 64	5.9 304	5.2 269	1.5 75	1.9 96	5,161 100.0

Source: Milic, 1960, p 223.

The government has been a powerful agent in the raising of the qualification level of the non-manual workforce. It has done this by persistent influence by political agencies in work organizations and also through direct legislation. One of the most important acts in this respect was the passing of the law on compulsory employment for those with secondary school leaving certificates or better, which was mentioned earlier during the course of discussion of unemployment. Between 1968 and 1970, the numbers of such trainees in industry rose rapidly in the HQ and VHQ groupings, by 80% and 77% respectively. Even in the Q grade, the best served by the existing system of schooling, numbers rose by 27%.⁸⁵ All these figures imply that the possibilities of promotion for lower non-manual grades, already low by 1967, were squeezed still further. Many people during the early sixties used part-time education as a means of obtaining the greater security of a formal qualification. After 1960 the higher educational system was thrown open to those already in employment, and the fact that most part-time expansion occurred in the vocationally-oriented polytechnics suggests that even in the period of greater mobility in the early sixties formal qualifications were much sought after by those already in jobs.⁸⁶ Nowadays, except for certain categories of scarce technical personnel a completed course in higher education after full time study is probably an essential asset to those seeking HQ and VHQ jobs for the first time.

The other group which has suffered a very great setback to mobility is the peasantry. The movement of these people is primarily into the unskilled working class. As we have seen, the manual unskilled worker is becoming increasingly

redundant to the Yugoslav economy. How this affects peasant mobility we can see through the pattern of migrations abroad, since their vertical mobility is closely linked with geographical movement to the centres of employment and education. Migration began as a trickle after 1960. By 1966 there were 200,000 Yugoslavs working abroad, chiefly in West Germany, and 85% of them were unskilled.⁸⁷ Between the end of 1965 and 1967 alone, a further 237,000 went off.⁸⁸ And it was symptomatic that the changed economic conditions were sending trained non-manual cadres abroad in increasing numbers as well. By 1968, three resident commissions were operating in Belgrade (West German, French and Austrian) concerned with channelling migrant labour to those countries. In that year some one-in-seven Yugoslavs in employment had a job abroad, even discounting those who could be regarded as permanent emigrants, a figure which taken alone testifies to the qualitative changes in economic activity brought about by the post-reform period.

Summary

The class hierarchy as it is shaped by the market in Yugoslavia can be represented in the following way, running from high to low:

1. VHQ and HQ personnel (i.e. the professional and administrative apex)
2. Q personnel (e.g. primary school teachers, qualified technical personnel in industry, some Q administrative personnel, particularly in the non-productive sector, HS workers)
3. Skilled workers
4. Routine white collar employees, sales personnel, defence personnel
5. US and SS workers

A particular feature of this hierarchy is the way in which the market for labour has depressed the incomes of non-technical personnel in the economy. At every level in the qualification hierarchy, these people earn substantially less than their technically qualified peers.

The gap in terms of rewards between skilled manual and non-manual occupations is markedly narrowed by the effects of state policy in preventing the distribution of 'hidden' benefits which are so much a feature of western class systems. This comes out particularly in the case of clerical workers in industry. Craig and Wedderburn note that "fringe benefits, so important in determining the overall level of security of income over the life-cycle, are more often available, and on more generous terms, to the non-manual than the manual workers."⁸⁹ In Yugoslavia the enterprise is deprived of any major area of discretion in this respect, and the inherited structure of economic organization has played no part in preserving class advantages, as it has done under conditions of the private ownership of industry.

The break in the rewards' hierarchy between skilled and unskilled workers has also been a major feature of the period, though one which on balance should be taken as secondary to that separating the skilled working class from the VHQ grouping. Despite differences of up to 60% in incomes between skilled and unskilled men, the VHQ grouping has consistently earned between two and three times the average income of a skilled worker on the shop floor. However, in assessing the magnitude of the difference within the working class we have to take into account the effect of much greater insecurity of employment, and the consequences of the reduction of government-administered income

subsidies of all kinds (especially child allowances), which tend to differentiate the two groups still further in terms of overall market position.

The economic reforms of 1965, although in one sense only marking the culmination of an economic strategy which had been gathering strength throughout the fifties, in social terms constitute a watershed in post-war Yugoslav development. Although the income differentials between groups of qualifications and skills look greater in 1961 than in 1966,⁹⁰ these figures conceal a process of mounting inequalities which was developing between enterprises and branches of the economy, and which far outran anything characteristic of the earlier period. To some extent, reform fragmented the structure of incomes, making it possible for those with the lowest qualifications to earn as much as those with the highest. Nevertheless, this trend does not obscure the fact that it was manual workers who got the worst of the distribution of the rise in real incomes which took place after 1965. This fact, combined with government intervention to reduce differentials overall, narrowed the division within the working class to a considerable extent.

Further, the process of reform created a new economic instability and insecurity for the mass of the population, accompanied as it was by a drop in the standard of living for so many, and by a sharp deterioration in the already serious problem of unemployment. Under these circumstances, awareness has increased of those groups who by reason of contingent economic factors or their isolation from the market are able to maintain a high standard of living. This awareness has been reinforced by the fact that the new economic regime has been consumption-oriented, so that the symbols of wealth have tended

to proliferate.⁹¹ Inequalities of wealth in Yugoslav society are now glaring, and they appear to be increasing. The contrast between the income elite and the rest of the population, in any case socially very visible, is further heightened by the invidious public comment which the relatively liberal political regime permits.⁹²

The political authorities are far from indifferent to the potential and actual frictions engendered by this degree of economic differentiation. Indeed, the degree of freedom allowed to public comment can be seen as a mechanism of social control which is useful in mobilizing opinion to stigmatize unacceptable manifestations of relative affluence.⁹³ The fact remains, however, that the new economic regime was bound to stimulate such differentiation, particularly in a situation where so many enterprises owed their origins to politically-guided decisions which took little account of viability as it is understood under conditions of market competition. Since the government has judged it economically advantageous to free enterprises from state supervision in the matter of income distribution, it means that any hope of maintaining inequalities with politically acceptable bounds must ultimately rest in the creation of an economic system which will provide the basis for a rise in the living standards of the entire population. How the political controllers have gone about adapting the decision-making superstructure in the economy to the new situation which it has imposed on the enterprise, and what the effects of this have been on the work situation of the various groupings within the enterprise, is a problem which we now go on to consider.

NOTES

1. Gerth and Mills, 1948, p 181.
2. S.M. Lipset and R. Bendix, "Social Status and Social Structure", part II, Brit.J.Soc. II, 1951, p 237.
3. Percy S. Cohen, Modern Social Theory, Heinemann, London, 1968, pp 60-1. See in more detail W. Buckley, "Social Stratification and the Functionalist Theory of Social Differentiation," Amer.Soc.Rev. XXIII, 4, (August), 1958; but cf. the criticism by Hall of Lenski, R.H. Hall, Occupations and the Social Structure, Prentice-Hall, 1969, p 304.
4. See the speech to Soviet businessmen, J. Stalin, Problems of Leninism, Foreign Languages Publishing House, Moscow, 1953, especially pp 472-3. It is interesting that, although long deferred, some moves towards enterprise autonomy came in 1965. See L. Schapiro, The Government and Politics of the Soviet Union, Hutchinson University Library, London, 1967, pp 124-5.
5. A lucid and concise account is contained in D.S. Riddell, "Social self-government: the background and theory of Yugoslav socialism", Brit.J.Soc. (19) March, 1968.
6. M.G. Zaninovich, The Development of Socialist Yugoslavia, Johns Hopkins Press, Baltimore, 1968, p.60
7. E. Kardelj, Problemi Nase Socijalisticke Izgradnje, vol. II, Kultura, Beograd, 1954, p 339. (Italics added). Cf. J.B. Tito, Workers Manage Factories, Belgrade, 1950, p 30.
8. T. Popovic, "Sistem prestanka radnog odnosa u privredi", Soc.Pol. 7-8/1955.
9. P. Mihailovic, "Razlike u platama zaposlenog osoblja", Ekonomist 2/1956, p 274.
10. D. Bilandzic, Management of Yugoslav Economy, (sic), Yugoslav Trade Union publication, Beograd, 1967, p 101.

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11. *ibid.*, p 99.
12. G. Pockar and Dj.B. Milovancevic, Ekonomika Jugoslavije, Rad, Beograd, 1965, p 325.
13. Figures for the period 1961-66 are not given in table I.3 because they are available only in a partially comparable form, relating to the skill level of the person, not the job. However, the trend is clear. In 1965, for example, the US-VHQ ratio was of the order of 1:2.5, for all republics.
14. M. Illic, et al., Socijalna Struktura i Pokretljivost Radnicke Klase Jugoslavije, Institut Drustvenih Nauka, Beograd, 1963, p 209.
15. This figure is derived from table I.1.
16. Bilandzic, 1967, p 70.
17. See, in more detail, N. Stjepanovic, Upravno Pravo FNRJ, Savremena Administracija, Beograd, 1958, pp 334 ff.
18. Stjepanovic, 1958, p 383.
19. This control is effected through the so-called 'social agreements' on income levels.
20. St.B. 548, pp 7 and 39.
21. Mihailovic, 1956, p 284; St.B. 548, p 7.
22. Privreda u godinama reforme, No. 40 in the series 'Studije, Analize i Prikazi', SZS, 1968, p 69.
23. *ibid.*, p 80.
24. SZS III, table 7.5.1.
25. Privreda u godinama reforme, p 101.

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26. See, e.g. Paul Shoup, Communism and the Yugoslav National Question, Columbia University Press, 1968, p 244.
27. D. Bilandzic, "Problemi ostvarivanja radnickog samoupravljanja", Nase Teme 11/1965, p 1601.
28. N. Popov, "Strajkovi u savremenom jugoslovenskom drustvu", Sociologija 4/1969, p 616.
29. I. Maksimovic, Yugoslav Economic Reform, p 21, mimeographed. Article circulated under the series title "Socialism in Yugoslav Theory and Practice", by the International Centre for Social Sciences, Belgrade University, 1968.
30. Popov, 1969, p 617.
31. Privreda u godinama reforme, pp 8 and 70.
32. B. Sefer, "Privredna reforma i zivotni standard", Socijalizam 6/1967, p 756.
33. Popov, 1969, p 609.
34. Privreda u godinama reforme, p 71
35. *ibid.*, p 8.
36. B. Jaksic, "Jugoslovensko drustvo izmedju revolucije i stabilizacije", Praxis 3-4/1971, p 423.
37. St.B. 583, table 1-1.
38. St.B. 547, table 1-1.
39. Popov, 1969, p 611.
40. Apart from those listed in table I.4 they were: the electrical supply industry, petroleum industry, rubber products, printing, construction clearance and tourist organization.

NOTES

41. Ante Jurjevic, address to the VI Plenum of the Central Committee of the Party, Borba, 11.1.1967.
42. D. Bilandzic, "Problemi samoupravljanja danas", Nase Teme 5/1968, p 723.
43. For example, between 1954 and 1960, scientific and technical graduates increased by an average of 6.1% annually, medicine and dentistry 4.7%. The figure for other graduates was 16.4%. OECD Country Reports of the Mediterranean Project: Yugoslavia, Paris, 1965, p 49, table 33.
44. Social insurance, which is paid for, is quite distinct from social welfare ('socijalna zastita'), financed from the state budget, after 1955.
45. R. Pesic, Nastanak i Razvitak Socijalnog Osiguranja u Jugoslaviji, II, Beograd, 1957, p 11. A treatment of the later period can be found in the same author's Radno Pravo, Naucna Knjiga, Beograd, 1966.
46. Pesic, 1957, p 174, table.
47. Though of course, because it is income-related, pension insurance tends to penalise manual labour since it is tied to earnings in the years close to retirement.
48. A trend which has most important implications for the future is the relaxing of the ban on private medicine in Slovenia and Croatia. It is hard to say how far this has been developed in practice, in the absence of data. Even in Serbia, where it is officially restricted, I know from personal experience that private arrangements are not rare.
49. Welfare income depends entirely on the whim of the communal authorities, so that the position of those on the poverty line can be very grim indeed. See the article by M. Radovanovic, in JUS 1966, p 383.

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50. Relative to subsequent levels. Rates of unemployment in Yugoslavia have been consistently high since 1952, when records began.
51. Calculated from the March 31st figures for employment for each year, given in St.B.
52. St.B. 83 and 220.
53. SZS II, table 24, p 30.
54. Calculated from St.B. 220 and 536.
55. St.B. 83 and 220.
56. White collar jobs increased by 41% in the period 1960-7, as against a 14% increase in manual jobs. Calculated from St.B. 220 and 536.
57. Figures for this table were taken from: Soc.Pol. 12/1962, SZS I, table 4-9, SZS II, table 37 (Jan.-Oct. 1968), Indeks 10/1969, p 41 (June-August average), for unemployment figures. The percentage is expressed as a proportion of employment in the social sector, taken from the relevant St.B.
58. SZS II, p 76. By contrast, between 1952 and 1961 employment rose annually by 7%, productivity by 2.6%. See M.T. Aleksic, Sistem Kvalifikacija u Uslovima Tehnickog Progresa ..., Djuro Salaj, Beograd, 1966, p 11.
59. D. Markovic, "Ekonomski polozej Niskih radnika", Privredni Glasnik 4/1961.
60. Calculated from Privreda u godinama reforme, p 98 and St.B. 573.
61. Same source.

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62. P.J. Markovic, Strukturne Promene na Selu kao Rezultat Ekonomskog Razvitka 1900-60, Zadrusna Knjiga, Beograd, 1963, pp 63-8.
63. 'Osnovni Zakon o obaveznom zaposljavanju pripravnika', Sl.List 54/67 and 26/68.
64. Dragisa Savic, "Nezaposlenost i mogucnost zaposljavanja omladine", Nase Teme 4/1967, p 680.
65. loc.cit.
66. St.God.Jug. 1967, table 104-11.
67. loc.cit.
68. Calculated from ibid., tables 104-16 and 104-13.
69. ibid., table 104-16, and St.B. 548, p 7.
70. 'Zakon o Radnim Odnosima', Sl.List 53/57, article 90.
71. ibid., article 91.
72. St.God.Jug. 1967, table 104-15. Unskilled here includes UQ non-manual employees.
73. Indeks 10/1969, SZS II, table 25.
74. St.God.Jug. 1967, table 104-14.
75. D. Dragosavac et al. (ed.), Aktuelni Problemi Privrednih Kretanja i Ekonomska Politike Jugoslavije, Informator, Zagreb, 1968, pp 81-5.

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76. V. Milic, "Osvrt na drustvenu pokretljivost u Jugoslaviji", St.Rev. 3-4/1960. A version of this study in English is the same author's "General Trends in Social Mobility in Yugoslavia", Acta Sociologica, vol. 9, fasc. 1-2, 1965.
77. See Parkin, 1972, pp 41-4, Rex, 1961, p 148.
78. See table I.10.
79. A. Caserman, "Drustvena mobilnost u svetlosti drustvenog razvoja Slovenije u poslednjih 50 godina," mimeographed, pp 15-16. This is the first paper to come from the study Social Mobility in Slovenia, carried out by A. Caserman, Z. Knap, S. Obranovic, S. Saksida, and A. Tauber at the Institut za Filozofiju in Sociologiju, Ljubljana, in 1969. I am grateful to this team for their kindness and help, and for permission to make use of some of their material.
80. For terminological ease, the two-year 'higher schools' are called polytechnics to which they correspond. They confer HQ status on graduation. Horizontal linkage is provided with the four-year 'faculties', by treating polytechnic graduation as equivalent to two years on related faculties, and the finishing of two years of faculty likewise brings HQ status.
81. SZS I, table 19-9.
82. SZS II, table 43, p 43.
83. SZS I, table 19-4.
84. SZS II, table 29, p 33.
85. St.God.Jug. 1971,
86. SZS I, table 19-8.

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87. J. Tavcar, "Zaposljivanje jugoslovenskih radnika u inostranstvu", Soc.Pol. 5/1966.
88. Dragosavac et al., (ed.), 1968, p 82.
89. D. Wedderburn and C. Craig, "Relative Deprivation in Work", paper presented to the British Association for the Advancement of Science, 1969, (mimeo.), p 8.
90. See above, table I.3.
91. For example, the trend towards luxury spending is reflected in the striking growth of the numbers of shops selling expensive foreign goods in the major cities of Yugoslavia, especially in Belgrade itself.
92. Anyone wanting to gauge the tone of attitudes to inequalities in Yugoslavia at the present time, as they are reflected in the press, could not do better than to look at the cartoons of "Vib". These appear every week in Politika, on Sundays, under the provocative title of "A Step Backwards."
93. We argue later that this is especially directed against the association of power with privilege, and the problems posed by the autonomization of local elites.

SECTION II

PARTY AND CLASS ORDER

On one level, the evidence of the preceding section entitles us to say that the importance of social class groupings deriving from the division of labour is increasing in Yugoslav society. However, we must also observe those differences which spring from the Party's determination to restrict the diffusion of political power. Although for the mass of occupations status and rewards are contingent on the market for labour, positions of authority¹ are invariably filled by persons who, although they may acquire the educational and cultural characteristics of the professional middle classes, are selected because they have distinguished themselves by political activism. This implies, therefore, two principles of mobility selection at work which are unlikely to operate with equal force simultaneously. The very fact that Party membership is critical in determining movement into the apex of the occupational structure points to political loyalty as a primary consideration in the appointment of leading cadres, and one whose consequences cut across the stratification order as it is moulded by industrialism because it offers an alternative mode of access to differential life-chances. We are here concerned, therefore, with a discussion of the mechanisms by which the Party maintains the integrity of the political command structure under conditions of decentralized administration, and the effects of this control both on the distribution of rewards and on the perception of the distribution of power itself.

(1) The Party and elite formation

One of the most fundamental points of disagreement between Yugoslavia and the Soviet Union in the ideological struggle

which developed between them centred around the Leninist-Stalinist doctrine of the dictatorship of the proletariat. Very early in the argument Kardelj stated a counter-thesis which castigated the Soviet Party for failing to complete the October Revolution by devolving power to the masses.² (This thesis in fact later flowered into Djilas' analysis of the 'New Class'). It is, therefore, more than a little ironic that there subsequently began a pattern of long-term recruitment to the Party of those class elements which least represented its mass base, but which were critical to the maintenance of the impetus toward economic and social change.

The first group to be purged from the Party was the peasantry, which had mainly fought the Liberation War, but soon came to pose a political threat because of their opposition to land reforms. Between 1948 and 1952 their representation fell from 46.4% to 24.8% in 1952, and by 1966 they formed only 7.8% of all Party members. The rapidly enlarging industrial working class continued to make gains in the fifties, though not at all in proportion to its numbers. From 1948 to 1960, manual representation rose from 30.3% to 37.8%. Since that time it has shown a tendency towards slight but constant fall.³ Throughout the whole period, on the other hand, non-manual groups have expanded their membership rapidly. Even in 1956, when Party membership was falling in absolute terms non-manual membership increased by 30.8%, and this figure was the lowest recorded between 1952 and 1970. The places left vacant by the expulsion of peasant members after 1952 were filled by a massive influx of these groups, at rates of increase which varied between 50.8% and 66.7% over the subsequent three years.⁴ By 1962 manual workers

and peasants had for the first time ceased to form an absolute majority within the Party, and by 1970 they constituted only a little over a third, as table II.1 shows.

Table II.1 Social composition of the League of Communists, 1970

Blue collar	29.9
Artisans	0.4
Peasants	6.5
Technical intelligentsia	5.0
Humanistic intelligentsia	12.9
Administrative personnel	12.0
Leading cadres	7.1
Army/defence personnel	8.2
Pensioners & disabled	8.7
Students	3.6
Schoolchildren	1.3
Housewives and others	3.3
Unemployed	1.1
Total (N = 1,049,184)	100.0%

Source: V. Milic and Dj. Tozi, "Preobrazaj i socijalna struktura SKJ", Socijalizam 7/8/1971, p 836.

The party has not, of course, left its recruitment policy to chance and persuasion. The decentralization of the administrative apparatus means that the chain of political command is no longer linked directly with an executive bureaucracy comprising all persons in the non-productive sector, as was formerly the case. The Party maintains its control in fields such as the economy and education through the informal mechanism of mobility regulation. The top of each professional structure is lopped off, so to speak, and incorporated in a system of political control based on Party membership, and on elites at

each territorial level, which are linked vertically with the federal agencies of decision-making and with the central Party leadership. To put the matter slightly differently, a real attempt is being made to see that Party members are recruited because of their success in rising through the class structure on the basis of performance, rather than their membership acting as a prime determinant of their mobility.

Table II.2 Percentage of each professional grouping who were members of the League of Communists, 1966

Leading cadres	at least	60%
Intelligentsia	about	50%
Routine white collar	about	40%
HS/S manual	about	25%
SS/US manual	about	7%
Peasants	about	2%

Source: B. Horvat, Ogled o Jugoslavenskom Drustvu, Mladost, Zagreb, 1969, p 256.

Nevertheless, professional mobility can be regarded only as a partially qualifying characteristic for movement into the leading cadre group. The preference for recruitment of this group is more marked than for higher white collar qualifications as such, and this points up the fact that it is position rather than skills as such which the Party seeks to incorporate within itself. However, it is becoming increasingly difficult to maintain a distinction between the two groups on the basis of educational criteria, because the Party has tried to stimulate the coincidence of authority and educational background, both by detaching the professional group from the state bureaucratic hierarchy and by directing that those with high educational qualifications be given priority in employment.

The meteoric rise within the Party of the young, professional elite has thus been accompanied by a similar penetration of the organs of government. In 1953, 73% of all the representatives elected to the Federal Assembly were full-time political officials. By 1969, these men made up less than one third of the total, while 55% of the delegates were drawn from the ranks of leading cadres and the professional middle classes. It is symptomatic that the number of working class representatives dropped away from 6.8% to under one percent in the same period, a process which can be regarded as having its parallel in the decline of political activists, a great many of whom would have been of manual or peasant origin by reason of their massive preponderance in the Party and its associated institutions.⁵ The distribution of representatives by occupational groupings is much the same at each territorial level. It is also particularly worthy of note that the new professionals are as firmly entrenched in powerful Federal Chamber as elsewhere. Their importance in the political life of the country can be judged by the fact that between 1953 and 1969 the proportion of HQ and VHQ persons rose from 23.6% to 82.3%.⁶ The same situation is observable within the hierarchy of the Party itself. Although a third of the membership is made up of manual representatives, very few rise to positions of authority, and above the level of the commune, where their representation stood at 20% in 1963, they are a negligible quantity.⁷ Moreover, although the Party can with some justification be described as a white collar preserve, a look at the pattern of admissions suggests that those with lower qualifications are tending to share the fate of manual workers. Between 1964 and 1966 the number of non-manual Q personnel fell from 7.2% to 6%, and in the case of

UQ people from 8.2% to 5.7%.⁸ This once again underlines the dynamic tendency towards the fusion of political power holders with the apex of the professional structure, and the whittling away of the mass base of the Party.

To say all this is not to allege the political victory of the professional classes, needless to say. Once these people hold full-time political and administrative office they come under control of the Party managers in a far more direct and comprehensive way. Further, a condition of their admittance to power circles is years of proven political loyalty and activism, and not merely Party membership as such. But these figures do point to the fact that political affiliation plays only a small part as a sole selector in mobility, considered in the context of the occupational order as a whole. The revolutionary days certainly did turn up many examples of men who were mobile from the base to the apex of the social pyramid, but their rise seems to have been a phenomenon confined to a single moment in post-war history. Although the state did operate to de-class its wartime enemies and to promote its defenders in the early years of power,⁹ the grizzled war veteran of peasant origins and meagre education quickly gave place to the career bureaucrat as the typical Party man in authority. The preliminary findings of mobility research in Slovenia in 1969 show that inter-generational upward movement showed the following pattern, running from low to high:

1. Party non-members, non-combatants in NLW
2. Non-Party veterans
3. Party veterans
4. Non-combatants who joined the Party after the war¹⁰

These figures once again indicate how quickly the Party was compelled by circumstances to create a new power base from among the educated middle classes in its search for innovation combined with centralized control.

The rise to prominence of the new-style, professionally trained communist has not been achieved without marked stresses, however. Nearly sixty percent of all Party members in 1966 had joined before 1958, and over 40% held membership dating from 1952 or earlier.¹¹ Many of these communists would have experienced rapid social promotion owing to the dearth of qualified personnel in the first phase of industrial expansion, and internalized a conception of the role of the Party appropriate to an entirely different style of communist rule. For all of them, the arrival of large numbers of younger, well-educated Party members presented a threat to their careers based on years of loyalty and an understanding of the rules of the game obtaining in a state-controlled bureaucracy. We shall see that the reaction of 'political' managements to the incursion of the new, professional elite into their enterprises is frequently to isolate them within the structure of collective influence, and indeed actively to persecute them if the management's own position is threatened by their activities.¹² This is just one aspect of a more generalized conflict between generations of Party men, which Bauman reveals as also characteristic of Polish society:

"Having adapted themselves to the requirements of their power functions, members of the old [political careerist] elite achieved a certain level of organizational and administrative skill, quite sufficient in the conditions of a traditional and stable, non-expansive local community; this

amount of skill, however, appeared quite inadequate when adaptation to the conditions of a rapidly-expanding industrial community became the immediate necessity for all who wished to keep or acquire power positions ... This explains why many of them behaved in the new situation according to typical frustration patterns, often plotted against newcomers, manifested strongly unco-operative attitudes to new-style executive power ..."¹³

Much of this tension came to a head in the inter-factional struggle centred around Aleksandar Rankovic. Commenting on the tactics employed by the conservative element, Shoup observes: "The reliance of Rankovic on the Executive Committee of the Serbian League of Communists rather than on the Central Committee during the period of divided Party leadership may well have been a sign of weakness, reflecting a lack of support for Rankovic in the latter body where, although Party functionaries were well represented, a broader cross section of the new Communist professional and entrepreneurial elite existed than in the small, hand-picked Executive Committee."¹⁴ Although this episode marked an important stage in the consolidation in power of the new style communists, however, we have to observe that local elite figures are still in a strong position to fight the undermining of their own position, because the trend to decentralization of decision-making at the communal level has led to a problem for the central Party leadership concerning the control of power. This is a marked and unusual feature of the Yugoslav stratification order by comparison with other communist states, and one which provides many clues to our understanding of the social structure as a whole.

(ii) Decentralization and the control of power

It will be plain from the foregoing account of the Party's recruitment policy that it has by no means abandoned the policy of the fusion of the political and professional elites within a single decision-making group at each level of power. In this respect, the policy is no different from the days when the two groups were fused within an overarching bureaucracy. What is novel about present day local elites is that the federation has delegated important powers of decision-making, in the form of the right to interpret and implement policies within the framework of federal law, and having regard to local conditions and needs. This devolution of power has been especially marked at the level of the commune. An American observer commented in the early sixties that "Since 1955, the number of functions (especially in the economic field) assigned to the communal people's committees has trebled, while those of the republics and the districts have been progressively reduced."¹⁵ This redistribution of authority between the levels of political control has continued as an on-going process during the sixties, as the table below on the control of budgetary expenditure indicates. In addition to its economic functions, the commune has now also acquired important controlling functions in the sphere of education, housing and the social services, previously the domain of the federal authorities, so that the commune has inherited those functions of redistribution of resources once operated from the centre. This is a fact of the first importance in assessing the overall pattern of inequalities in Yugoslav society, as we shall see.

Table II.3 Structure of Yugoslav budgetary receipts, by controlling authority, 1949 - 1967

	<u>1949</u>	<u>1961</u>	<u>1967</u>
Federation	69.0	59.0	42.1
Republics	20.0	11.0	16.5
Other	11.0	30.0	41.4
Regions			1.8
Districts		Unknown	0.4
Communes			39.2

Source: SZS I, table 15-2, pp 267-8;
SZS II, table 66, p 59.

This change in the form of national planning and administration of resources has involved the Party in a looser and more flexible role of influence at the communal level. The whole point of decentralization was to achieve just this, thereby leading to a situation where the allocation and administration of scarce funds could be placed on a more rational and economical basis. Research into the distribution of influence on decision-making in seventeen Slovenian communes confirmed a reduction in the influence of the Party. It found that the influence exerted by the Party was not evaluated as above the average by the eighteen elite figures in each commune whose assessment was sought. Although political functionaries constitute the single most powerful group in local affairs, the complexity and scope of business and the sheer volume of information which has to be coped with in a developed commune militates against the monopoly of decision-making by small cliques. The study in fact came up with the information that the single most powerful influence on decisions was that constituted by the permanent commissions of the Communal Assembly.¹⁶ These commissions are in constitutional theory executive organs of the political bodies. However, they

have important powers of planning and recommendation as well, and it appears that because of their resources both in time and expertise, these commissions are best placed to follow and control developments. The expert function of these commissions derives from the fact that the principle is normally followed of recruiting a majority of their members either directly from other organizations within the commune, or from the ranks of prominent local citizens.¹⁷ In this way a broader cross section of the local elite of the commune is integrated into the decision-making process than was possible when local authorities were charged mainly with the routine administration of central directives.

The strength of the Party itself lies within the Communal Assembly, and is maintained through its relatively high degree of control over the selection of personnel to fill key political posts, and most notably the office of President of the Assembly. It thus preserves its hold on the formal organs and procedures of decision-making, and in addition is in a position to exercise a general supervision over the business of recruitment to elite positions. This is just the pattern of control which the earlier discussion would lead us to expect, with the Party taking all the help it can get in the preparation and formulation of business, while reserving to itself the exclusive power to implement policy through legislative action.

It should be noted most carefully, however, that the power relinquished by the Party over communal decision-making has not been passed on to the formal political organs and their supporting organizations. The Slovenian findings specifically point to the fact that the formal apparatus of mass participation lies unactivated (neighbourhood and voters' assemblies etc).¹⁸

What decentralizing reform has produced, therefore, is not a democratization of local political life, but local elites with a greatly enhanced power because it is exercised through an informal grip on the processes of decision-making within the community. The Slovenian mobility research identifies these elites as the major structural feature of the Yugoslav stratification system, noting that "internal, non-conflict core groups form at all hierarchical levels, both territorially and in enterprises. These, generally, are elites which circulate between positions within a given hierarchical level. We may observe that they all remain in their positions for some twenty to thirty years, and that between these members of core-groups there is generally no conflict."¹⁹ What these elite groups have in common is power based on the Party. How they behave is of course shaped to some extent by the structural setting within they operate and the balance of power between the various elite members. What is not in question, however, is their ability to concentrate all decision-making into their own hands, and in so doing both to frustrate the policy intentions of the central Party leadership, and to create for themselves sources of privilege.

It is in fact from the higher Party echelons that we glean most of our understanding of the seriousness of the problem presented by the autonomization of local elites. The sixties have seen a brisk ideological campaign against those elites which use their power to resist the Party's liberalizing and reforming tendencies, using the local Party organizations as an inert political resource in order to do so. Local Party leaderships have been attacked for usurping the functions of self-management institutions, and for "constantly waging guerilla

war within the Party in order to strengthen their undemocratic practice by displacing the [party_] organization from areas of real relationships, by conserving old relations within it through pressure on communists (from positions of authority!), by paralysing it, and so on." This campaign has been linked with another one, designed to galvanize the Party rank and file into greater activity and ideological awareness "in order to take away from the 'upper' stratum of communists all possibility of usurpation."²⁰ The fight is on, in other words, to prevent the closure of local Party organizations to pressures from above. The question remains whether simple exhortation will succeed. Certainly, the burden of the Party leaderships own public pronouncements is that the resistance of local communists to their new social role is far from broken.

The serious embarrassment which such local elites cause the Party centre stems from the fact that their arbitrary power serves no purpose but their own, and is frequently made highly conspicuous by the existence of marked privileges. We shall subsequently examine the question of state housing allocation in this respect. Another instance is provided by the distribution of funds to assist schooling. A 1968 survey of some 5,500 secondary school pupils and 2,500 students brought to light the anomaly that of the scholarship holders "only 17.5% are the children of unskilled and semi-skilled workers, while one in ten is the child of a leading cadre. The poor are channelled more towards loans which, of course, have to be repaid. 30-37% of students from the very poorest families have loans, and only 16% scholarships. On the other hand, in the better off families the percentage of scholarship holders is three to four times greater than those who receive loans."²¹ We have an

interesting point of contrast here with the earlier bureaucratic system of scholarship allocation. Reviewing the situation in 1957/8, Milic remarks that "it can be concluded that the policy of scholarships is more weighted towards the less well represented manual strata. Its influence on social structure of students certainly works towards the gradual diminishing of the great disproportions in the representation of social strata in higher education."²² Whatever the defects of the earlier state budgetary system to the rational, economic mind therefore, it certainly had advantages for the less privileged. The point is here that we are not dealing with areas where the middle classes create for themselves differential access to services notionally available to all. Educational assistance is by definition a redistributive device which ought to be allocated by institutionalized authority according to clear cut criteria of need. The situation both in housing and education shows how the state is failing to establish itself as an impartial agent of class mediation. In both these fields the commune has wide powers, and the figures indicate the shape that 'local rules' are apt to take, and not merely in isolated instances.

This situation is only one aspect of a generalized lack of control in public life which makes even more serious misdemeanours endemic to the press pages. Many cases of embezzlement of large sums of money by enterprise managers have been recorded. Authority figures in the economy, however, are by no means the only transgressors, and many instances are on record of corruption and malversation by those in political life, which are given prominence in the press.²³ The fact that this is so indicates that the top Party echelons are concerned by the problems they raise, and are not averse to public

pressure being brought to bear in this way. It is a fact, on the other hand, that these stories are treated invariably from the point of view of a scandal, rather than for any serious discussion which might shed a light on the structure of the system which gives birth to them. The government will tolerate the smashing of individuals, and thus by extension the criticism of exceptional cases, but dodges the issue of reform which no wing of the Party wants. Regionally-based factionalism has provided quite enough headaches to illustrate the dangers of a further relaxation of centralism. The serious divisiveness of the Rankovic dispute arose from that fact that it split the republican parties over the issue of economic reform, rather than simply offending an important but politically subordinate social group. A threat by the Slovenes to secede was appeased only at the cost of provoking similar rumblings the next year from Kosovo. Macedonia, Montenegro and (particularly) Serbia were all guilty of infringing Party discipline by refusing to implement reforms voted for in the Central Committee.²⁴

Irritating though they are in their tendency to attract notoriety, local elite communists are critical to the maintenance of the integrity of the chain of command upon which the political monopoly of the Party ultimately rests. A somewhat unheeded aspect of the Rankovic affair was how it demonstrated the contrasts between "liberals" and "conservatives" break down when considered in a wider context. Both sides, that is, were careful to see that the real issues of substance dividing them were not given a public airing. Both factions studiously avoided the mobilization of mass support for Party in-fighting which might have proved subsequently politically embarrassing. The dispute ran its course in public silence and the final reason produced

for getting rid of Rankovic was that he had abused socialist legality, by exploiting his position as head of UDBA and secretary in charge of Party cadres to place other leaders under surveillance, and even (again the note of horrendous scandal) to bug Tito's villa. The whole posture of the Titoist wing of the Party illustrated well both their determination to contain the debate and major decisions within the Party, and their wish at the same time to signal the intention that power was to be exercised in more socially diffuse and less invidious forms than that represented by political compulsion.

It was precisely for this reason that the Party instituted social and economic reform in the first place. If it had been content to hold the commanding heights of institutionalized power, as it continues to do, these reforms would have been a wasted exercise. What the Titoists aimed at, on the contrary, was to secure the fusion and co-operation of the intelligentsia with the political class, and so add to political power the forms of social power and prestige stemming from the exercise of key functions within the social structure which the Party itself had been ill-equipped to occupy alone in the process of development. In the relationship of the Party to the intelligentsia the real issue has always been the attachment of the latter to the normative order appropriate to the maintenance of the political status quo. It is in this context, from one angle, that we should view the apparent measure of liberalization introduced in 1964, which laid down that political offices and leading cadre positions could be held only for four years.²⁵ Since the Party controls the process of political recruitment, it is of little moment which particular individual holds political office, provided only that he remains responsive to

policy directives from above. A similar trend is the discouragement of the holding by the same individuals of positions of authority in the professional structure and controlling functions (not membership as such) of the Party and other political organizations. In part this serves to prevent the recruitment through Party influence of persons to key functions, especially in the economy, for which they lack the right qualifications. However, the Party has lived with this problem for years, and evidently continues to do so. The more obvious use of the measures seems to be to guard against the capturing of key Party roles by the professional middle classes, which might weaken the personal commitment of individuals to the Party connection. The existence of marked privilege therefore can be perhaps best seen as simply an exaggerated and politically weakening form of the 'perks' which stem from the exercise of political and administrative function, and which are both a symbol and the cement of Party attachment. From the point of view of Party legitimation, however, it is desirable that this particular symbol should be invisible to all except the beneficiaries. If public opinion on this issue is to be contained, the Party leadership must lead it and not be pushed by it. Unless the arbitrary exercise of power is restrained voluntarily by political power holders, the Party is likely, so to speak, to withdraw its patronage and allow its hierarchy to come under public censure and sanctions from the courts.

What constitutes another threat from autonomous local elites is that they set up serious informational blocks which prevent the Party gauging the strength and direction of public opinion. In a system which publicly eschews the use of coercion

and proclaims the first duty of the state to be the securing of a place for participatory man within the structure of decision-making, some fairly sophisticated mechanism of tension management is clearly a primary requirement. Thus, a great deal has been heard in recent years on the subject of the democratization of social life, and here we have an obvious parallel with the increasing toleration of strikes as a safety valve through which working class demands can make themselves heard. "The top organs of the League of Communists, above all the Central Committees, must be democratized rapidly and fundamentally, in order to transform the distribution of power. This refers primarily to the deconcentration of power in executive committees, the regular circulation of personalities, the activation and performance of the real function of central committees. It also means the transference of responsibility and real decision-making concerning operational measures to the social organisms [sic] to whom that right belongs, to the assemblies, etc. Leaderships must submit themselves to the democratic norms constituted for society as a whole."²⁶

Here of course the Party leadership is very much in the position of Satan rebuking sin. The collection of speeches and articles from which the last quotation was taken, contains the article by Kardelj entitled "More Parties does not mean more Democracy." It has great symbolic and ideological weight in the context, since this article was written in 1951, and its unaltered presence emphasises that for all the proclamations of the 'new role' of the Party, the line in this respect constitutes an unbroken thread. Nevertheless, there is a sense in which this call for democratization represents more than a

lever by which the progressive wing of the Party seeks to winkle out obstinate enemies. Implicit in the newer, softened exercise of Party power is the condition that its maintenance of the political status quo shall not involve manipulation and exploitation of position in such a way as to be a glaring contradiction to the normative order. Broadly speaking, the Party aims at achieving a situation where it retains a monopoly of major policy decisions, which are binding on all, and especially on Party members. Within this framework, however, "operational measures" are to be the subject of greater participation and debate by the representative organs elected for that function. The call for democratization, in short, represents a serious attempt by the Party to lay the basis for a general acquiescence in its rule. Again, the limitations of this liberalization must be carefully observed. The call to mass ideological action is addressed quite specifically to the Party, and not to a wider public,²⁷ and there is no sign of mechanisms of countervailing political power being added to the rhetoric.

(iii) The 'veza'²⁸ in the Yugoslav social consciousness

The presence of material privilege in Yugoslavia is only the visible symbol of the general control maintained by local elites over the important social processes within their territory. In its more generalized aspect, this control takes the form of a highly ramified system of personal interrelationships, operating partly within and partly without the formal structures of power. To have access to anyone within this circle of relationships is also to have access, often, to scarce resources, including of course power itself. Although related to positions

of authority, it is not exclusive to them. At its most elementary level, the 'veza' takes the form of a favour, as when a friend working in the theatre gets an otherwise unobtainable ticket for a show. However, the emotive phrase, to do something "through a contact" (preko veze) has acquired its special connotation precisely because the diffuse power wielded by elites and their social penumbra is used by them to set up a system of power exchange which underpins their position in the community power structure through their ability to confer favours of a more weighty nature. Of course, a form of the 'veza' relationship can be found in almost any social setting where power holders interact in face-to-face relationships regularly. What distinguishes the Yugoslav form of the relationship is its universality and the corresponding extent to which awareness of the phenomenon is diffused throughout society. This occurs, again, precisely because the Yugoslav authority figure is to a high degree uncontrolled in his manipulation of his position. Of course, the 'veza' network can bind social groups who are not united by Party membership. Family and friends are all likely to benefit in some circumstances from the patronage of the powerful: one 'veza' group which has achieved prominence in the popular mind, interestingly enough, is the Montenegrins in Serbia, whose cultural inheritance leads them to place great store by the clan connection.²⁹ Nevertheless, the roots of the 'veza' group lie within the political order and to become politically active is to enter, in however modest a way, into a potential client-patron relationship.

Table II.4 Distribution of answers to the question:
"What do you think is the decisive factor
in the employment of a jobless person?"

Answer	%
1. Success in schooling	10.0
2. Expansion in jobs	19.3
3. Connections, knowing people	59.3
4. Length of service/experience	7.5
5. Sex	3.1
6. Other	0.6

Source: Zuvella, 1968, p 69.

One of the most common connections in which awareness of the 'veza' relationship arises is in the search for employment, because employment is such a serious social problem. A study³⁰ in certain communes in the Split area, where unemployment is particularly acute, showed that a very considerable majority of respondents thought that if you wanted to get a job in their area you set out to pull strings. The "obvious" answer, that the creation of more jobs would do the trick, was simply overlooked by four out of five of them. It is not clear to what extent the working class suffers from intra-class discrimination in job hunting. Probably not much, since the study observes that it is non-manual personnel (who are likely to be socially nearer the sources of power) who are most adept at operating the system of connections. "This confirms the widespread conception that in our conditions employment is mainly obtained through connections, which, in general, non-manual employees have in greater degree, while other factors, even skills, are less important."³¹ This conclusion also matches perfectly the experience of living in Yugoslavia, which sooner or later will bring to light a rich crop of stories about how so-and-so could

not get a job, but finally solved his problem by joining the Party.

In England, the working class is fondest of the proverb, "It's not who you are it's who you know." In Yugoslavia the perception is by no means confined to the working class. A similar, though rather weaker, pattern of response came from a social group potentially most likely to be the beneficiaries of the 'veza' system, university students.³² They were asked to say what they thought to be the most usual means employed of getting on in Yugoslav society. The declining importance of Party membership as such in providing a distinct ladder of career and rewards was mirrored in the fact that only a few singled out political activeness as an important determinant. Factors concerning the individual's professional competence received the most stress. Nevertheless, the largest single group of answers showed that students considered that knowing the right people could vie in importance with the possession of good qualifications and a positive attitude to work, as a means of social advancement. Apparently, the concentration of power in the hands of local elites has led to a situation where neither specifically political connections nor professional qualifications can be foreseen as decisive in social promotion, and this reflects the mixed character and policies of local elites themselves. The extent to which impersonal criteria lack greater salience in this respect, again emphasise the sense of the local boundaries of power. This sense is not confined to particular, local milieux or to limited segments of the occupational structure, but is also characteristic to some degree of all strata in dynamic urban communities.

It is worth observing that the study here under discussion was carried out at a time of considerable expansion within a

buoyant economy, which would reinforce confidence in the openness of the class structure. Every kind of recession and shortage of whatever kinds of 'goods' would tend to throw the 'veza' network, and by extension the power structure, into high relief. Commenting on the situation prevailing in the late sixties, Zupanov notes both the uncertainty concerning the rules of social promotion, and the increasing frustration felt by young people in the competition for employment.

"Look at the elements of their social situation. The first element is the unforeseeability of circumstances: let us say, economists are in demand now; in four or five years they may be on the labour exchange books. If this year, for the sake of argument, production is expanding, next year there may be recession. The second element is anomie in respect of the rules of social advance. Formally, technical competence is stressed, and that stress is reinforced by the knowledge that technical competence really is the most important criterion for the allocation of professional status in the modern world. But over against that stress on technical qualifications stand rigged competitions, the endless writing of applications in pursuit of every possible competition, and getting refusals or no answers at all. Then again, not even the success of personal contacts is reliable, where they exist. You may have a very strong contact, but even so you can never tell whether he can help you to get a particular job. Forecasting is impossible simply because on the micro-level the institutional system brings about improbable combinations."³³ Nevertheless, we can assume that the social consciousness of privilege would be disproportionately fed in cases where the 'veza' did work in a situation of job scarcity. Uncertainty as it affects individuals is quite com-

patible with firmly held social beliefs, especially as the uncertainty in itself runs counter to the public ideology of performance.

Table II.5 Answers to the question, "What means do you, your parents and most people use of 'getting on'?"

	% of answers
1. Acquiring better qualifications	11.0
2. Keeness and effort in job	8.8
3. Choosing a socially valued occupation	3.9
4. Constant professional study	2.1
5. Social and political activeness	8.6
6. Deference to superiors	4.2
7. Taking advantage of connections	15.8
8. Emphasising one's qualities	3.1
9. Other	0.1
10. No answer	42.2

No. of respondents = 3,889. Each respondent was asked to give two answers to the question.

Source: Janicijevic et al., 1966, p 73, adapted.

(iv) Party, class and privilege: the 'New Class' thesis reconsidered

The Party, through the 'veza' network, offers access to rewards which are not contingent on the market. The advantages which political connections may confer take many forms. One of them is employment, where Party membership can be the source of useful prior knowledge of new and better jobs, as well as being an additional recommendation to selection. Another important item of privilege is in access to state housing.³⁴ Yet another is the important sources of extra income which are frequently possible for activists, either through lucrative honoraria paid

out for sitting on committees or acting in some other administrative-cum-advisory capacity in local affairs.³⁵

At first sight, despite the increasing de-proletarianization of the Party, it might be thought that its influence in this respect would cut across class boundaries. However, Party membership as such is unlikely to give favours to a marked extent to manual workers because the control of privilege resides in those who are not simply Party members, but combine their membership with political functions or positions of authority within the professional structure. It is, therefore, non-manual people (as we saw in the case of job-hunting under conditions of scarcity) who benefit most from the 'veza' network. To an increasing extent, patterns of recruitment are concentrating communists in the non-productive sector, among teachers, doctors, administrators and the like, and among the administrative personnel in enterprises. In all cases, by reason of their work situation, these people are likely to have personal contacts with leading cadre figures, and through them greater access to the state as the source of rewards.

Table II.6 Percentage of Party members in the active population, 1966, by occupational groupings, and their rate of increase 1958-66

	N, 1966 (000's)	% Party members in active pop.	% increase 1958-66
Peasants	77	2.2	-37
Prod. sector	560	19.5	35
Non-prod. sector	129	25.8	93
State apparatus	154	60.4	4

Source: Horvat, 1969, pp 255 & 257, adapted.

Within this circle of privilege, we have to single out for especial mention those working in the state administrative apparatus at all levels, and in the Army, gendarmerie and legal network. From this concentration we can legitimately infer the decisive importance of Party loyalty as a principle of recruitment and mobility, which is likely to be reflected in various forms of privilege. This privilege is "legitimate" in the sense that it is allowed by the rules for the distribution of social funds and social property which the state bureaucracy itself makes. Whether it is in fact regarded as legitimate by the population at large is very much open to doubt. It is interesting that the popular terminology for local authority officials in Yugoslavia is "the communards", a pejorative expression rich in irony which expresses a sense of separation and privilege among this group of occupations. Indeed, the state bureaucracy in the very recent past has been associated not simply with privilege but with downright corruption. Horvat records a striking incident he witnessed in the early sixties at a local Party meeting. The subject of corruption was under discussion, and one participant wanted to know why it had been thought worthwhile to raise the issue, remarking that everyone gave bribes to get things done. "What impressed me was not that a degenerate bureaucrat had lost all feeling for basic moral distinctions, but that of the fifty or so communists present not one reacted to his statement, and that the man was later elected to the Secretariat of the organization."³⁶ The Party has done something to put down the flagrant abuse of power functions since its open castigation during the Rankovic dispute, but nothing has been done to subject these bureaucracies to democratic pressures which would curtail their legally-based privileges.

The distribution of social property is thus effected through informal channels to a great extent, which are subsequently legalized under the cover of rules which allow the authorities maximum latitude in their interpretation. Here, again, non-manual groups are in a good position to bring influence to bear in a way which is not possible for manual workers isolated within their enterprises. A teacher, or a book-keeper in a firm, has the chance either to manipulate his own Party membership to advantage or to approach his superiors for help if he wants a bigger flat, a loan arranged, help with tax difficulties with the communal authorities, entry for his child to a favoured school, and so on. Of course, these favours are not available to all, and the higher we move up the class hierarchy the more likely we are to find such privileges at work. However, non-manual occupations in general are sufficiently distinctive in this respect to justify a contrast with the working class.

The failure of the Party to establish a good bureaucracy (in Weber's sense) characterised by impersonal administration and clear rules is a feature of Yugoslav social structure which has received insufficient attention. This failure stems from the association of bureaucratic structures with uncontrolled power which is reflected in the behaviour of bureaucrats themselves. It is, in the nature of things, hard to document such an assertion exhaustively, but two relatively trivial incidents, drawn from personal experience, illustrate the lack of accountability which seems to be characteristic of them. The first concerns a schoolteacher friend who, on graduating, was unable to find a job and so took to giving private English lessons. The great disadvantage of this is that, although profitable in income terms, such service cannot be counted for sickness benefit.

and pension insurance. She went to her communal offices to see whether it was possible to arrange this. The official told her it was not, but on the spot offered to register her as a domestic help in his own home, because he wanted someone to coach his little girl in English and to keep an eye on her for at least one hour during the day, since both parents were at work. In short, he invented a fictitious work relationship, partly for his own advantage. The second case concerned a friend who spent some weeks in hospital. When he emerged, he was still not fit for work, and had accordingly to go before a medical commission for examination to extend his sick-leave. On arrival at the building, he found an old school friend in charge of the records. "To save him waiting around" she endorsed his health book for another month's leave. Though not in themselves earthshaking, these incidents are revealing for the light they throw on bureaucratic attitudes to the discharge of their functions. It is particularly a factor, we shall argue later on, which ought to be kept in mind when considering the status of routine white collar occupations, in addition to its importance as an explanation of the differential distribution of the resources which are concentrated in the hands of the state.

The association between power and privilege calls to mind Djilas' analysis of the 'new class', which he defined as "those who have special privileges and economic preference because of the administrative monopoly they hold."³⁷ In the light of the foregoing analysis, Djilas appears unarguably correct in distinguishing the political and administrative power-holders in Yugoslavia as a group with differential access to rewards. Of course, the increasing wealth of society, and the greater role of the market in distributing income, have to some extent

camouflaged the privileged status of these people, in contrast to the earlier period when a low standard of living meant that any contrast in consumption patterns depended upon access to state resources, and thus tended to magnify the distinction between Party officials and other social groups. Nonetheless, this blurring is only partial, and, as we have seen, is likely to become socially highly visible during times of scarcity. The processes of mobility and economic growth act, as it were, to flesh the skeleton of Party power and its attendant privilege, but it is always likely to reappear under less favourable conditions.

Djilas, however, vitiates his argument by linking the new class with the ownership of private property, and on this level it has been subjected to damaging criticism. In the first place, as Parkin points out, the laws of inheritance do not permit the passing on of large-scale property rights; though even here, we must observe that many of the perks of office can be transmitted, such as income, and through it educational advantage, houses, and, more generally, influence itself which can be used to smooth the career path of children.³⁸ Further, the Party is not predominantly self-recruiting, which is a major feature of western class structures. Indeed, the leading cadre grouping is even more open to penetration from the lower social classes than the higher levels of the non-manual occupational structure seen in terms of skills.³⁹ However, Djilas himself clearly sees these sociological characteristics of the Party, at various points in his analysis. He is aware that ownership, in his sense, depends on power, and not the other way round. "Today power is both the means and the goal of Communists, in order that they maintain their privileges and ownership. But since these are special

forms of power and ownership, it is only through power itself that ownership can be exercised."⁴⁰ In the same way Djilas acknowledges that the new class is fluid in its membership, and open to recruitment from the "lowest and broadest strata of the people."⁴¹

The difficulties in reading Djilas disappear when we realize that he in fact operates with two definitions of the new class, only one of which is made explicit. On the one hand, his view of the basis of this class as resting on the structure of political power which confers privileges is accurate. But for a marxist of Djilas' deep and long-standing convictions this was not enough to highlight the essentially exploitative nature of the new class. His orthodox marxism drove him to represent this privilege as a special case of the ownership of the means of production. Thus in a revealing passage, we find Djilas defining ownership as the right to make political decisions concerning the disposal of surplus value, which is quite consistent with his formal definition of the new class. However, because the stick with which Djilas wants to beat his colleagues is that of 'pure' Marxian analysis, it is the fact of the appropriation of surplus labour which for him clinches the exploitative character of the new class rather than its corrupting association with the monopoly of political power. "Elaborate attempts to give the workers a share in the profits have been made in Yugoslavia ... These quickly result in the retention of 'excess profits' in the hands of the bureaucracy who justify this by saying that they are checking inflation and investing the money wisely. All that remains for the workers are small, nominal sums and the 'right' to suggest how they should be invested through the Party and Trade Union organization - through the bureaucracy.

Without the right to strike and to decide who owns what, the workers have not had much chance to obtain a real share in the profits. It has become clear that all these rights are mutually interwoven with various kinds of political freedom."⁴²

Another misleading habit of Djilas, which forms the basis of a critique by Bottomore, is that of referring to the new class as a 'bureaucracy'.⁴³ Misunderstanding arises here because of a terminological peculiarity common to all Yugoslav ideologists, and 'bureaucracy' in this sense is the complete opposite of its Weberian connotation. When searching for a sociological description of the Soviet political class, the Yugoslavs hit upon a dilemma. On the one hand, they attacked the Soviet leadership as a brake to the process of self-determination for the revolutionary masses. Insofar as it opposed the working class, the Soviet Party was clearly a counter-class within the Marxian canon. On the other hand, this 'class' had taken root in a society where private ownership of the means of production had vanished, and for marxist theoreticians this represented a knotty contradiction in terms. The Yugoslav Party's major spokesman on ideological questions, Kardelj, solved this difficulty on a purely nominal level, which rapidly caught on in the ideological literature. Kardelj invariably refers to the Soviet leadership as a 'bureaucratic caste'. "The executive apparatus [in the USSR] acquired extraordinary power and authority and began to produce an independent bureaucratic caste with special social interests. Having secured a political monopoly this caste strove for an economic monopoly, for the first could be sustained only on the basis of the second ..."⁴⁴ Compare this now with Djilas' statement that the new class "did not come to power to complete a new economic order, but to establish its own and, in

doing so, establish its power over society."⁴⁵ So, in the special context of Yugoslav ideological debate, 'bureaucracy' came to be used as a pejorative term denoting the concentration of power in the hands of officialdom, as opposed to its diffusion through self-management mechanisms.

What is at fault here is Bottomore's own (very reasonable) assumption that The New Class constitutes an "application of Weber's ideas to the Soviet social system."⁴⁶ 'Bureaucracy' in Weber's sense is a total misnomer for the new class, and no one makes this conceptual distinction better than Djilas himself. "The Communist government is non-bureaucratic where a question of the needs of the oligarchy and the working methods of its leaders is involved. Even in exceptional cases state and party heads do not like to fetter themselves with regulations. Policy-making and the right to political determination are in their hands, and these cannot bear procrastination or too strict formalization. In decisions concerning the economy as a whole and in all other matters except unimportant, representational and formal questions the heads function without excessive restrictions. The creators of the most rigid type of bureaucratism and political centralism are not as individuals bureaucrats, nor are they bound by legal regulations."⁴⁷ What Djilas, and Kardelj too, call a bureaucracy is an administrative-cum-political apparatus created for carrying out the unrestrained will of the Party in socialist societies, in opposition to the right of popular participation in decision-making. What divided Djilas from the rest of his Party was not nomenclature but content, he wishing for the democratization of political life, while the others were intent on limiting self-management forms to the economy.

The partial rehabilitation of Djilas' theory is important, not as an intellectual puzzle, but because the man is our sole authoritative source which gives a clue to the nature of the adoptive oligarchy which rules Yugoslav society. He provides a vision, albeit hindered rather than helped by the formal analysis, of the bureaucratization (in Djilas' own sense) of the Party once in power, so that the state machine becomes insensitive to the principles of social justice at the same time as it provides opportunities for the enrichment of individuals. On the other hand, rehabilitation can be only partial, because of Djilas' narrow focus on privilege stemming from power, which serves to direct attention away from the sociologically more important issue of how political organization, which privilege symbolises, affects other aspects of social structure.

Having established that a communist regime is no better than a capitalist one, Djilas loses interest in his own arguments, and does not go on to consider in what ways they might actually be different. In the following pages we shall try to do so.

NOTES

1. In this sense 'authority' means all leading cadre personnel.
2. Kardelj, 1954, vol.II, pp 443-4.
3. M. Nikolic, (ed.), Savez Komunista Jugoslavije u Uslovima Samoupravljanja, Kultura, Beograd, 1967, table, pp 757-60.
4. S. Bolcic, "Drustveni konflikti i planiranje stabilnog rasta jugoslovenske privrede", JUS 1972 (3), table 2, p 207.
5. Dj. Tozi and D. Petrovic, "Politicki odnosi i sastav skupstina drustveno-politickih zajednica", Socijalizam 12/1969, p 1594.
6. *ibid.*, p 1596.
7. Horvat, 1969, p 252.
8. Nikolic (ed.), 1967, table 19, p 782.
9. Caserman, *op. cit.*, pp 21-2.
10. S. Saksida, contribution to a colloquium, published as "Drustvena pokretljivost i razvojne prespective jugoslovenskog drustva", Gledista 11-12/1971, p 1545. This collection is subsequently cited as Gledista, 1971.
11. Nikolic, (ed.), 1967, table 11, p 770.
12. See below pp. 156-7.
13. Z. Bauman, "Economic Growth, Social Structure, Elite Formation", in S.M. Lipset and R. Bendix, (ed.), Class, Status and Power, 2nd edition, The Free Press, New York, 1966, p 540.
14. Paul Shoup, Communism and the Yugoslav National Question, Columbia University Press, 1968, p 259.

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15. Albert Waterston, Planning in Yugoslavia, Johns Hopkins Press, Baltimore, 1962, pp 28-9.
16. J. Jerovsek, "Struktura uticaja u opstini", Sociologija 2/1969, passim.
17. Pockar and Milovancevic, 1965, pp 224-5.
18. Jerovsek, 1969, p 272.
19. Saksida, Gledista, 1971, p 1545.
20. M. Hadzi Vasilev, "Dva prilaza reorganizaciji Saveza Komunista", in Nikolic (ed.), 1967, pp 361-2. Note the studied use of 'upper'.
21. NIN, 23.5.1971, p 16.
22. Milic, 1959, p 83.
23. One of the latest and most notable incidents has been the imprisonment of the President of the Zagreb City Council for 20 years on the grounds of malversation of huge sums of public funds.
24. Shoup, 1968, pp 249-252.
25. In the case of political office this is an absolute restriction, while in the case of leading cadres, such as managerial personnel in industry, the four-year mandate can be renewed indefinitely.
26. M. Pecujlic, "Izmedju proklamovanog i stvarnog", in Nikolic (ed.), 1967, p 551. (My italics)
27. Cf. Hadzi Vasilev, 1967, pp 361-2.
28. 'Veza' means 'contact', although its "meaning" goes very much deeper than this.

NOTES

29. I can personally vouch for three cases of the working of the Montenegrin 'veza' network; two concerned with finding jobs, and one concerned with avoiding an administrative fine.
30. M. Zuvela, "Grupe stanovnika pojaceno izlozene nezaposlenosti", Sociologija 4/1968.
31. *ibid.*, p 75.
32. M. Janicijevic et al., Jugoslovenski Studenti i Socijalizm, Institut Drustvenih Nauka, Beograd, 1966.
33. Zupanov, Gledista, 1971, p 1502.
34. For the distribution of state housing in Slovenia see p 232.
35. Sometimes very important sources of extra income when the level of involvement is high. On one occasion I bumped into an activist friend of mine outside the offices of Politika. A very unreticent person, he told me he had been in to place a small-ad. for antique clocks, explaining that he had 23 million (old) dinars lying spare which he wanted to protect from inflation. I afterwards calculated that this sum represented his university-lecturer's salary for 8 years.
36. Horvat, 1969, p 242.
37. M. Djilas, The New Class, Thames and Hudson, London, 1957, p 39.
38. Parkin, 1972, pp 152-3.
39. See below, table IV.4.
40. Djilas, 1957, p 169.
41. *ibid.*, p 61.
42. *ibid.*, pp 108-9. **Emphasis added.**



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43. T.B. Bottomore, Elites and Society, Pelican, 1964, p 84.
44. E. Kardelj, Socialist Democracy, Association of Yugoslav Jurists, Belgrade, 1952, p 12. (Emphasis added).
45. Djilas, 1957, p 38.
46. Bottomore, 1964, p 83.
47. Djilas, 1957, pp 95-6.

SECTION III

CLASS AND WORK SITUATION
IN THE YUGOSLAV ENTERPRISE

(i) Politics and work situation: a note

'Work situation' Lockwood defines as "the set of social relationships in which the individual is involved at work by virtue of his position in the division of labour."¹ He found it to be a powerful factor in maintaining a sense of social distance between manual and non-manual occupations, stemming from apparently mundane distinctions and experiences encountered at the workplace. Those elements of work situation which derive from uniformities in forms of organization are important in Yugoslavia, too. However, there is one outstanding difference to be observed. Work situation does not take its configuration only from the forms of organization which the industrial order imposes, but stands in a close relation of dependence to the structure of authority imposed or permitted by the structure of political power. Whatever factors may divide social groups within the firm in Britain, differential access to sources of political power is not among them. This is not to overlook the class basis of capitalist states. The point is that issues of power are settled on a societal level, and managements themselves are linked only indirectly to the political agencies which provide the setting for their activities. In Yugoslavia, by contrast, the threshold of political power lies within collectives rather than outside them, because top management² figures are integrated into local elites of power. In this section as a whole we set out to examine the consequences of this overlap between political power and organizational authority within the enterprise.

(ii) Managers as a focus in model-building

One very important outcome of this overlap is that the managerial stratum³, in spite of trends towards greater professional independence to match increased enterprise autonomy, is very often subjected to a high degree of political interference in the discharge of their functions. This has been theoretically generalized as a situation where we might expect tensions during economic development arising from the reluctance of the Party to yield up independent decision-making rights to any social group not directly under its own control. Inkeles, for the Soviet Union, postulates a model of social structure which acknowledges the force of industrialization in creating a situation where social adaptation to the economic sub-system becomes highly desirable, without committing himself to any form of economic determinism. These social structures come under strain towards change because the power dimension of inequality remains impervious to the demands made on it in the direction of greater flexibility and efficiency.⁴ A sharing of power, on this view, is the price any political class must pay once such flexibility and efficiency acquire a high degree of priority, as has been the case in Yugoslavia, though of course any regime may tolerate inefficiency as part of a pattern imposed by different orderings of political choice. This model is a particularly valuable one, because it provides a link between present social processes in Yugoslavia and elements of a higher-level theory of social change. Clearly, if industrialization does in any sense lead to a diffusion of economic and social power, this will be first visible in the role of managements in socialist economies.

The tensions which arise can usefully be thought of as of two kinds. In the first place we have tensions which can be posed in systemic terms, and relate to the inability of a Party determined not to share power to create the economic mechanisms which will ensure the growth in prosperity which can buttress its own position. Sociologists who get involved in very complex economic arguments are always at something of a disadvantage, but nevertheless the opinion of commentators both inside and outside Yugoslavia suggests that the present distribution of power between politicians and managers is dysfunctional to economic growth which stresses expertise and technological innovation. Another set of tensions arises within the managerial stratum itself, and is linked with the concept of role incongruence.⁵ Rawin, for example, draws attention to the existence in Poland of role-strain among managerial figures, which arises from the imposition upon the traditionally subordinate, executive role of the director newer and conflicting priorities generated by market mechanisms.⁶ Both types of tension are linked to the problem of managerial role content, and the fact that the Party must strike a balance between market priorities and unified political control. We are going now to examine the effects which the Yugoslav solution has brought with it, bearing in mind that despite the trend to enterprise autonomy since 1961, the freedom of managements from local interference is a discretionary matter, and that to obtain a say in many affairs bearing on the future of the enterprise, which would normally be thought of as the right of executives in western firms to decide on, is a right which has to be fought for in every individual case within the Yugoslav system of industrial organization. We will now consider how this situation affects managers in the discharge of their

prime business function of making a profit.

(iii) The manager and his market

As a first step in approaching a complex subject, let us take the view of a western economist of the relationships governing the behaviour of managements and their collectives, as constituting an ideal-typical sketch of the managerial role in Yugoslavia.

"From the economic aspect the institution of the Workers' Council is reminiscent of the role played by stockholders in a free-market economy. Given the present functional relationship between profits and earnings, the Workers' Council acts as a force pushing the director to seek ever higher profits. The workers, though they do not know much about the art of management, know surprisingly well how to compare their earnings with the earnings of other workers employed by enterprises in similar economic activity. If they find their earnings lower than those of other workers, the director of a low-profit firm may find himself fired ... By striving for higher wages the employees force the director to strive for ever larger profits. The director's search for profits calls for an increasing flow of innovations."⁷

The usefulness of analogies with capitalist systems, however, is demolished by the fact that the economic system beyond the level of the enterprise is still very much dominated by the state authorities, and by the communes. The law on self-management of 1950 attempted to solve the problem of macro-economic planning and integration by providing for the creation of workers' councils and management boards for larger economic

groupings, such as branches of industry. However, the institutions were dissolved in 1952.⁸ Instead a new scheme was decided on which was incorporated into the Constitution of 1953. Side by side with the representatives of the political chambers at various levels there sat chambers of producers, elected from the work organizations, which had the right to consultation about legislation concerning their interests. In effect, this meant that the power over such decisions passed back into the hands of the political chambers, which are far more powerful.⁹

This kind of political control of economic life is quite incongruent with the development of a flexible organization based on the needs of enterprises and industries. The jurisdiction of the assemblies is territorial, and the necessary horizontal linkages necessary to economic co-operation are missing. This is accentuated by the fact that the territory of the commune is linked in a very direct way with the income it derives from economic activity within it. This makes economic planning very sensitive to communal and republican rivalries, and acts to shut out the free play of the market as each elite tries to foster and protect its "own" industry. It is here that a system of planning which is neither wholly capitalist nor wholly etatist has shown some of its worst defects. The need to develop an integrated economy and to cement the political union of the republics demanded the channelling of funds to those areas. However, the renunciation by the government of administrative control of the labour supply meant that trained personnel crucial to the operation of new enterprises could not be drafted into the underdeveloped areas, and under the circumstances the government has been forced in general to ignore there its own appeal to standards of economic rationality as determined by the free

play of the market. At the same time "because of the peculiar constitutional limitations governing the establishment of new enterprises, the process of spontaneous business expansion into the underdeveloped regions by firms seeking profits, such as might have taken place in a non-socialist economy, did not occur."¹⁰ In conditions of socialist planning we find the following paradox: "What was least expected has come about. Instead of 'capital' being more mobile than under capitalism - and there it has achieved a very high degree of mobility - it has been to a large extent territorialized. Social 'capital' is not easily 'mixed' between communes and republics and is least able to be 'mixed' with the capital of other countries, because the federation has in fact territorialized this to the highest degree of all."¹¹

The state operates to restrict the workings of the market in another crucial way, too, through its continued manipulation of prices, tariff rates, import quotas, and the other economic instruments with which it seeks to bring about the balance of economic forces it desires. It can thus deal fatal blows to the best-laid schemes of managements for increasing income by introducing rationalization and by more careful planning. Here is the evidence of the ironworks located at Jesenice, in Slovenia, reporting to the national Congress of Self-Management in 1971: "With the present-day huge oscillations in the economy, conflict situations can appear overnight. We are a branch of non-ferrous metallurgy, and the price of our products has a ceiling, yet the costs of our raw materials are formed on the open market and our producers cannot influence the income of the factory, no matter how hard they try. All efforts and sacrifices are in vain, and looked-for successes can be swept

away overnight when raw materials and services rise in price."¹²

Sacrifices can be very heavy indeed, and they add to our knowledge of how economic reform presses upon the work and welfare of some collectives. One Varazdin textile firm tried to adjust to depressed trading conditions by cutting incomes across the board by 20%. In addition, the manual workforce agreed to the upping of norms and to raise the level of labour discipline.¹³ When draconian measures like these fail, it is not surprising if widespread dissatisfactions with the existing structure of economic organization follow. Some collectives simply cannot afford cuts in an already marginal standard of living, and swallow all the profits for wages, so endangering their future livelihoods through lack of investment funds.¹⁴ Since the growth of unemployment by the mid-sixties already presented a major political problem, the future of such enterprises is largely assured by state intervention from reserve investment funds, and in such conditions the concept of a market economy loses all meaning. Occasionally economic confusion conspires to favour feckless enterprises. One such example was the abolition of a federal tax retrospectively in 1966 from 1960, with the additional provision that those enterprises which had ~~been~~ paid it would not be entitled to a rebate.¹⁵

The scope and capriciousness of state intervention has to be stressed. In 1965 the federal authorities alone passed 982 regulations concerning the economy, three for each working day, and the years before and after saw between seven and eight hundred each.¹⁶ The overall conditions making for stability in the economy were conspicuously absent during the period of the greatest extension of enterprise autonomy. If we take 1961 as the beginning of that process of extension, the next year saw

recession and price and currency reforms. Intensified in 1965, economic reform imposed a new set of economic priorities which gave prominence to new institutions. In uncertain conditions, these institutions tended at times to interpret the laws to their own advantage. In banks and elsewhere it could happen that "by means of internal regulations work organizations are burdened with obligations of which they are unaware. On the other hand, these regulations and limitations are often the means by which statutory provisions are exceeded or indeed flouted.... The consequences of this situation are negative in every way. It is not simply a question of difficulties of adaptation, of needless waste of time and resources. A much more serious problem is the uncertainty which frequent changes of regulations create in the economy, particularly in the matter of changes which render impossible or difficult longer-term programming and planning of development and functioning."¹⁷

Even at the level of the single enterprise there is one notable exception to the marked increase in powers which managements have acquired over internal regulations during the last decade. Since 1953, the share of the enterprises in capital investment funds has remained frozen at around rather less than one third of the total. This figure anyway considerably flatters the control of managements over investment policy, since the bulk of funds (up to 100% in industry) have to be handed over to banks.¹⁸ The enterprises then receive the money back in the form of credit, so that political influences maintain an open channel of control over expansion. The model which sees the enterprise expanding and contracting with the free play of the market in Yugoslavia is thus even more misleading than when it is applied elsewhere, and it is worth observing that this is

the very model with which self-management ideology operates.

It is useful at this point to interpolate the picture painted by a Yugoslav economist of the pressures to which a market-oriented director is subjected, to make a pointed contrast with Pejovich's ideal-typical account. The pressures on this director come (to summarise the argument) from two sources, from inside and outside the firm. Often the director may be (informally) induced into helping ailing enterprises within the commune, and his choice of rational investment and co-operation policies curtailed by political dealing within the local elite of which he forms a part. All this happens in addition to the pressures put on him (quite legitimately) by the communal authorities in matters of personnel policy and income distribution. On the other hand, he may well also have problems within his collective, in the form of resistance by workers, frequently backed by the political agencies within the firm, to planned programmes of reform and modernization.¹⁹ It is a striking fact that in a situation where managements are by far the most powerful single group within the enterprise, 73.3% of directors in a survey thought that it would be very difficult to carry out re-organisation and put into practice new ideas in their enterprises, and this was a view shared by their non-directorial colleagues to a large extent. This fact speaks volumes for the kind of control which managements do in fact exercise over their collectives.

(iv) The director: elite figure or professional manager?

What emerges from all this is that the director of an enterprise, even where his professional training and interests cause

him to see himself as primarily a businessman, will be will-nilly drawn into intimate political connection with local elites not simply by virtue of his position of authority but because an ability engage in political manipulation is often a precondition of the discharge of his managerial functions. Of course, it would be wrong to understate changes in managerial function over time in the direction of greater independence from political control, with a consequent change in the outlook and career pattern of the typical manager. The qualification structure of directors is improving slowly, as table III.1 shows, and this is clearly a condition which must be fulfilled in the move towards a rational and expert approach to the organization of production. Further, the qualifications of new directors tend now to be acquired by full-time education rather than by attendance at supplementary courses and cadre training schools, which was the pattern characteristic of the 'old school' of directors.²⁰ These changes indicate that we are some way from the situation where "loyalty and self-effacement were the director's basic qualities, when the director was a part of the dominant political structure, recruited from it, most often a highly skilled craft or industrial worker by origin."²¹ At the same time, the figures give no cause to overstate the contrast between old and new. Only 36% of incoming directors in 1966 had the formal qualifications to match the post. Although the proportion of ex-manual workers dropped quite noticeably, they still made up a quarter of the new directors, and the increasing number of people with the Q rating validates Zupanov's comment, "... go through the list of competitions, particularly for directors and top management personnel, and you will see how years of service make a quite nice substitute for formal education."²²

Table III.1 Outgoing and incoming directors, 1966,
by formal qualifications

		HS	S	US	VHQ	HQ	Q	UQ
Outgoing	100.0%	33	17	4	11	5	15	11
Incoming	100.0%	18	7	0	36	13	25	1
Re-elected	100.0%	34	8	0	17	17	18	6

Source: St.B. 447, tables 3-2 and 4-2 (figures only).

Row 1 does not total 100%, 4% being unknown.

Even figures like these, however, do not answer the fundamental problem of how directors are recruited and how they conceive their role. A large Slovenian survey covering 4,500 staff and line managerial personnel of the range VHQ - Q (25% of all employed in the major industrial branches), brought a quite unequivocal answer from potential directoral recruits. 85% of those under 40 and 76% of those above that age said that political criteria were predominant in appointing the head of a firm.²³ Zupanov's study produced a different, but quite consistent picture, because he was concerned with the chances that a director of proven ability would be given a job in another enterprise, in the event of leaving or being fired from his own firm. A majority thought that demonstrated competence would give the director the edge within his own organization, but were evenly divided on the question of whether this would do him any good in competition elsewhere. This split opinion occurred because "a candidate has great power in his own organization and can decisively influence the selection commission and the workers' council to choose him; in another work organization he lacks such power."²⁴

The nature of managerial recruitment in general reveals

them as political animals rather than as an integral group at the apex of their profession. In this instance, there is an interesting comparison possible with the development of the managerial role in America during the course of industrialization. Bendix notes for American managers a tendency towards decrease in inter-industry mobility as their careers became more dependent on the acquisition of particular kinds of experience and expertise which are not readily transferrable from one firm to another.²⁵ In a command economy these considerations largely do not apply. Where the director is a state servant his responsibilities are purely administrative and movement into and out of the job is determined simply by a central personnel policy. This comes out clearly in an early study (1957) of 3,500 enterprises in Serbia, where it was shown that between 1951 and 1956 46% of enterprises had changed directors twice or more.²⁶ Although the situation has stabilised considerably, Yugoslav directors still show a good deal of fluidity of recruitment. Of all managers born between 1876 and 1920 Bendix records that 58% had moved between industries only once or not at all.²⁷ This took in the whole of the subjects' working lives. Of the 258 new directors who took office in 1966 for whom the information was available, 35.4% moved into new branches of industry as a result of their appointment. Even more revealing was the statistic that one in six of them moved into the productive sector from previous employment in the state organs or from other non-productive organizations.²⁸ If we take these two types of move together, it emerges that 54% of these people were not only new to the job, but new to the industry as well, which strongly suggests that top management is far from professionalized, and that directoral posts are still

used intensively as a means by which local elites can circulate from political posts, where re-election cannot take place after a four-year term to the same office. It must also be stressed here that, in contrast to Bendix's study, we are concerned only with the post of chief executive in industrial organizations, so that we cannot adduce similarities of structure of particular parts of work organizations as an explanation of this ease of movement between types of economic activity.

It is not easy to generalize about the quality and degree of involvement by managers with local elite politics, because each individual case can vary so much. At one end of a continuum we can identify those managements which actually substitute political activity for the practice of business, and we shall have more to say about them in Section III.C. 30% of directors and 38.9% of non-directors in Zupanov's survey thought that elite involvement was a precondition of the successful discharge of the director's duties, and it is important in getting the Yugoslav market system into comparative perspective to note that still, after nearly a decade of reforms in the direction of greater enterprise autonomy, one third of management personnel saw their jobs as critically affected by relations with bodies outside the enterprise, and this in the economically most advanced republic. But whatever the chances of independent decision-making viewed from a detached angle, none of the personnel surveyed in fact had escaped involvement. All 245 respondents had at least one function in an outside body. Directors averaged 3.4 functions apiece, and non-directors almost three.²⁹

The question then arises, how is it that the shift to the market has not ousted the 'political' manager by a process of competitive selection? The answer is that the market does not

operate with sufficient freedom to make business success or failure the invariable criterion of position in the division of labour. To some extent, this occurs because the local elites offer an uncontrolled power base from which to manipulate recruitment,³⁰ but this is far from being the whole explanation. The Yugoslav industrial system cannot become amenable to analysis unless it is realized that, in spite of the millions of words poured out on the need to modernize industry, political managements are in fact essential to the stabilization of Party power. Economic policy is founded on two mutually exclusive aims. Speaking to the Party's VIII Congress in 1964, Kardelj stated it as a principle of policy that "the social community must prevent the spontaneous effects of the market on the distribution of income. Through planned guidance of the market and price control, or through secondary income distribution, it must introduce into distribution yardsticks such criteria and instruments for equalizing the conditions under which income is acquired as will make it possible for income distribution in accordance with work to approach as nearly as is feasible what is under our present conditions recognized as the individual share of labour in the total social product."³¹ On the other hand, the press in recent years has been loaded with pronouncements by prominent communists of the need for greater productivity, the shedding of unskilled labour, and the closing down of unprofitable enterprises.³² This latter trend has to be interpreted in the light of a wish for the future, rather than as expressing a present policy. A way is always found of salvaging an ailing enterprise from local funds, or by the less crude method of merging it with a more profitable firm. Firms do not fail outright, and the workers go on the unemployment books, because this would be politically fatal.³³ Economic reform

has been sufficiently divisive without this happening. It has in fact sharpened the contradictions between an egalitarian ideology and factual inequality, without solving the problem of raising living standards.

The director is thus certainly not the dynamic innovator of Pejovich's portrait, at least in general. He is an essentially conservative figure, who sees it as his business to make a profit certainly, but to do this within the framework of a balance maintained by the Party, which seeks to enjoy the advantages of a market economy in profit terms without the concomitant problems arising from the devolution of power into the hands of a managerial class. Again, it is important to maintain a balance of generalization. Structural changes in the economy do create local conditions of advanced development where the managers "are tending to become independent, to stand on their own two feet. Where do we go from here? Will we now see a new linking on a different basis, that is, to put it crudely, on the basis of the managerialization of the political elite? There are indications of such a trend, manifested at communal level, even in Croatia. In Slovenia, so I am informed, the tendency is much more advanced."³⁴ Even here, however, we must observe the importance of the formula "the managerialisation of the political elite". Whatever consequences this trend has for Party in-fighting, there is no reason to suppose that it will lead by a natural progression to a fundamental redistribution of economic power. The fact is that the structural conditions just do not exist for the emergence of an independent entrepreneurial management class along the lines of capitalist economies.

This comes out clearly in the kind of economy over which the Yugoslav managers preside. The academic economists are in

no doubt about the political failure to develop an organizational substructure appropriate to the aims of reform. "Social planning should lead to that minimum of immediate integration of interests which enables the establishment of essential co-ordination of activity. In scope, it should extend from the national economy as a whole, and international integration, to producer-consumer complexes, and in intensity from information and general common aims to long-term agreements. Present social planning has not these qualities."³⁵

(v) Dysfunction and conflict: the costs of power

It is obvious that in practice the Party does not succeed very well in getting the best of both worlds, of a free market combined with close political supervision. The present system is dysfunctional in the sense that it does not appear to be capable of leading to the technology-intensive expansion of industry that would allow Yugoslavia to compete in world markets on an equal footing, which is her eventual hope for entry into the ranks of economically advanced nations. It is characteristic, for example, that employment in the Slovenian electronics industry has remained entirely stagnant over the last twenty years, while the number of administrative personnel in Yugoslav industry as a whole has doubled.³⁶ This runs counter to the tendency observed by Bendix for Germany, for the proportion of technicians to increase at a much faster rate than administrative personnel during the course of the bureaucratization of industry, which comes with the maturation of an industrial system towards increasing size and sophistication.³⁷

The job of managements seems more to resemble that of

political caretaker than of developmental initiator. It does not, of course, follow that this dysfunction will be remedied in classic systemic terms. The Party accepts dysfunction as the price of continued control, and there are many expedients which can be tried before it confronts the need to hand over more power to managements, such as the well-proven trick of extracting political grants-in-aid from powers interested in maintaining the present international status quo in Yugoslavia. However, it does seem certain that if the crisis of economic stagnation which has been a feature of the late sixties persists as a chronic phenomenon, the pressure for more radical change will intensify. It would be unwise, perhaps, to overlook the possibility of a return to an older and more traditional form of economic development. However, the failure of this policy to maintain momentum at the beginning of the sixties would seem to imply, in that case, a much closer relationship with the communist world to the east, which would represent no less of an upheaval given the moral, political and financial investments made in developing an economy with market features.

The Party also creates tensions between two distinct subgroups within the managerial stratum. Market socialism represses the emergence of a homogeneous and integrated management stratum because it will not distribute power according to managerial skills. The incursion of people with these skills has not been accompanied by an increase in functional autonomy, and specialists very often find that they have no room for the exercise of professional expertise in an economy still governed to a large extent by ad hoc or politically guided management decisions, however rational those decisions might be on non-business grounds. A Slovenian study showed that staff specialists

were poorly integrated into the structure of management.³⁸

They are in many ways peripheral to the mainstream of managerial strategies, and this is suggested by the fact that in the electronics industry in Slovenia, to which we have just referred, university trained specialists remain in their jobs from one to three years only, in 60 - 70% of cases. The existence of division is even more markedly evidenced by the fact that for many young specialists, entry into upper management ranks is rejected as a career choice, because they will not submit themselves to the strains and controls imposed on the office by political agencies.³⁹ This contributes still further to the closure of the top-management stratum. In these forms, tension expresses itself between groups at different levels of power within the work organization.

Sometimes it takes a more open form of ideological conflict between the political structure and reforming managerial spokesmen. The latter have a great deal of freedom of expression in Yugoslavia, because the spread of a market philosophy is one of the levers by which the political authorities hope to produce more intensive economic activity. Thus "A significant proportion of leading cadres and specialists, and that the most capable of them, is increasingly critical of the status quo. [Research findings in Slovenia] tell us that 'among leading managers we find increasing demands for greater influence over events and enlarged professional independence'."⁴⁰ But every attack which economic stagnation calls forth upon "incompetent, untrained, inert, unbusinesslike, sloppy and halfhearted managements"⁴¹ necessarily contains a side-swipe at the system which underpins them. Sometimes this attack is completely direct. One Croatian economist has suggested the reform of self-management to give

the workers the rights held by owners and shareholders in relation to their managers in western economies,⁴² with all that it implies for the removal of the domination of politics over management.

In this way the new technocratic elite comes to threaten the stability and integrity of the older, politically recruited elites which established themselves during the earlier phase of state economic control.⁴³ A managerial stratum characterised by high status and rewards, which the Party itself underpins through its own ideology of performance as the basis of inequalities, confronts in the sphere of economic decision-making small, closed groups, entry to which can be achieved only after a process of tertiary socialization. The political structure straddles the professional managerial hierarchy, controlling the life-chances of the market-oriented man through informal mechanisms of mobility, and seriously weakening the professionalization of management. This is an aspect of social structure which has no parallel in capitalist states. Although divisions within management, especially between line and staff personnel, are a normal feature of such states,⁴⁴ no manager is placed in the structural position of having to assert his professional independence against the day-to-day interference of political agencies.

The conflicts which stem from this fact become especially marked at times of economic stress, which lends weight to demands for rational but politically unacceptable reforms of the system of economic organization. Circumscribed though it is, therefore, even the present degree of managerial independence reinforces the need to maintain the regime of political supervision of overall economic policy in good working order, des-

pite its dysfunctional effects. The outcome is that, in good times or bad, the basis of managerial recruitment continues to emphasise political reliability at the expense of professional performance. To add to the evidence presented here on this point, we can add the authoritative opinion of Pecujlic, currently one of Yugoslavia's top-ranking communists. On the basis of a survey of five enterprises he concluded that top management ranks remain more or less impervious to penetration through normal mobility processes, and are filled by a mechanism of informal co-option.⁴⁵

This fact, as he points out, means that management figures have the power within their enterprises to obstruct the activities of their collectives and to maintain their privileges. Even though the political authorities keep a tight rein on some managerial activities, because of their close links with the local power structure, managers are able to achieve considerable immunity from intra-collective controls. At the same time, the weak operation of the market frees the Yugoslav manager from a constraint which typically binds his western counterpart. One task of the latter is the establishment of co-operation between the parts of the firm as an organizational unit. He "can ill afford to exercise his authority in direct and deliberate contravention to the wishes and interests of his subordinates."⁴⁶ The freedom which the Yugoslav manager has in this respect is not, of course, absolute. Nevertheless, he is bound by an entrepreneurial role much more loosely than in a system where political power is out of the reach of managements, and the force of competition for markets very much greater. The degree of power which managements have over their collectives in Yugoslav enterprises is a marked feature of social structure, and one which

enables them to undermine the self-management system, which is dedicated in large measure to redressing the balance of industrial power in favour of the working class.

NOTES

1. Lockwood, 1958, p 15.
2. 'Top management' and 'leading cadres' are terms used interchangeably. The leading cadre group comprises the director and heads of sections.
3. In statistical compilations, a rough but very serviceable way of identifying this stratum is to regard it as made up of all VHQ and HQ personnel according to the enterprise job schedule.
4. Alex Inkeles, "Social Stratification in the Modernization of Russia", in C.E. Black (ed.), The Transformation of Russian Society, Harvard, 1960, especially pp 343 ff.
5. See Michael Banton, Roles: An Introduction to the Study of Social Relations, Social Science Paperback, Tavistock, London, 1968, pp 170-4.
6. S.J. Rawin, Changes in Social Structure in Poland under Conditions of Industrialization, London University, unpublished Ph.D. thesis, 1965, chapter VII.
7. S. Pejovich, The Market-Planned Economy of Yugoslavia, University of Minnesota Press, 1966, p 91.
8. It is interesting to speculate as to why this was done. The official reason was that the new system meant merely another form of bureaucratic control. However, there is every reason to suppose that such a system would place greatly increased power in the hands of the managerial stratum, to the advantage of the economy, but with undesirable political consequences.
9. For example, the chambers of producers can only vote in concert with the political chamber, while the latter has independent jurisdiction over many fields. See, for a useful summary of the representative system, Yugoslav Survey, (VIII), No. 1, February, 1967.

NOTES

10. Shoup, 1968, p 239.
11. Bilandzic, 1968, p 717.
12. S. Grozdanic, "Konfliktne situacije....i samoupravljanje", JUS 1972 (3), p 87.
13. *ibid.*, p 93.
14. Dragosavac et al., (ed.) 1968, p 121.
15. *ibid.*, p 123.
16. *loc. cit.*
17. *loc. cit.*
18. Bilandzic, 1968, p 718.
19. J. Zupanov, Samoupravljanje i Drustvena Moc, Biblioteka Nasih Tema, Zagreb, 1969, table 9a, p 249. This survey covered 245 top management personnel.
20. See St.B. 447, tables 3-1 and 4-1.
21. D. Kavran, "Polozaj i uloga direktora radne organizacije ..."
in T. Blagojevic et al., (ed.), Mesto i Uloga Normativne Delatnosti Radnih Organizacija u Pravnom Sistemu SFRJ, Pravni Fakultet, Beograd, 1967, supplement, p 24.
22. J. Zupanov, Gledista, 1971, p 1502.
23. S. Mozina, "Ucesce rukovodecih i strucnih kadrova u radnickom samoupravljanju," Gledista 3/1966, p 359, table.
24. Zupanov, 1969, pp 258-9.

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25. R. Bendix, Work and Authority in Industry, Harper Torchbooks, 1963, pp 235-6.
26. R. Supek, "Direktor u sistemu radnickog samoupravljanja", Sociologija 1/1960, p 134.
27. Bendix, 1963, table 13, p 235.
28. St.B. 447, table 3-4.
29. See Zupanov, 1969, table 7, p 247, table 6a, p 246.
30. Bilandzic for example notes the occurrence of the absurd situation in a commune in Serbia, where the combined efforts of the workers' council and the Communal Assembly failed to remove an unsatisfactory director. They were actually prepared to pay him to go. D. Bilandzic, "Problemi ostvarivanja radnickog samoupravljanja", Nase Teme 11/1965, p 1603, footnote.
31. See The Practice and Theory of Socialist Development in Yugoslavia, proceedings of the Party VIII Congress, Medjunarona Politika, Beograd, 1965, p 79.
32. See the rather threatening speech by M. Nikezic to the Serbian Party Conference, Politika 24.12.1969.
33. Witness the otherwise odd fact that dismissals dropped by 22% in 1966 compared with the previous two years. St.God.Jug. 1967, table 104-17, p 104.
34. Zupanov, Gledista 1971, pp 1499-1500.
35. Dragosavac et al., (ed.), 1968, pp 116-7.
36. S. Saksida, Gledista 1971, p 1546.
37. Bendix, 1963, pp 221-4.

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38. V. Rus, "Samoupravljanje u podzecu", Moderna Organizacija, 5/1968.
39. See S. Mozina, "Motivisanost rukovodecih kadrova", in P. Dimitrijevic and B. Kovacevic (ed.), Savremeno Rukovodjenje i Samoupravljanje, Pravni Fakultet, Beograd, 1969, pp 171-2; also Zupanov, 1969, p 236.
40. D. Bilandzic, "Odnosi izmedju samoupravljanja i rukovodjenja u podzecu," in Dimitrijevic and Kovacevic (ed.), 1969, p 87.
41. D. Bilandzic, "Pretpostavke razvoja samoupravljanja", Nase Teme 3/1966, p 524.
42. A. Dragicevic, "Samoupravljanje radnicke klase", Nase Teme 3/1966.
43. See above, pp 72-3, note 13.
44. S.R. Parker et al., The Sociology of Industry, Unwin University Books, London, 1967, pp 95-6.
45. M. Pecujlic, "Skica drustvene svesti", Gledista 1/1967, p 34.
46. R. Dahrendorf, Class and Class Conflict in Industrial Societies, Routledge and Kegan Paul, London, 1959, p 45.

Section III.B. Manual workers and managerial power

This sub-section takes as its theme the high degree of power wielded by top management figures in the Yugoslav enterprise, and tries to analyse the way in which that power is established and sustained. The progressive strengthening of the workers' councils over the last decade, particularly in the fields critical for class relations, appeared to hold out to the working class the possibility of a high degree of control of the work situation which would soften the social rift between 'office' and 'works' arising from the alienating nature of "the impersonal discipline and standardized relationships of the factory bureaucracy."¹ In practice, there is a structured discrepancy between the system of institutionalized authority and the factual distribution of social power.²

(i) Influence within the collective

All empirical studies indicate that the influence of workers on their representative organs is low. The workers' sense of separation from these bodies is expressed in the fact that they attribute to them a degree of influence well above that which they consider themselves to have in enterprise decision-making. Further, despite the legal status of the councils as the sole source of legitimate authority on all major questions within the enterprise, the influence of top management is invariably evaluated as greater than that of the self-management organs themselves.³ In short, no research findings have yet come up with the conclusion that the introduction of workers' self-management in the economy has resulted in a

democratic distribution of influence within the representative substructure of the enterprise. This is true even if we take into account the fact that, as we might expect,⁴ in the struggle for control over certain key issues various competing groups within the collective are highly motivated to mobilize influence. This does indeed happen, as the analysis of thirteen areas of decision-making showed. But the increased influence of manual groups is matched by others, and in twelve of the thirteen fields scrutinized managements continued to have the greatest say, including over such crucial matters as income distribution, hiring and firing, and disciplinary procedures.⁵

Table III.2 Influence of various socio-economic groupings on the work and decisions of the workers' Council in three Zagreb enterprises

<u>Group</u>	<u>Influence (5-point scale)</u>		
Top management	4.66	4.40	4.49
Technical experts/ staff specialists	4.02	3.85	3.81
Heads of Economic Units	3.36	3.25	3.46
Party and T.U. officials	3.55	3.60	3.64
Supervisory staff	2.72	2.92	3.08
White collar	2.85	3.04	2.87
HS and S workers	2.85	2.76	2.94
US and SS workers	2.52	2.39	2.30

Source: Zupanov, 1969, p 221, table 3.

Work situation as in itself constituting a factor governing participation in decision-making has been the subject of study in a Slovenian enterprise, and it provides the basic clue to the low level of manual involvement even under conditions where the competition for influence is a realistic possibility. The investigation is of particular interest because it covered a high

proportion of skilled men, who tend to be relatively active in self-management processes. The study set out to elicit the conditions conducive to such activeness, and concluded that the key lay in the communication which went on in the work-group between the men. "Connections between more intensive communication and intensive participation hold good, especially in the field of labour organization. Still more significant is the link between quantity of communication and quality of participation. Between more intensive communication and better quality participation our research uncovered one of the strongest links: of workers who rarely communicated fully, two-thirds never participate, while only 20% of those who communicate frequently do not participate."⁶ Given the importance of communication in opinion-formation, it followed that workers participated most often in matters about which they had personal experience and knowledge, even those who habitually participated a great deal.

This finding is in itself trivial and could have been predicted. However, it provides the ground for two conclusions. Firstly, relative intensity and frequency of communication as factors conditioning participation in decision-making explains the differentiation in this respect which marks off skilled from unskilled workers. The author notes that highly skilled men and those with long service communicate best. Job-classification, not educational attainment, is here in question. This skill classification is largely a function of on-the-floor training, and so constitutes a rough index both of length of service and of integration within the work group. The second conclusion is of much greater weight. The work situation of all manual workers, the study points out, severs them from the structure of power within the enterprise. The types of discussion in which the men

felt at home and could participate freely were of a formless and spontaneous kind, without influence within the self-management organs, because workers could not successfully channel opinion so as to take effect within the institutionalized framework of decision-making. Thus, although they discussed income questions rather infrequently, the workers felt they had most influence over these questions because their voice had been in some degree institutionalized through the establishment of clear and publicly known pay schedules.⁷ This degree of institutionalization was confirmed by a separate survey of eleven Serbian enterprises, which came up with the somewhat surprising finding that manual workers participated most often concerning matters of general business and investment decisions, rather than incomes. The reason shown to underlie this was that income issues had become routinized. Under conditions of normal profitability, where the enterprise receipts are sufficient to cover all the claims made on the pool of incomes, the workers can safeguard their rights fairly easily.⁸ It is of considerable interest here that, as we discussed earlier, income questions has been the field in which the political authorities have most actively interfered to prevent unfairness. It points to the fact, which will be reiterated throughout this chapter, that the successful inclusion of manual workers into decision-making processes needs the operation of expert power on their behalf to ensure that all important questions are resolved with respect to rules which are clear, and which can thus be routinized.

In fact, workers are constantly at a disadvantage because they are unable to perceive and correct disabling abrogations of the authority vested in the workers' councils, where they are best represented and likely to have the greatest weight. Even

in Slovenia, where the working class appears generally to be sensitive of its rights, we find some extraordinary omissions in the framing of enterprise rules which leave the workers open to the possibility of exploitation. Of 100 enterprises surveyed, in no less than 92% of cases the firm's statutes failed to specify the mechanisms by which labour norms were to be approved. In a third of them it was not even clear which body had the final say over income distribution.⁹ An analysis of 17 enterprise statutes carried out in 1966 indicated that they are typically framed in such a way as either to leave room for manipulation because they are unclear, or to result in the transference of important decision-making powers to smaller organs, sometimes even to individuals. The statutes commonly take the form of parroted versions of the federal laws on self-management, virtually a paraphrase of the preambles to such legislation. As a consequence, while stating as a principle the inalienable right of the workers' council to the final say in all matters affecting the collective, the statutes in practice work on quite other lines. It is usually the case, for example, that the management board is invested with full rights to decide on questions where workers lodge complaints with a view to securing restitution of labour rights which have been infringed.¹⁰ Sometimes management personnel are exempted from the disciplinary procedures which cover the rest of the collective, and the author notes in general "the continued and marked presence of centralized intervention and, in the case of management individuals, attempts to treat their position outside the general influences of the work unit."¹¹ The outcome of all this is that the main self-management organ becomes an ancillary committee for deciding questions of peripheral importance.¹²

Two examples from the sensitive area of income distribution illustrate how ignorance and carelessness on the part of workers at strategic moments in the establishment of pay schedules later led to conflict in which they found they had no legal rights of redress. The 'Partizanka' knitwear factory in Belgrade operated a pay schedule incorporating a basic wage and an incentive bonus scheme. Those working in production received a bonus if they fulfilled their norms by 80% or more, and where they under-achieved they received only a percentage of their basic pay. In 1964 this occurred. At the same time, the administration was eight days late with the accounts. The workers accepted their situation without fuss, but demanded that the accounts personnel should have their pay reduced by 25%, eight days expressed as a proportion of a calendar month. In fact, these employees got their full basic pay plus a 100% incentive bonus. The workers' protests were met with an instruction to consult the rules more closely, which on inspection were shown to contain a clause exempting the administration from the operation of norms. A similar situation occurred at the Zenica steel-works. There, the pay schedule worked on a points system, and included a clause which stated that management personnel could not receive less than a given number of points. When the income pool proved insufficient to cover all the points earned, the amounts allotted to management were subtracted from the pool, and the points amassed by the other grades were paid out at a reduced value per point. In this case the collective acquiesced in the offending clause under the impression it would never have to be invoked.¹³

Table III.3 Estimates of Group A (subordinates) and Group B (managerial personnel) of the distribution of influence in the Zagreb economy

<u>Organ/group</u>	<u>Enterprise level</u>		<u>Economic unit level</u>	
	<u>A</u>	<u>B</u>	<u>A</u>	<u>B</u>
Workers' Council	3.33	3.64	3.07	3.25
Management Board	3.45	3.61	3.15	3.21
Top Management	<u>4.77</u>	<u>4.56</u>	4.68	<u>4.26</u>
EU heads	3.66	3.27	<u>4.93</u>	3.91
Supervisory staff	3.01	2.64	3.45	3.26
Subordinates	1.86	2.08	2.18	2.55
No. of respondents	68-70	85-90	68-71	84-87

Source: Zupanov, 1969, p 186.

The situation here described explains at least in part the contents of table III.3. Irrespective of place in production, all respondents agreed that top managerial personnel have a greater influence on decision-making than the organs formally constituted for that purpose. However, managements do not wield this high degree of influence simply by default, because workers are not adept at operating the system in their own favour. They have it because of their crucial position within the enterprise, which confers on them a monopoly of the information necessary to the functioning of the enterprise as a co-ordinated system of activities. The fact that management personnel appear at meetings of the workers' council wearing their 'self-management hats' can in no way erase the power they have to withhold or make public all the possible options open. Only they can offer the voters real choice between alternatives, based on a clear statement of the issues involved presented with a minimum of mystification. From the point of view of workers' influence it would seem to be

of little moment whether managements take the trouble to carry the workers' council with them or not, since the power of managements over the workers' councils can just as well be interpreted as power within them, as table III.4 indicates. The co-operation of management personnel is thus critical in making self-management rights more than a formality, since without a sustained flow of information from them to the workers there is no alternative source of opinion-formation which can filter through to the workers' council. What happens when the flow of information breaks down is illustrated by the remarks of a skilled worker in the Serbian electrical industry: "We get material in a rush, hardly anybody reads it. For instance, we voted for the rules on incentive payments in a hurry, and only found out later that they didn't suit us. Communications are not good. Our four-page newsletter comes out twice a month, but it only carries stuff which is of no importance to us."¹⁴

Table III.4 Perception of workers attending Zagreb Workers' University of the distribution of influence within the workers' councils

<u>Group</u>	<u>Influence</u>
Top Management	4.7
Staff specialists	4.1
Managerial personnel of EU	3.4
Supervisory Staff	2.7
Routine white collar	2.7
HS workers	2.5
S workers	2.2
SS workers	1.6
US workers	1.5

No. of respondents = 56

Source: Zupanov, 1969, p 175.

Management influence is greatly augmented by the fact that much of the day-to-day routine, and the preparation and execution of policy must of necessity fall to organs smaller than the workers' council and where shop-floor men are in a minority of two to one. No doubt this ratio owes a lot to the composition of the workers' councils which delegate them, but even if the composition were heavily in manual workers' favour, it is difficult to see how non-manual personnel could be denied a heavy representation on the smaller organs. The presence of top management and specialist staff in large numbers would appear to be unavoidable in the executive organs if business is to be carried on at all. They play an indispensable part not only within the organization itself, but as mediators with the world outside. An early study of enterprises employing less than 30 people showed that collectives were disadvantages in decision-making because of the "various legal regulations concerning labour and business operation, the recommendations of the local authorities, chambers of commerce and technical institutions. It was discovered that there are many enterprises where the collective is unacquainted with the legal regulations, which are studied and applied by the specialists in the enterprise."¹⁵ The point about these small firms is that all decision-making is made on a collective basis, so that in them, if anywhere, workers' influence ought to be a real possibility. Under the circumstances, it is not really surprising that the subordinate respondents in table III.3 ascribed more influence to the management board than to the workers' council itself, a judgement with which the managerial group barely dissented. The power of the executive organs is obliquely confirmed by the NIN survey. About a fifth of manual workers took a share in initiating decisions, or were

responsible for specific aspects of their implementation. Only between two and eight percent had any part in the active preparation or overall supervision of the execution of decisions, the two most crucial phases of the process.¹⁶

Table III.5 Composition of the self-management organs of Yugoslav enterprises, 1970, according to
 (i) formal skills, and
 (ii) occupational groupings (%)

(i)	<u>Manual</u>	<u>Non-manual</u>
Workers Councils	67.6	32.4
Management Board and commissions	44.2	55.8

(ii)	<u>Manual</u>	<u>Routine non-manual</u>	<u>Technical/specialist</u>	<u>Top Management</u>
Workers Councils	54.9	15.2	23.8	6.1
Management Board and commissions	32.0	14.2	30.5	23.3

Source: St. Bilten 658, Tables 1-4, 1-5, 1-8 and 1-9.

Supposing that an issue comes to the full workers' council in such a form as to provoke conflict, there are still great difficulties in the way of a decision in favour of shop-floor men, because manual workers form only a small majority on them. This is a fact which has only recently come to light, and needs a short digression for explanation. Earlier statistics were organized on the principle of formal skills only, as shown in the first part of table III.5. Presented in this way, the composition of workers' councils has always looked fairly heavily biased in favour of manual groups, though even by this classification the number of 'workers' has been falling in the sixties. However, as we have had reason to observe in the context of

income patterns, formal skills are an unreliable guide to position in production because of the great mobility of highly skilled and (some) skilled men into positions which ought to be classified as of a supervisory or technical-managerial nature. Classification according to the type of work actually done shows that manual workers make up only 55% of the membership of the workers' councils, and they are heavily out-gunned in the smaller organs.

This is of importance because preliminary research findings indicate that the presence of manual workers in strength on the workers' council favourably affects their ability to reproduce in a foreign surrounding the confidence and articulateness which is otherwise characteristic of them only within their solidary social groupings. The study states that "the opinions of workers' council members are closer to those of production workers the more the latter are represented", and at the same time more markedly opposed to those of management.¹⁷ This indicates a way of offsetting the fact that manual participation in discussion tends always to be proportionately low, so that their opinions often never get an airing. A study of 10 Dalmatian enterprises showed that highly skilled men and non-manual grades accounted for 65% of all contributions to discussion, although they made up 43.3% of the membership;¹⁸ and this is without taking into account the relative quality of the contributions. Bearing in mind what has just been said about highly skilled workers, it is a fair guess that manual workers in production face a combination of managerial and non-manual personnel in the workers' council which forms a stable coalition opposed to workers' demands over a whole range of issues.

Under these conditions it is very easy for decision-making to go on in a routine way, largely along the lines of manual/non-

manual division, while tensions build up among the manual labour force which are unobserved or ignored. This is certainly borne out by the evidence of strikes, especially by the fact that 85% of cases manual workers in the representative organs joined the stoppage, which suggests little of a sense of corporate responsibility for the decisions of the collective as a whole.¹⁹

Characteristically, too, self-management delegates from manual ranks are almost never included in the strike committees established to negotiate with managements, which indicates in another way the severe disjunction between the formal influence structure of the enterprise and working-class leadership.²⁰ It has in fact been suggested that workers see the self-management structure as a sort of talking shop, ideally suited to the tendency of managements to compromise and procrastinate in their own favour, which actually deflects the power of workers to take direct action.

"By striking, workers often achieve what they were unable to bring about by normal means. Sometimes the workers get negative answers to their demands, with the explanation that these demands cannot be met because circumstances do not permit it. But when they down tools everything is immediately put right, money is found for rises, a way is discovered of transferring a foreman who doesn't fit, and so on ... The strike is shown as an efficient way of resolving problems, at least as far as the workers are concerned."²¹

Some of the problems of workers' self-management might legitimately be ascribed to the teething troubles which follow any new system. However, the problem of expert power is one which no amount of practice will of itself solve. Further, trends are at work which are increasing the strength of managements in decision-making. These have stemmed from the govern-

ment's concern over adverse economic developments in the post-reform period, resulting in the strengthening of what are now called the 'collegial organs'-what are referred to here as the executive organs of the workers' council, and especially of the management boards. The operative legislation is founded on Constitutional Amendment XV of December, 1968, which though vague²² and innocuous in form has thrown open the whole question of the responsibility of the subordinate organs to the central self-management body. The generality of this Amendment, and the short time it has been in force make it impossible to comment in detail on its effect, but it is the opinion of those whose personal experience enables them to judge that managerial power has indeed been increased at the expense of the representative sub-structure.²³

Another feature of industrial organization suggests that working-class influence is going to become harder rather than easier to achieve in the future. The process of amalgamation is going on fast in industry, and units are tending to become larger. Between 1965 and 1967 alone, 202 industrial enterprises were absorbed, nearly a third of them employing 250 - 1,100 persons.²⁴ Up to the number of 500 employed, firms quite often have second degrees of self-management - that is, organs of decision-making representing the enterprise as a whole, and similar organs working in its various parts. Above 500 employed second and even third degrees of management are normal.²⁵ The problem of exercising influence through the self-management structure is thus becoming enormously complicated by the intricacies arising from the relationships between self-management hierarchies. The constitution of economic units in enterprises, a progressive feature of the system which seemed to hold out good hopes for

workers' influence by decentralizing some decisions to the level of the shop floor, cannot but be undermined in its effect. The following evidence of a skilled worker to a Trade Union investigatory team shows very clearly how decisively the shop-floor man is affected in his control of the work environment by the quality and kind of the administrative arrangements made for deciding issues. The evidence is particularly interesting because it is not simply a grouse, but constitutes a very reasoned criticism of self-management from the point of view of a collective which is clearly strongly motivated to participation. It serves very well as a summary of the analysis so far.

"Things don't happen as we are told they should in theory. What's the use of us wasting time working out rules for management and distribution when in practice we don't stick to them? We workers know how much we turn out on the job. We have a concrete operation to carry out, and we even know how much we should get for it, but we don't know the working and operation of our economic unit,²⁶ because the administrative services, the accounts department and so on, are not yet in a position to determine the income of our work unit, and in particular we know very little of the working of the whole collective. Each year we have two or three meetings at which we have read to us rather unclear reports on the economic results of the work organization as a whole. But, as well as these weaknesses, we see to it that there are possibilities for real management and better distribution. In the economic unit, at meetings of all the workpeople, we decide who to take on to the collective, and who to fire. At these meetings we also discuss other matters connected with the better functioning of our work unit. That's good, and the workers willingly discuss problems. It has been proved that we are well

able to discuss a concrete job, or something that needs to be done in the work programme, but as far as economic results are concerned, that we don't know about. So we are often surprised by the outcome at the end of the month when we get our personal incomes. This puts us in a situation where we aren't certain whether we shall get our wages, our personal incomes as they call it. For this reason there is a lot of irritation among us. The workers ask themselves if the work result stems from poorer labour - and they don't think they're working badly - or whether it's the result of poor administrative work, that is to say, on the part of those who are supposed to put the workers' decisions into practice."²⁷

We can sum all this up by saying that there is no way in which manual workers can challenge the influence of top managerial personnel as the system now stands. In a situation where they have far-reaching legal rights, manual workers find themselves heavily dependent on the goodwill of top management, and particularly of the director, for the chance to have a real say in the running of the enterprise. The director has important powers of control assigned to him by federal law which make him the lynchpin of management power within the collective. He is the only individual to whom the law allows a permanent self-management function, as an ex officio member of the management board. It is his responsibility to ensure the efficient running of the enterprise, and to implement the decisions of the workers' council, which he can also suspend if he believes them to contravene state regulations. It is the director's job to see that the workers' council gets material and proposals on the basis of which to exercise its decision-making role, and to represent the firm in all dealings with third parties, as a legal person.

Even this short catalogue makes it clear that he is not just another management figure. The way in which a director elects to discharge his functions can make or mar the activity of the workers' council, despite his theoretical subordination to it.

Managements do not, therefore, have to do anything to maintain their influence. It is already maintained by the law and organizational logic, and managements can simply withhold the cooperation which only they can give the workers. The most important question for the functioning of the system is thus how management personnel are to be subjected to sanctions when they fail to seek and take account of the aspirations of shop-floor men. We have a link here between the concepts of managerial influence and managerial power which were touched on at the beginning of the chapter. In practice, the line between the two is very hard to draw. Once decisions are taken by the workers council they are legally binding on all the collective, and workers can be subject to disciplinary action if they break the rules. The rules can of course be changed. But the limitations on workers' influence operate as fully in the second situation as in the first. Action against arbitrary managements can therefore never take the form of a competition for influence, which of its nature implies compromise and exchange. Where the workers fail to get their voice heard through the normal channels of self-management they have to face the problem of mobilizing countervailing power.

(ii) Countervailing power

The Party underlines the weakness of the self-management system because it will not divide its authority by making class

conflict respectable, to borrow Geiger's phrase.²⁸ The close association of managerial personnel with local political elites means that it is they, rather than the workers, who are in the best position to mobilize power from that source. It is not surprising, therefore, to learn that the pattern of multiple function-holding within the local community is duplicated within the enterprises, so that managements and the political agencies tend to overlap to a large extent in terms of personnel. The mechanism by which the Party unites its authority with that of the professional apex of the occupational order becomes in turn a mechanism by which managements can tighten their grip on recalcitrant collectives.

Top managements people can increase their power by deliberately exploiting their position as intermediaries with the local authorities to restrict communications with the collective to a minimum. This is very easy to do, given the existing distribution of power between the enterprise and the state. Tozi and Petrovic account for the high managerial representation in the political assemblies not only in terms of differential power, but in terms of the wish of collectives to have their 'strongest' representatives in strategic positions so that they can bring to bear political influence on behalf of the firm.²⁹ The result, as one manual worker puts it, is that "Leading cadres from the enterprise are linked with leading cadres from the commune ... and beyond, all the way to the [Federal] Executive Council. Our leading cadres keep those 'above' informed about the state of the enterprise. Besides, when communal leaders are elected, and those above them, usually leading cadres from the enterprise are taken, so that there are very few workers in the higher leadership ranks. In the same way, when comrades from 'upstairs'

come to enquire into the state of the enterprise, they again talk to our leading cadres and very little to the workers."³⁰

Within the firm itself, a rule by activists is typically substituted for collective decision-making. A survey at the beginning of the sixties of 70 enterprises employing more than 500 people revealed a very close correlation between position in the command hierarchy of production, and self-management and political involvement. 68.2% of management personnel were also functionaries of the political organs of the enterprise. They were particularly well represented as Trade Union officials, and more than a third of them were also Party secretaries. Nearly two-thirds of them were members of the self-management organs, and they supplied an extremely high proportion of the presidents both of the workers' councils and of the management boards.³¹ Although central government policy has been to discourage multiple office-holding within the enterprises, mid-sixty figures for the country as a whole indicate that it continues to occur with great frequency and intensity.³²

A later study of 2% of the Slovenian workforce indicates the predictable effects of this fusion. Manual workers in this investigation were outnumbered in Union organizational posts, 47% of managerial personnel being Union activists and forming half the total number of such activists.³³ Union activity becomes essentially low-key, dominated by quasi-social work such as organizing funds for distressed individuals, getting up work outings, and arranging New Year celebrations. When asked what their Union branch had done during the previous year, only 23% of respondents' answers mentioned that it had dealt with grievances, and this activity was listed 13th in a total of 18 fields of operation.³⁴ Of those employees who expressed a

definite opinion on the subject, 61% considered that management was the major or a considerable influence on Union activity, and only 14% thought that such influence was nil.³⁵ The consequence is that all major decisions continue to be taken within management enclaves, although of course the formal rites of Union consultation are observed. Perhaps the best comment on the relationship of the Union to working-class aspirations and needs is expressed by the fact that the only strikes which have been Union-led have been those staged by teachers.³⁶

The worker is equally disadvantaged by the institutional arrangements which flow from the self-management philosophy with respect to grievance procedures. Self-management theory does not acknowledge the principle of conflict between class interests, and regards all disputes as soluble through the activity of members of the collective on the representative organs. There is thus no specifically working-class organization which enables the shop-floor man to remove disputes from the level of the enterprise. He is expected to assert his rights through those very mechanisms which have infringed his rights in the first place. While the management can initiate disciplinary action against the worker, there is no similar device by which the worker can initiate such action against management.³⁷ The only other resort is to the courts, a process which is slow, uncertain and expensive. In the meantime, the worker remains exposed to persecution at the workplace.

Considerations like these lend superficial credibility to the view, sometimes expressed, that the whole edifice of self-management is a sham behind which stands the reality of strict political control. This view is not very convincing even on a psychological level, because it requires us to explain why the

Party devotes its energies to subverting by covert activity the very institution it has fostered through legislation designed to extend workers' rights. It is certainly common practice for directors to include in their management 'teams' political functionaries and key members of the self-management organs, so creating an "informal enterprise management, by means of which the director can secure de facto those decisions over which the regulations give him no authority."³⁸ However, this association by no means indicates that the director relies on Party support to carry out his policies, as the relative influence of management and political figures in table III.2 shows. It is a device of convenience which enables the director to substitute for the complex process of carrying the collective with him a less arduous "rule by activists", to which we have just drawn attention. The erroneous assumption on which the 'conspiracy theory' of self-management rests is that the Party organs within the enterprise constitute a unified source of independent power which is controlled from Party headquarters outside. On the contrary, the dominant position of managerial personnel within the Party hierarchy means that they are able to block its activities as a potential source of countervailing power. As one communist leader has put it, "The worker does not condemn the Party for its usurpation but because of its absence of struggle against usurpation; he does not condemn because it interferes in self-management practice, but because it is missing from it, because it makes no real effort to develop that practice."³⁹

The problem for workers is not that communists are active in self-management processes - they always have been. Research in the commune of Varazdin, 1958-9, showed that communists made up only 14% of the collectives, but well over half the numbers

on the workers' councils.⁴⁰ However, 55% of these communists were skilled, semi-skilled and unskilled men. This would tend to stiffen the quality of working-class representation, since the study by Hadzistevic showed that communists were twice as numerous as non-communists in the group which regularly participated in decision-making.⁴¹ The problem for the workers is rather that to an increasing extent the communist in the enterprise is also a superior in the division of labour, or engaged in some other kind of non-manual occupation. The bureaucratization of the self-management system is a problem which is inseparable from the increasing coincidence of political and organizational authority.

This situation reaches its most intense and absurd pitch in the case of arbitrary and unpopular managements which, having succeeded in uniting the collective against them to the point where an approach is made to controlling federal agencies, contrive to escape the consequences of the flagrant abuse of power because of their political connections. This is always a danger when power is exercised through informal structures with a pronounced degree of decentralization. When managements act in this way, the dislocation of power must first be detected, which may in itself be difficult, and then dealt with by action from the Party's upper echelons directed at dismantling or reconstituting the very elite structure on which the political chain of command rests. Ironically, this cannot be done without reactivating methods of bureaucratic control of managements which decentralization was designed to supplant. In practice, according to an account of the operation of managerial cliques, control by the federation simply remains weak. The author argues that "we must conclude that individual politico-managerial groups are

insensibly linking up to form a more or less homogeneous social stratum wielding considerable social power, since even the courts can do nothing to curb them."⁴²

Situations like this may still be exceptional, but in a lesser degree the same factors operate throughout Yugoslav industry. Although they are theoretically removable at the end of every four years by the laws on rotation, directors evade this possibility without trouble, and this fact is another important item in our understanding of the power they have over collectives. The director has many devices at his disposal for controlling the vote within his collective ranging from the purely coercive to the principle of divide-and-rule. Even where this fails, he can use his political influence to manipulate the selection commission, which is made up equally of members nominated by the workers' council and the communal authorities. In the case of large firms, the republican authorities may also specify the nomination of three extra political members.⁴³ Where a director secures political support for his re-election, therefore, the workers' council can do little except refuse to re-elect him. In the meantime the collective is open to reprisals from those elements, primarily other management personnel, who are likely to be working on behalf of the incumbent. The 1966 elections suggest that sitting tenants are not much threatened by these quadrennial exercises. The selection commissions put forward only one candidate for consideration by the workers' councils in 1,218 cases out of a total of 1,369.⁴⁴ Where the councils had not previously been successful in exerting influence on the selection commissions, therefore, the effect of holding the formal right to vote would have been entirely nullified in most cases.

All this is quite at odds with the clear need to establish working class power in opposition to managements. How individual managements do in fact behave will, of course, vary, but it is clear that managerial power has produced widespread and serious deformations of the self-management system, quite enough to create a political problem through its effect on industrial relations. In Croatia alone, in 1970, 40-50,000 cases were recorded of persons seeking help and protection from the Zagreb Trade Union advice bureau. This is between 5% and 6% of the total labour force of the republic. They are only the braver ones, who come to find help which the Union is unable to give. Commenting on the work of this bureau, the chief observes:

"There is reason to suspect that a large number of aggrieved people do not come because they fear dismissal and the carryings-on which would ensue. Even those who do come ask us to keep it a secret from their managements. The behaviour of immediate superiors can be such that the worker feels persistently overlooked....A worker can be got at not only if he constantly receives the most difficult jobs among equally competent operatives, but also when he gets the easiest, or none at all. In that case, if he asks my advice, I tell him straight out, get out of the work environment as fast as you can."⁴⁵

The government finds it difficult to contemplate this deadlock unmoved, because of its serious implications for class conflict. It has already made one concession to the situation. Strikes, despite their cloudy status in constitutional theory are in practice tolerated as a means by which workers can secure restitution of rights. There is even talk now of the Trade Union itself heading 'legitimate' strikes. However, this cannot lead to any major redistribution of power while the Union itself

is so closely intertwined with the dominant political structure. At the same time, any form of political pluralism remains quite unacceptable, and though the strike is the best weapon in the hands of workers they remain unorganized and isolated in individual enterprises.

NOTES

1. Lockwood, 1958, p 71.
2. Following Zupanov, social power is conceived of as the latent possibility of introducing coercion into the social situation. See R. Bierstedt, "An Analysis of Social Power", Amer.Soc.Rev., 15, 1950. Influence can be thought of as the chances that any group or person in the collective will affect in a given degree the outcome of events in the enterprise, within the area of decision-making which the law assigns to the self-management organs. See, for the derivation of this definition, A. Tannenbaum, "Control in Organizations", Admin.Sci.Quarterly, 7, Sept. 1962, p 239. The use of these distinctions will emerge in the course of analysis.
3. Zupanov, 1969, pp 174-5; I. Siber et al., "Percepcija distribucije utjecaja u radnoj organizaciji", Politicka Misao 4/1966, passim.
4. On the principle of comparability for linking the properties of actors and respondents in a power relationship, see R.A. Dahl, "The Concept of Power", Behavioral Science, 2, July 1957, p. 207.
5. Zupanov, 1969, p 177.
6. V. Rus, "Socijalni procesi i struktura moci u radnoj organizaciji", Sociologija 4/1966, p 99. Quoted as Rus, 1966a.
7. ibid., p 108.
8. NIN, 9.5.1971, p 32.
9. B. Kavcic, "Drustveni sistem i konflikti u radnim organizacijama", JUS 1972, p 39.
10. J. Tavcar, "Normativna delatnost radnih organizacija na podrucju radnih odnosa", in Blagojevic, (ed.), 1967, p 71.

NOTES

11. *ibid.*, pp 69-70.
12. Cf. D. Bilandzic, "Samoupravljanje i strucno rukovodjenje u poduzecu", Socijalizam 7-8/1966, pp 952-4.
13. N. Jovanov et al., Obustave Rada, Centar za Politicke Studije i Obrazovanje, Beograd, 1967, p 124.
14. Politika Ekspres, 12.1.1972, p 4.
15. S. Matic, "Tri ankete o funkcioniranju radnickog samoupravljanja", Sociologija 1/1960, p 125.
16. NIN, 9.5.1971, p 32.
17. S. Mozina, "Izvori konflikata u radnim organizacijama", Sociologija 3/1971, pp 456-7.
18. Zupanov, 1969, p 102.
19. N. Jovanov, "O strajkovima u SFRJ", JUS 1972, p 125.
20. B. Kavcic, "O protestnim obustavama rada", Gledista 2/1966, p 203.
21. *ibid.*, pp 203-4.
22. See the commentary on this Amendment by S. Grozdanic, "Ustavni amandman XV i promene u organizaciji samoupravljanja u preduzecu", Socijalizam 10/1969.
23. Zupanov, Colloquium, 1971, p 1545.
24. SZS II, table 158, p 118. Between 1962 and 1970 the number of enterprises employing less than 70 people fell from 2,715 to 1,758. St.B. 658, table 1-1.
25. In 1970, of 6,356 enterprises employing more than 70 persons, 4,898 had self-management in their constituent parts. St.B. 658, table 1-2.

NOTES

26. Despite its title, an economic unit is one which by definition has some decision-making powers. See V. Hadzistevic et al., Tendencije i Praksa Neposrednog Upravljanja Preduzecima u Ekonomskim Jedinicama, Institut Drustvenih Nauka, Beograd, 1963, pp 283-4.
27. Jovanov et al., 1967, p 21.
28. T. Geiger, "Class Society in the Melting-Pot", in Celia S. Heller (ed.), Structured Social Inequality, Collier-MacMillan, London, 1969, p 96.
29. Tozi and Petrovic, 1969, p 1596.
30. Bilandzic, 1969, p 87.
31. F. Dzinic, "Politicki i strucni profili rukovodilaca u preduzecima", Nasa Stvarost, 10/1961, pp 357-8.
32. SZS II, table 8, p 20.
33. B. Kavcic, "The Employees Estimates, Opinions and Attitudes concerning Labour Unions", International Review of Sociology, Serie II, Vol.V, N.2, 1969, p 122.
34. *ibid.*, p 99, table.
35. *ibid.*, p 113 and table.
36. J. Zupanov, "Upravljanje industrijskim konfliktom u radnim organizacijama", Sociologija 3/1971, p 441, n.49.
37. *ibid.*, p 444.
38. Zupanov, 1969, p 251.
39. M. Hadzi Vasilev, "Dva prilaza reorganizaciji Saveza Komunista", in Nikolic (ed.), 1967, p 360.

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40. J. Brekic, Organi Radnickog Samoupravljanja, Zagreb, 1960, p 70.
41. Hadzistevic et al., 1963, table 21, p 250.
42. V. Rus, "Klike u radnim organizacijama", Gledista 8-9/1966, p 1094. Quoted as Rus, 1966b.
43. For a helpful account of the director in the legal framework of self-management, see Kavran, 1967, p 22.
44. St.B. 447, table 2-2.
45. Quoted by Zupanov, 1971, p 445, n.64.

Section III.C Patterns of cleavage

The preceding discussion emphasised the salience of the division within the industrial order between manual workers and their managements. This is a division which can be amply justified in terms of conflict, but at the same time there are other lines of social cleavage which must not be overlooked. Precisely because the functions and strategies of managements vary so much from enterprise to enterprise, unchecked by any structured source of countervailing power, there is a great range of variations in patterns of intra-collective tensions. In this section we try to indicate this range, within the limitations of the existing evidence and of the scope of this study.

(i) Cliques and coalitions

At one end of an ideal-typical continuum of work organizations we can place the enterprise dominated by a management clique. This is the extreme case of 'political' management, where the exigencies of power politics actually take precedence over the entrepreneurial role. Rus gives an excellent account of the tactics characteristically employed by managements like these. Within the enterprise, it consists in the establishment of a diffuse but pervasive network of authority relationships of a patriarchal kind. All disputes and all questions are reduced to problems which have to be resolved by personal reference to the director, or one of his cronies. There are no clear cut boundaries of responsibility or definitions of the rights of various groups, even though the enterprise statutes may pay some passing lip-service to the principles of self-management. In terms of

external relations, this managerial stranglehold has to be supported by making the top management figures the sole channel of communication with the outside world. Any move by the collective to seek redress from the federal authorities is countered by the threat of mass resignation by the management, or by any tactic which will serve to convince other elite figures that the issue is one not of fact and law, but of personalities.¹

From this vantage point, the management sets out systematically to remove all sources of potential opposition. The victims of managerial absolutism are most often skilled workers and staff experts.² Not only are these people likely to be knowledgeable and sensitive about their self-management rights, but they are also those most likely to undermine the prestige and security of a political management through their demands for reorganization. Often, the director can in this situation count on some measure of support from the unskilled workers in his enterprise, and this is an unusual feature of Yugoslav industrial relations. Because the focus of investigation is normally from a professional-managerial angle, this question of director-unskilled worker coalitions is most often treated as one which can be reduced to the psychological primitivism of collectives. However, this "primitivism" can also be seen in another light, that of enlightened self-interest. Every increment of influence accruing to the forces of modernization in the enterprise threatens the position of the unskilled workers. There is thus a natural tendency for alliance to spring up between them and "unskilled" managements. Recent research in Macedonian enterprises has revealed clear signs of combination between the two groups, which so contrive to head off the possible introduction of market-oriented change which might lead to the raising of

differentials or increase unemployment.³ This squares very well with Matic's finding that unskilled workers tend to prefer the authority of the director to that of the workers' councils.⁴ Fragmentary though it is, therefore, the existing evidence strongly suggests that unskilled men prefer a 'market' which is artificially created and stabilized by political power to the uncertainties of competition in a true market system. This produces a split within the working class which works to maintain the status quo and to buttress the persistence of paternalistic authority relationships within the enterprise.

It will readily be seen that 'political' managements have in common the general strategy of reducing the total amount of power available to the enterprise as a social system, to use the language of organization theory. As Rus points out, the people having the greatest interest in the fusion of political and managerial power are "those leading groups in enterprises which have neither sufficient expertise nor success in managing their firms. They cannot legitimate their authority along lines either of expertise or practice, and so they try to legitimate it along political lines."⁵ He also points to the clearest relationship between organizational chaos in the enterprise and the maintenance of clique power, because cliques "welcome an organizationally amorphous and functionally unclear ambient as affording them an arbitrary and uncontrolled field of operation."⁶ A permanent state of 'red alert' with respect to the market enables the top managers to exploit to the full their role of sole and undisputed guarantors of the firm's future, and the distinction between profitable and unprofitable enterprises is of great significance for patterns of authority. A comparison of ten financially unstable and ten well-heeled enterprises showed that "here are in

question certain work activities - information, communication, decision-making, execution and control - which are qualitatively distinguished in each type of enterprise, and all of which is finally reflected in work and economic results."⁷ This is not to postulate invariable conflict in poor enterprises. Provided managers do not use their power to exploit their positions, the workforce may simply define the managerial role as that of keeping them in work.⁸ However, self-management as a system of interacting influence is a dead letter in such enterprises, because nobody in them has any influence, not with respect to the market. The management cannot turn a profit into a loss, either because of its political character or because of the nature of the economic regime under which it functions, and the existing structure of economic organization precludes the incursion of management personnel and management techniques appropriate to the conditions. The subordinates must therefore make such accommodation as they can with managements as will ensure the continuance of their jobs.

The obverse form of coalition, so to speak, between skilled workers and the progressive management personnel in the enterprise, does not occur. It is easy to see why this is so. In the first place, political managements are likely to use their power over recruitment to bring in like-minded associates. Further, that power can be, and is, used to squash any signs of incipient dissent by taking action against individuals, and ejecting them from the firm. This is an especially effective move against young people in authority, since dismissal in one firm can easily be followed by a campaign against re-employment elsewhere. All the initiative for coalition-formation within the enterprise is thus monopolised by the director and his team.

Further, although these two groups might under favourable circumstances use the self-management mechanism as a platform for advancing their mutual interests, they nevertheless represent two rather different interests in their attitudes to self-management as a system. Pecujlic's study showed that technical and managerial personnel, and particularly the former, took the view that the functioning of the enterprise would go on better if a narrow circle of specialists took the fundamental decisions concerning the operation of the enterprise.⁹ Skilled workers, in fact, tend to be rather out on a limb in their commitment to the self-management system. Zupanov came up with confirmatory evidence in this respect. Managerial respondents were virtually unanimous in their view that the director had insufficient formal powers at his disposal.¹⁰ This does not blink the fact that managements wield the greatest power within the enterprise. The point was that respondents felt that they should be able to run their enterprises as businessmen, without recourse to the informal relationships built up through personalised followings. Despite the generally voiced ideological view that self-management by workers shows a mature and rational appreciation of the problems of management, there is considerable evidence on the other side. Directors who do genuinely try to carry out their functions in co-operation with the workers' councils find a tendency for these organs to get bogged down in peripheral detail and, indeed, because of the ideological slant underlying the whole system, to interfere constantly and in a negative way even with operational decision-making.¹¹ The market-oriented manager thus tends to think in terms of the replacement of the present system of management by one which approximates more to the western pattern.

This wish corresponds to the differences which arise in the

source and type of the influence of specialist personnel in the enterprise, and is linked with the division within management ranks which formed the subject of earlier analysis. Mozina shows that line staff at all levels of qualification (Q - VHQ) are very much more likely to find their way into the self-management organs. 70% of them had such membership, as against 34%, which was the figure for the corresponding grades of staff personnel.¹² Dzinic also makes the important point that staff people tend to be concentrated in the permanent commissions rather than in the two central self-management organs, the workers' council and the management board.¹³ There are therefore good grounds for supposing that the influence of these personnel stems from their expert power rather than from the kind of diffuse control which is characteristic of line management. For them, therefore, the legal status of the self-management organs presents a threat to a career based on professional expertise and independence. This is all the more plausible when we reflect that worker-management combinations are influential in constricting the development of their careers, in some cases.

One of the most interesting developments is that the routine white collar workers in Yugoslav industry appear to take this group as a reference group in forming attitudes to self-management. Despite their low status and rewards, and the objective likelihood that routine white collar employees could profitably combine with workers over a number of issues, and in opposition to management, the attitudes of these personnel seem to betray evidence of status anxiety at the prospect of workers' influence. While by no means conclusive, the pattern of answers in table III.6 is consistent with such an interpretation. It is of great interest that all the non-manual groups isolated from the production process were

most positively of the opinion that workers' power had increased over the years. Line staff, and the manual workers themselves, maintained very great reservations on the point, and the account of influence just given provides grounds for thinking that they have the right of the matter. The conclusion which can be plausibly drawn from table III.6 is that those whose work situation cuts them off from interaction with the manual workforce see the self-management system as tending to undermine their claims to superiority of status.

For at least some routine non-manual people, therefore, there appears to be a disjunction between the low 'global' status of clerical occupations and their self-ascribed status in the face-to-face setting of the individual enterprise.¹⁴ There is nothing novel or inconsistent in this view. It merely emphasises the force of "the structure of industrial organization and especially of the relations of authority in the enterprise" in maintaining social distance between manual workers and clerical employees,¹⁵ and in thus generating competing criteria of status evaluation.¹⁶

Table III.6 Answers to the question "Do you think the workers have more power now than 15 years ago?", by occupational groups

Group	% answering 'Yes'
Manual workers	42
Technical (Q) staff	55
Administrative (Q) personnel	70
Routine white collar	73
Staff management	83
Top line management	54
Foremen	53

Source: Pecujlic, 1967, p 21.

Of course, status is likely to be challenged in a situation where the authority structure of the enterprise is perceived as unfair and illegitimate. Manual workers respond to questions about their superiors in ways which indicate that the sense of separation is by no means one-sided. 34% of workers in Pecujlic's sample said they thought that non-manual grades in the enterprise got more than they deserved in terms of income because of the positions of authority they held, and a further 24% felt that elements of unfairness were present. Only 11% of workers stated that non-manual grades earned their pay.¹⁷ Clearly, then, in the Yugoslav case we are dealing with class attitudes which reveal a family link with those expressed by workers in capitalist societies, and indeed this is no more than we should expect, given that the operation of self-management has not succeeded in altering the balance of power within the enterprise in favour of the working class.

The relative representation of various social groups in Party ranks is another factor likely to engender and 'us' and 'them' image of the social system of the enterprise in the minds

of manual workers. As table III.7 shows, even the lowest grade of non-manual personnel are twice as likely to be Party men as are skilled workers. It was stressed in the previous chapter that the Party does not constitute an independent source of countervailing power which can be mobilized against managements. The corollary of this is that the Party organization within the enterprise may itself serve as the basis for the formation of cliques. This is all the more likely in that Party people will generally be activists, and thus constitute a useful additional source of informal influence by which managements can extend their control over developments within the firm.

Party membership and political activism thus offer a solution to the routine non-manual employee to the problem of securing promotion in a situation where the market for his skills is exceptionally unfavourable. Among the important weapons which managements possess is the power of patronage through control of promotions, and it is well known as a device by means of which clique power can be maintained.¹⁸ At first sight this form of association might be thought to cut right across socio-economic lines. However, it is people within the enterprise administration who are likely to be particularly useful allies to managements because of the special knowledge they possess by reason of their functions within the division of labour. The structure of new directoral appointments in 1966 (see table III.1) suggests that qualified status is becoming a well-worn route to higher responsibilities in the enterprise, and that manual skills are increasingly irrelevant to promotion prospects. In other ways, too, the link between managements and their non-manual underlings is a more natural one, since in terms of interests there is much that unites them as a group in opposition to those of the shop-floor workforce.

Table III.7 Proportion of each qualification grouping holding membership of the League of Communists, 1966

HQ	58.7%	HS	34.8%
VHQ	43.6%	S	20.6%
Q	39.3%	SS	12.0%
UQ	37.0%	US	5.0%

Source: Horvat, 1969, p 250.

(ii) Sources of tension: the evidence of strikes

The pattern of strike activity in Yugoslavia fully bears out the picture of the working class as an isolated and distinctive underclass. In four out of five strikes manual workers were alone in their action. We can say, in fact, that workers were the prime movers in over 90% of cases of strike action, because the last two combinations in table III.8 occurred only when the entire enterprise, or a constituent part of it, went on strike: that is to say, when non-manual personnel found themselves compelled by force of circumstances to go along with the shop floor strikers. The exceptions to this rule involved work units which felt themselves to have been unfairly treated by comparison with other parts of the organization. This kind of strike is somewhat unusual to western eyes, being connected with the difficulties experienced in linking self-management units within an overall scheme of decision-making. This type of strike probably accounts for the fact that an analysis of 85 strikes in Serbia showed that one in five were directed against the central organs of self-management.¹⁹ However, the numbers and position of non-manual employees involved in this type of strike is likely always to be low, because work units tend to be carved out of production units

with the administration separated both physically and organizationally from manual workers.

Table III.8 Participants in strikes, by position in production

Occupational group	N	%
All employees	10	2.2
All employees in work unit	30	6.5
Manual workers	367	79.6
White collar only	-	-
Staff personnel only	1	0.6
Line management only	-	-
Manual/white collar only	34	7.4
Staff personnel, manual and white collar	19	4.1
Total	461	100.0

Source: Jovanov, 1972, p 124.

At the same time, the pattern of working class participation is itself undergoing significant changes. It is perhaps best to approach the analysis against the background of a brief summary of the scattered evidence on strikes.

Between 1958 and 1969, 1,732 strikes were recorded, although unofficial estimates put the number considerably higher. In terms of incidence, the increasing political liberalization of the country has shown itself in the marked annual increase after 1960, jumping from 61 in 1960 to 130 in the next year, and then showing a further increase to 225 in 1962. This figure remained about average until 1966, when the intensification of economic reform seems to have generated an insecurity which made collectives unwilling to resort to strike action. Certainly, some such explanation would be needed to account for the fact that 1967, the worst year of the sixties in terms of inflation and job

stagnation, saw the lowest number of strikes in the entire period after 1960.²⁰

In the early sixties, a large proportion of strikes occurred in Slovenia. Despite the great disparities in their working populations Slovenia experienced 441 strikes between 1960 and 1966, as against 302 in Serbia in the period 1961-66.²¹ Between 1966 and 1969, this pattern changed. Strike activity showed a definite tendency to spread across the whole territory of Yugoslavia. The strikes referred to in the table occurred in 202 different communes, some 40% of the total number of communes.²² This earlier predominance of Slovenia in the strike field can be attributed to its comparatively advanced and established working class, sensitive of its self-management rights, and eager to enforce them in the first stages of the transition of the enterprises to independent status in respect of management relations. It is notable, for example, that it is the Slovenian working class which has taken strike activity out of the enterprise and into the streets in an effort to get its demands met.²³ Compared with the others, the republic is also more likely to confer relative bargaining strength on workers. Unemployment is low, and the high proportion of women employed there means that there is quite a good chance that the family will contain a second earner.²⁴

The changes in geographical dispersal appear to be linked with a change in the skill-composition of strikers. Exact arithmetical details on this point are not available, but taking the sixties as a whole, all sources are agreed that unskilled and semi-skilled men have predominated. Within this picture, however, it has been observed that between 1964 and 1967 (i.e. the period when economic reform began to bite) the frequency of skill-involvement in strike action in Serbia ran 1) skilled, 2) semi-

skilled, 3) highly skilled workers.²⁵ Thus, to summarise, the statistics on strikes indicate a movement from a high rate of strike activity among unskilled workers in the most developed republic to a high rate among skilled labour in the medium-developed republics. During the entire period, the underdeveloped republics have remained relatively passive, judged by the rough yardstick of the ratio of strike activity to employed population.

Table III.9 The incidence of strike by republics,
1.1.1966 - 30.8.1969

Serbia	42.0	
Croatia	23.3	
Slovenia	15.7	N = 512
Bosnia	11.6	
Macedonia	7.4	
Total	100.0%	

Source: Jovanov, 1972, table 8, p 116.

These changes suggest that the process of industrialization under market conditions in the sixties has to some extent radicalized the working class by bridging the economic gap which previously separated the unskilled and skilled sections of it. As emphasised in the section on incomes, it is not skill differentials which are here in question, but the process of differentiation between enterprises and branches of the economy, which put many skilled men in the ranks of the economically threatened in contrast to their earlier status. Thus, as the self-management system has come under strain in adverse economic conditions skilled workers have been for the first time confronted by their own powerlessness in conflict situations. This powerlessness was previously masked by their favourable market position under conditions of centralized growth. This conclusion is suggested

by the swing away from strikes in the construction industry, which was most strike-prone in the early sixties, to a relatively greater number of strikes in skill-intensive branches of activity.

"Workers who struck in the construction industry were significantly lower in their qualification and political structure than those who struck in the metal and textile industries. Workers who struck in the construction industry had not made any great efforts before striking to resolve their dispute through the existing institutions of workers' self-management. For them, in general, strikes were more or less the first and last resort for resolving the dispute in their own favour. In ... the metal, textile and chemical industries the workers, for some time before the outbreak of the strike, had tried to resolve the disputed questions through the self-management institutions."²⁶ The evidence thus tends to suggest that the skilled workers approached the problem of influence with some optimism generated by their experience of intra-collective relations which has been at odds with the realities of power under conditions of stress.

Unfortunately there is no evidence available which would enable an assessment to be made of the way in which working class consciousness influences strike action. Here, an analysis of the longer term causes of strikes would be helpful. Jovanov's study indeed attempts this, but the result is of little sociological value.²⁷ Certainly, the character of strikes argues in favour of a purely instrumental attitude towards them on the part of workers. About 65% of the strikes in the 513-strike study lasted for one day or less. A breakdown of the 85 Serbian strikes showed that 61.2% involved 50 or less participants, and in 63.5% of cases the strike began on the shop-floor.²⁸ However, this is bound to be the case in the absence of any working class

organization. As Popov puts it, "the relative isolation of the economic from other spheres of social life fetters the development of the potential springing from the socialization of the working class, so that strikes remain localised in the sphere of the economy by force of circumstances."²⁹ He himself marshals impressive evidence that, in some cases at least, when manual workers find a public platform for expression it takes the form of a full ideological confrontation with the holders of power.³⁰ One of the most significant themes in this evidence is the way in which the wider political structure, rather than the enterprise, is the focus of discontent. "Speaking of bureaucracy within the framework of the wider community, not merely in the factory, which, he considers, is relatively easy to deal with, [a Zagreb printing worker] pointed to the power of bureaucracy outside the work organizations."³¹ (The remarks in question were made to the VI Congress of the Trade Union, in 1968). At the same Congress, an engineering industry worker, speaking after consultations with delegates from the industry from Belgrade, Skopje, Zagreb and Ljubljana announced in public that "the Union doesn't need professionals, they only put the brake on workers' action and blunt the edge of our demands. A functionary very often thinks only of his position and, obviously, protects it."³² To some extent, therefore, strikes can be seen as reflecting a generalized tension within the consciousness of the working class. This view is supported by the fact that where strikes occur they are often endemic,³³ which again suggests a striving towards a more general readjustment within the collective than that implied by the bare statistics relating to participation and duration.

In a very high proportion of cases, strikes are triggered off by a dispute over incomes. Many of the basic problems of

Workers can be traced back to the fact that relations within the collective lack a clear and secure contractual basis, and income questions provide the best illustration of this. What is at stake here is not simply the possible exploitation of managerial power over income distribution. The stable and accurate measurement and payment of income is the pivotal point of the self-management system. Clarity here means clarity in all the other parts of the system. The fact is that even when they are not subjected to exploitative manipulation workers can see the accounting process as a source of unfairness and uncertainty. Some sense of the cumbersome unwieldiness of the system of accounting has been expressed in the following terms. "12% of the total number of employed in Yugoslavia work on the accounting of income. 1,300 federal regulations and 300 procedures are still in force regarding these and other accounting processes. 150 billion old dinars are paid out annually to record trading results."³⁴ Even for an honest administrative staff of an enterprise, such complexity is the enemy of efficiency and certainty in the calculation of incomes. The system has never been adapted for operation in practical circumstances, and it leaves the worker unable to perceive and guard his interests under conditions of conflict. The whole idea was handed down from above, in the course of some fairly abstract theorising linked with the concept of surplus labour. The income of an enterprise is never properly known until the annual accounting is complete. Since incomes are paid from current profits, and not past ones as under capitalism, the only way this can be achieved is to take long periods of accounting, thus allowing short term fluctuations to iron themselves out and to pay out monthly sums which will leave the enterprise within the final margin of profits allotted to wages, adjusting

the balance at the end of each accounting process.

It is possible to keep this accounting process relatively simple in an industry manufacturing a discrete, easily-valued product, where a short time elapses between the end of production and sales. Mostly, the nature of the product does not fulfil these conditions. Particularly sensitive issues within collectives are those concerning work on semi-finished products as they pass through various stages of completion. Any hang-up in the flow of work, or lack of quality control, can vitally affect the incomes of other groups in the production process. This is one specialised aspect of a more general problem concerning the relations between the units of production. There are many others. To this, we have to add the complications introduced by changes in government regulations, financial adjustments within the firm itself to offset the effects of fluke conditions in single months on groups of incomes, altered investment policies, and so on. All these factors have the cumulative consequence of producing uncertainty and irritation. The Yugoslav worker is in the peculiar and unique position of having to understand all that goes on in the firm in order to make sense of his monthly paycheck.

This system is likely to have its worst effects in the area of norms and productivity payments. Since all incomes are paid out of current profits, any retardation of activity or sales may mean that there is no money left at the end of the month to cover both basic rates and productivity payments. It is not hard to guess who suffers. Items three to six in table III.10 show that in over half the cases the immediate cause of strikes were of the kind directly attributable to adjustments and revisions of the pay scale of just this kind. Other evidence comes from a survey of all work organizations in Yugoslavia, which divided enterprises

into nine average-income groups. It was shown that in enterprises whose average incomes fell in the top six groupings less than 10% of them had differentials in excess of 4:1, and in the highest income grouping the ratio fell to 2.5:1. In the lowest income grouping, 36.4% of enterprises had differentials of 5:1, or greater.³⁵ It is of course open to speculation how far these differentials are necessary to attract and keep managerial personnel of requisite calibre. On the other hand, it leaves little doubt that in many low-profit enterprises income schedules are designed to protect flat-rate advantages at the expense of productivity payments which are such an important item in the incomes of the working class.

Table III.10 Immediate causes of strikes

	%
1. Low incomes	26.6
2. Minimum incomes	2.8
3. Calculation of incomes	26.4
4. Late payment	14.9
5. Reduced basic pay	7.8
6. Raising of norms	4.8
7. Bad management relations	7.4
8. Self-management decision	1.4
9. Non(mis)-information	4.8
10. Firing, moved to worse job	2.6
11. Other	0.5

N = 503

Source: Jovanov, 1972, p 131, adapted.

Here, we have another important factor which differentiates routine white collar employees and manual workers, since the former share the income privileges which accrue to non-manual personnel as a whole. They are not subjected to inexplicable and irritating fluctuations and non-payment of earned money. In

addition, as we saw in the previous chapter, the administration may often be the subject of positive discrimination in matters of income distribution. The essence of the pay system as it now stands is that "income is first centralized, and then attempts are made, using various yardsticks, to calculate how much belongs to individual work units and workers. Because of the many blunders and errors in this calculation, a mistrust has been growing up among workers of the accounts services and the administration. This development has strengthened the power of administrations, since they have wide possibilities for influencing the position of workpeople."³⁶ In other words, the attempt of the system of income distribution to be completely fair is self-defeatingly complicated. It succeeds merely in being the source of yet more organizational confusion which lays open manual workers to manipulation and exploitation within a system which they perceive to be weighted against them.

NOTES

1. Rus, 1966b, *passim*.
2. *ibid.*, p 1081.
3. Personal communication from Naum Grizo of the Institut za Pravno-Politicki i Socioloski Istrazivanje, Skopje.
4. S. Matic et al., Aktivnost Radnih Ljudi u Samoupravljanju Radnom Organizacijom, Zagreb, 1962, pp 138-9.
5. Rus, 1966b, p 1091.
6. *ibid.*, p 1084.
7. Mozina, 1971, p 458.
8. Cf. the study of two British firms by T. Lupton, On the Shop Floor, Pergamon Press, 1963, especially pp 9-10, and pp 197-8.
9. Pecujlic, 1967, p 20.
10. Zupanov, 1969, table 9, p 249.
11. "Many Belgrade directors say, for example (and they are not of course unique) that 'a climate is created around the director which objectively hinder his successful functioning'." Bilandzic, 1965, p 1599, n.5.
12. Mozina, 1966, p 357.
13. Dzinic, 1961, p 358.
14. Pecujlic, 1969, p 23, notes that clerical staff are aware of this status association.
15. Lockwood, 1958, p 131.

NOTES

16. As Lockwood (loc.cit.) points out, many of the signs of this differentiation are trivial to a rational appraisal, but nonetheless important: e.g. separate mealtimes, having coffee brought instead of going to fetch it, and the like.
17. Pecujlic, 1967, p 9.
18. This power is linked with the habit of managements of awarding formal qualifications 'one the basis of service'. See M. Zivkovic, "Jedan rasprostranjeni oblik privilegije", Gledista 1/1967, p 67.
19. Jovanov, et al., 1967, p 94.
20. Popov, 1969, p 610; Jovanov et al., 1967, table 1, p 80.
21. Jovanov, et al., 1967, table 3, p 81.
22. Popov, 1969, p 610.
23. Jovanov, et al., 1967, p 135.
24. Slovenia has two-thirds as many employed women as Croatia, which ranks second to it in terms of economic development, and has four times its population. St.B. 652, table 2-6.
25. Jovanov, et al., 1967, p 94.
26. Jovanov, et al., 1967, p 91.
27. Jovanov, 1972, p 132. This analysis tells us nothing about the way in which workers perceive and react the situation which lead to a strike. Out of a total of 451 strikes, Jovanov lists as longer terms causes:
- 1) Low workers influence - 14.9%
 - 2) Unfair income distribution - 36.4%
 - 3) Absolutely low levels of income - 26.8%

NOTES

27. 4) Tension between parts of the organization - 8.2%
 5) Bad management relations - 3.3%
 6) Non (mis)-information - 10.4%
 7) Subversive activity - nil.

This catalogue is virtually indistinguishable from his analysis of immediate strike causes. The most interesting point is intrinsic to the presentation. It is not at all clear why the last category was included only for the purpose of recording a blank against it.

28. Jovanov, et al., 1967, pp 96 & 99.
29. Popov, 1969, p 513.
30. *ibid.*, pp 622-3.
31. *ibid.*, p 622.
32. *loc. cit.*
33. Jovanov, 1972, table 9, p 117.
34. Borba 20.9.1966, quoted by M. Drenjanin, "Normativno regulisanje odnosa u utvrdjivanju i raspodeli dohotka ...", in Blagojevic et al., (ed.), 1967, p 53.
 I am very grateful for the kind and expert help given to me by Dr. Drenjanin in this complex field of labour relations.
35. St.B. 651, table 1.4.
36. Bilandzic, 1965, p 1614.

Summary: the social relations of industry

The key to the understanding of the work situation as it shapes the experience of various groups within the enterprise lies in the fact the stratum of top managerial personnel has remained highly politicized. As a result, neither the entrepreneurial role which more highly developed market economies impose, nor the egalitarian ideology behind the institution of self-management, have been instrumental in bringing about a shift in the distribution of power within the enterprise.

The varying characters of managements and the strategies they pursue give rise to a multiplicity of social alignments within the enterprise. Perhaps the most surprising of these to western observation is the presence of unskilled worker/top management combinations directed at preventing change aimed at greater rationality and performance which might upset the existing balance of power and inequalities within the firm. Most common, however, seems to be the formation of a second, parallel system of management which pre-empts the powers formally ascribed to the self-management organs through the operation of cliques of activists. By these devices, and by using their elite connections to head off any possibility of outside interference in the running of their firms, managements are able to keep all power firmly centred in their own hands.

The outcome of this situation is the continuing salience of the manual/non-manual division within the enterprise. Although routine white collar employees are similarly bereft of influence, they share many advantages in common with their superiors which set them apart from the working class. Both the evidence of strikes and what can be gleaned about group attitudes suggests

that whatever the superficial complexities of the social universe of the Yugoslav enterprise, it has engendered in manual workers a distinct sense of their own isolation and separateness, and this appears to be reflected in the attitudes of non-manual personnel as well, particularly among those who are physically cut off from contact with manual workers.

On the other hand, this does not preclude the existence of divisions among the non-manual stratum as a whole. Relevant here are the tensions which exist between 'professional' and 'political' personnel involved in the administration of the enterprise. These tensions arise because of the half-hearted nature of the move towards the enterprise as a focus of economic power. The market-oriented manager in Yugoslavia finds himself in a structurally dissimilar position from his western counterpart with respect to control over major policy activity, and this leads to the inhibition of the professionalization of management, reflected in the reluctance of many highly trained people to become candidates for top management posts, and their generally marginal position within the structure of decision-making. Sometimes these tensions manifest themselves in a more open, ideological form, which indicates the wish of this group to see important structural changes in the system of economic organization aimed at breaking the Party's monopoly of decision-making initiative.

The evidence on work situation is of particular interest in pointing up the fact that one of the principles of stratification at work in Yugoslav society is the unintended consequences of the monopoly of political power. Political priorities preclude the strengthening of specifically working class organizations aimed at redressing the power of managements which has followed decentralization as an instrument of economic policy. The Party

thus finds itself confronted by tensions which it finds difficult to redress. On the other hand, decentralization has not gone so far as to hand over to the managerial stratum the powers necessary to removing the anomalies and dysfunctions which accompany a state controlled economic 'superstructure'. In many ways the Party, in trying to strike a balance between decentralization and control, appears to be getting the worst of both worlds, building up class inequalities for which it has no ready remedy together with an economic system which is ill-adapted to the process of stimulating a modern, technology-intensive industry.

SECTION IV

STATUS GROUPS

(i) Occupational prestige rankings

Status can be most usefully thought of as following the distribution of inequalities of class and power. The apportioning of social honour, insofar as it coincides with these latter, acts to stabilise them. Weber made his most explicit statement about the relationship between the dimensions of inequality in his discussion of class and status, observing that every period of technical and economic transformation "threatens stratification by status and pushes the class situation into the foreground."¹ However, as Lockwood shows, the relationship is also a reverse one. He demonstrates how for clerical workers in the British class structure "the status and advantage that had been won through scarcity [of literate workers] was perpetuated by tradition and proved extremely resistant to change."² Status, then, can be the subject of conflicting interests, in contrast to the uses to which it has frequently been put in empirical studies which have sometimes tended misleadingly to emphasise the integrative aspects of status differentiation. Lockwood's study provides the clue to Weber's rather cryptic remark that status "abhors higgling".³ High status, in other words, where it is accorded, isolates groups from the necessity of unadorned conflict in the market, which depends upon bargaining power and is historically linked with the growth of working class political agencies designed to multiply that power by association.

To think of status as a lagged function of other forms of inequality, and, conversely, as persisting in their absence is to raise fundamental problems of research technique. Status, that is, moulds the perception of objectively revealed inequalities by passing them through the refracting prism of personal

Table IV.1 Prestige ranking of 16 occupations, Slovenia, 1966,
according to
 a) personal evaluation of respondents, and
 b) respondents' estimate of "society's" ranking

(No. of respondents = 382)

a)	b)
1. Doctor	1. Doctor
2. Secondary schoolteacher	2. Electrical engineer
3. Electrical engineer (VHQ)	3. Secondary schoolteacher
4. Primary schoolteacher	4. Army Officer
5. Graduate economist	5. Graduate economist
6. Construction technician (Q)	6. Primary schoolteacher
7. Nurse	7. Construction technician
8. Army Officer	8. Nurse
9. Skilled worker (industry)	9. Skilled worker (industry)
10. Peasant	10. Driver
11. Driver	11. Peasant
12. Artisan-private sector	12. Artisan
13. US worker (industry)	13. White collar, routine
14. US worker (construction)	14. US worker (industry)
15. Priest	15. US worker (construction)
16. White collar, routine	16. Priest

Source: J. Goricar, "Vrednovanje nekih zanimanja", JUS 1966,
 tables 1 and 2, pp 254-5.

In the original presentation, respondents were grouped according to their area of residence, whether industrial, urban or rural in character. However, no significant differences emerged, and the 'industria 1' respondents' answers are recorded here. In addition, it should be noted that the author does not exclude the possibility that the status of primary schoolteacher is tactfully somewhat inflated, since the questionnaire was administered through primary schoolchildren to their parents.

Table IV.2 Prestige ranking of 25 occupations, Slovenia, 1969

(No. of respondents = 1,974 - 2,059)

Occupation	Mean score (5-point scale)
1. University lecturer	4.78
2. Doctor	4.76
3. Federal government minister	4.67
4. General	4.58
5. Judge	4.55
6. Enterprise director	4.44
7. Factory engineer (VHQ)	4.41
8. Nurse	3.80
9. Secondary schoolteacher	3.76
10. Journalist	3.76
11. Priest	3.75
12. Army Officer	3.65
13. Secretary of Commune	3.63
14. Technician	3.50
15. Master-craftsman (HS)	3.46
16. Traffic superintendent, bus services	3.30
17. Artisan, private sector	3.21
18. Shop assistant	3.00
19. Peasant	2.98
20. Skilled worker	2.88
21. Driver	2.86
22. Policeman	2.84
23. Postman	2.80
24. Sexton	2.23
25. Seasonal worker	2.22

Source: A. Caserman et al., Social Mobility in Slovenia, unpublished.

The secretary of a commune is comparable with a town clerk in function. 'Sexton' is included because in pre-communist Yugoslavia he was a full-time functionary of the Catholic church, with considerable prestige in the local community.

evaluation, and it is precisely his concern with this the subjective aspect of stratification which has earned Weber deserved distinction among theorists. However, as we earlier observed,⁴ to overemphasise the autonomous basis of status ascription in industrial societies is itself misleading. In practice, the problem of status ascription has nagged theorists more than empirical investigators. There is enough correlation between class and status orders, as a matter of observation, to suggest that the two dimensions are strongly linked. Both Rex and Parkin trace this link to the power of those located high in the other hierarchies of inequality over the creation and dissemination of ideas.⁵ The transition from 'is' to 'ought', from the factual to the normative spheres of inequality is instantaneous, because it is urged by those who wish to buttress the existing structure of rewards. This is part of what it means to speak of a class-stratified society. Even in a socialist country, where part of the official ideology consciously promotes egalitarian principles, the value system generated by the industrial order strikes deeper roots. Weselowski and Slomczynski show for Polish cities that the status attitudes of respondents have been affected only superficially by egalitarian ideology. "Their egalitarianism seemed to extend to the general principle that each job is of equal value, but stopped short of actual occupational differentiation."⁶ We should suppose this to be even more true of Yugoslavia, where the facts of inequality are more obtrusive and the commitment of the Party to the principle of 'rewards according to work' more intense.

It comes as no surprise therefore to find that the prestige of occupations in Yugoslavia follows a familiar pattern. The real problem, however, is to discover the extent and distribution

of status dissensus, which is typically found empirically once a decision has been made to look for it.⁷ It is this feature of social honour ascription which provides the clues to variations in the criteria of ranking, and opens the way to a comparison of social structures. Unfortunately, there are no empirical studies directed at giving us the answers to these questions. Nevertheless, we are not entirely in the dark either. Although we cannot yet say with accuracy to what extent there has occurred a crystallization of "status-ideologies" (Rex), we can examine the question of the degree of closure of status groups, upon which such crystallization depends. A social group which is constantly penetrated by other strata with differing outlooks and life-styles is unlikely to develop a very marked sense of social distance and normative differentiation would tend to be correspondingly repressed. We shall now discuss this point with reference to patterns of mobility and intermarriage, and then move on to consider three major aspects of status differentiation; rural/urban differentiation, education, and power, in their relation to the class hierarchy.

(ii) Mobility and status

Yugoslav intergenerational mobility has been marked by a very high rate of upward and long range mobility. For the urban population, downward mobility has been all but unknown. A study of a rural community shows that the relatively high rate of downward mobility characteristic of manual labour is closely linked with geographical location. It found that 48.2% of manual workers had been downwardly mobile into unskilled or peasant occupations, as against 14% nationally.⁸ Most significantly of

Table IV.3. Intergenerational mobility, 1960, persons born pre-1939.

Fathers' occupation

Fathers' occupation	PEASANT	US	SS	S/HS	ARTISAN	SALES	UQ	Q, HQ	VHR	LEADING CAREER	TOTAL
PEASANT	92.6 63.8 3,967	74.5 4.2 575	59.0 4.5 279	48.0 10.2 638	48.8 1.6 97	41.7 0.8 48	55.1 4.4 305	31.9 3.2 197	27.2 0.8 50	36.7 1.0 65	71.4 100.0 6,221
US WORKER	0.9 19.5 39	5.3 20.5 41	4.9 11.5 23	3.5 23.5 47	1.0 1.0 2	4.4 2.5 5	2.7 7.5 15	3.4 10.5 21	1.6 1.5 3	2.3 2.0 4	2.3 100.0 200
INDUSTRIAL, CRAFT WORKER	3.5 152	15.2 9.4 117	28.8 10.9 136	34.5 36.9 459	23.6 3.8 47	27.8 2.6 32	19.9 8.9 110	22.0 10.9 136	14.1 2.1 26	16.4 2.3 29	14.3 100.0 1,244
ARTISAN	1.2 158 50	2.3 5.7 18	4.2 6.3 20	6.2 25.9 82	14.6 9.2 29	10.4 3.8 12	6.5 11.4 36	7.6 14.9 47	6.0 3.5 11	6.2 3.5 11	3.6 100.0 316
SALES	0.1 65 4	0.3 3.3 2	0.4 3.3 2	0.8 16.2 10	1.0 3.3 2	5.2 4.8 6	1.3 11.5 7	2.4 24.6 15	3.8 11.5 7	3.4 9.8 6	0.7 100.0 61
MERCHANTS, BIG OWNERS	0.3 13	0.4 2.3 3	1.1 3.9 5	1.1 15 10	5.0 7.8 10	3.5 3.1 4	3.8 16.4 21	5.3 25.8 33	7.1 10.2 13	6.2 8.6 11	1.5 100.0 128
WHITE COLLAR, DEFENCE, COMMERCIAL	1.1 49	1.8 4.1 14	0.8 1.2 4	4.6 17.7 61	3.5 2.0 7	7.0 2.3 8	7.9 12.8 44	16.5 29.7 102	16.3 8.7 30	14.1 7.3 25	4.0 100.0 344
HIGHER NON-MANUAL	0.2 9	0.1 0.7 1	0.6 2.0 3	1.1 9.6 14	1.5 2.0 3	—	2.3 8.9 13	8.9 37.7 55	24.2 26.7 39	5.1 6.2 9	1.7 100.0 146
LEADING CARE, ETC.	0.1 6.4 3	0.1 2.1 1	0.2 2.1 1	0.2 6.4 3	1.0 4.3 2	—	0.5 6.4 3	2.0 25.5 12	2.7 10.6 5	9.6 38.2 17	0.5 100.0 47
TOTAL	42.86 49.2	77.2 8.9	47.3 5.4	132.9 15.3	199 2.3	115 1.3	55.4 6.4	618 7.1	184 2.0	177 2.1	8,707 100.0

Source: Molic, 1960, p 202

all, penetration of the apex of the occupational pyramid has been possible for many workers' and peasants' children. Obviously, only a relatively small number of such children do in fact make this transition, but their rates of representation at the apex are high, as table IV.4 shows.

Table IV.4 Social origins of non-manual personnel and leading cadres, 1960

	Peasant	Manual	Non-manual
Auxiliary and UQ	55.1	29.1	15.8
Q and HQ	31.9	33.0	35.1
VHQ	27.2	21.7	51.1
Leading cadres	36.7	24.9	38.4

Source: Milic, 1965, p 125.

Parkin argues that this degree of penetration has an important effect on the stratification order as a whole, because it inhibits the emergence of competing status-ideologies which denigrate achievement values and emphasise other values with greater prominence.⁹ As evidence he cites the occupational aspirations of parents for their children, which shows a very great degree of optimism about their careers. (It is worth pointing out that this pattern of aspiration is entirely confirmed in a separate survey dealing with manual workers only).¹⁰ The main break in the pattern of career choice comes within the working class, and even among unskilled workers well over 40% opted for professions demanding the very highest qualifications. The correctness of the conclusion drawn by Parkin is also supported by experience of Yugoslav conditions. Although the marks of status, for example in patterns of dress and consumption, are increasingly evident in Yugoslav society, they seem not yet to be symbolic of a very marked social distance. The fluidity of Yugoslav conditions,

in terms of mobility, makes for considerable ease of interaction between social strata, and this is reinforced by the egalitarian manners which a marxist regime tends to foster.

Table IV.5 Parents occupational aspirations for their children (%)

Desired occupation for children	<u>Respondents' occupational category</u>				
	Peasant	US/SS	S/HS	Lower white collar	Higher white collar
Agricultural worker	6.8	0.4	0.3	-	-
Manual worker/craftsman	18.3	27.2	14.4	10.5	6.1
Clerk	10.7	6.6	3.9	5.7	1.8
Technician	3.8	3.7	6.6	5.7	5.7
Schoolteacher	13.6	11.5	8.1	9.5	7.0
Doctor	8.9	9.9	12.2	18.1	15.7
Engineer	12.4	15.6	24.1	13.4	24.9
Other 'higher' professions	18.3	17.7	20.2	26.6	28.6
Other/Don't know	7.2	7.4	10.2	10.5	10.2

Source: Parkin, 1971, table 6, p 314.

At the same time, this is not to deny the existence of a clearly perceived status order. We have already indicated evidence which demonstrates a tendency on the part of manual workers to devalue non-manual occupations. Mobility rates play a part here, too, since differential rates of movement into the higher reaches of the occupational structure noticeably separate manual and non-manual strata. This cleavage can be brought out best with reference to the routine white collar, retail and defence personnel. They are far more likely than workers to experience long-range movement upwards, and this is a question not merely of the relative sizes of the various occupational groups, but extends to the actual numbers of children who make such a move. Even sales personnel, who are very much marginal to the main body of the middle classes, shows in only a slightly

less degree this tendency to move up in the non-manual hierarchy which mark them off from manual workers. The figures suggest unequivocally that it is the rapid expansion of the occupational structure itself which has contributed most to working class mobility, rather than similarities in the use made of opportunities for such movement. This is a point which emerges with even greater clarity in the discussion on education and mobility.

(iii) Intermarriage between occupational groups

Patterns of intermarriage are linked both causally and consequentially with the status order. They give some clue to the extent of personal interaction between occupational groups, as well as telling us something about the criteria which determine the choice of a marital partner. There is, regrettably, no evidence available on how far the parents of the spouses influence this choice. On the other hand, we shall be dealing with the evidence of marriages contracted in 1961, which in view of the social structure of pre-war Yugoslavia means that the chances of any parent having been a member of the professional middle classes is rather small, and the humble origins of the mass of spouses no doubt helps to explain the relative weakness of status-consciousness which is suggested by tables IV.6.1 and IV.6.2.

This observation gives especial force to the status gap between the peasantry and the working class, which is reflected in the reluctance of working class girls to marry peasant men. This is noted as a fundamental break in the status order, generated by the relative stability and ease of employment in the social sector, higher income, and the attractions of town life for young people.¹¹ By contrast, male manual workers frequently

Table IV.6.1 Marriages in 1961: bride's occupation in relation to that of the bridegroom

Bridegroom's occupation	Bride's occupation							
	I	II	I/II (a)	III	IV	V	VI	Other
I Peasant	82.5	1.3	15.2	0.0	0.2	0.0	0.2	0.1
II Industrial/craft workers	32.4	22.0	24.7	0.0	7.4	0.1	4.6	0.3
III Retail & defence personnel (b)	19.7	13.7	24.7	0.4	16.1	0.3	14.5	0.7
IV Finance & office personnel	18.5	11.4	18.9	0.0	25.0	0.4	16.7	1.0
V Leading cadres	7.6	5.8	17.8	0.2	25.4	2.0	33.8	1.3
VI Higher white collar	7.6	5.8	16.9	0.0	20.1	0.7	42.3	1.7

Source: Millc, 1967, table 19a, p 49, adapted.

(a) - This column originally appeared as "maintained persons". However, over 80% of these brides were maintained by manual or peasant parents, and their class and sex means that few would be in full time education, so they have been re-classified here.

(b) - For technical reasons, the figures for these two groups could not be combined, and that for defence personnel is given here as representative. For this reason, the rows do not quite total 100%.

Table IV.6.2

Marriages in 1961: bridegroom's occupation in relation to that of the bride

Bride's occupation	Bridegroom's occupation						
	I	II	III	IV	V	VI	Other
I Peasant	67.3	21.7	1.0	1.4	0.1	1.2	0.9
II Industrial/craft workers	5.0	68.2	3.1	4.0	0.4	4.4	1.7
III Retail & defence personnel (b)	5.5	33.3	33.3	3.7	3.7	11.0	3.8
IV Finance & office personnel	1.2	36.3	5.9	13.9	2.6	24.2	4.5
V Leading cadres	1.6	15.9	4.4	11.4	9.2	39.1	5.2
VI Higher white collar	1.0	20.6	4.8	8.5	3.1	46.8	7.2

Source: Millic, 1967, table 19b, p 50, adapted.

(b) - See note b, table IV.6.1.

marry peasant girls. Partly, this is a matter of simple necessity, since women are relatively poorly represented in the working class population. However, it must also be observed that the woman at marriage abandons many of her personal claims to status in favour of that of the husband, so that this combination in marriage presents fewer problems than the reverse.

Bearing this fact in mind, the evidence of status fluidity becomes even more convincing. One in five of women in the higher white collar grouping married manual workers, as did 15.9% of leading cadre ladies. Finance and office personnel, a high proportion of whom are women, married a working class person more often than one from their own or a higher occupational group. Here an analogy testifies to the force of social origin in patterning intermarriage. Lockwood showed in his study that the social background of the clerks' home, whether for males or females, was important in guiding the choice of a spouse.¹² In a situation where over 80% of the UQ grouping and 65% of Q and HQ personnel were in 1960 themselves of peasant or manual origin¹³ we should expect an absence of the distinctive cultural and aspirational inheritance generated by the British class system for a significant proportion of the clerical stratum.

At the same time, we cannot ignore signs of incipient status endogamy at each end of the occupational hierarchy. Higher non-manual groups evidently undergo a process of education and acculturation which restricts their choice of marriage partner. In about 60% of cases they married someone from their own grouping, or from the finance and office staff. The differences between men and women in the latter category also gives support to the view that status is likely in the future to become a limiting factor in marriages. Men marry upwards less often than

women, and in terms of mix with the peasant group the differences are most marked. Manual workers, too, only infrequently marry into the non-manual stratum, even the lower echelons. Partly, of course, this is a question of the relative numbers involved, but it is not less important in contributing to the cultural homogeneity of the working class.

The tendency towards closure is likely to be reinforced when the rates of mobility drop, as they must. As we shall later show, manual and non-manual occupations are clearly differentiated in the use they make of education as a channel of mobility, and in time this must be reflected in the rates at which peasants and workers can infiltrate the lower white collar echelons, as they have characteristically done both intra- and intergenerationally in the postwar period. It is significant, in this context, that educational attainment is a better guide to patterns of intermarriage than occupation itself. The proportion of people who marry someone with more than one level of educational attainment above or below them is very small indeed. A particularly critical break is observed between the elementary school category and those above it, and marriages across this boundary are rare indeed, for both men and women. By contrast, the possession of even some completed grades of secondary school greatly raised the chances of a woman marrying upwards, and trends are such that lower white collar personnel are staying on at school after the compulsory eight-year elementary school in rapidly increasing numbers, and many actually complete secondary school. This is a fact of great importance where we find such a close correspondence between education and intermarriage, however much mobility rates operate to spread the pattern across the occupational spectrum. The inference is very clear. Yugoslav mobility

patterns first made possible movement independent of educational achievement, and then restricted mobility regardless of such attainment. Within the freedom of intermarriage this situation brought about there continued to operate a less fluid status order based on cultural characteristics. Both rural/urban contrasts and educational attainment contribute to this cultural differentiation, and we shall deal with each of them in turn.

Table IV.7 Marriages according to the education of the spouses, 1961 (%)

Husbands' education	Wives' education										
	Less than elementary		Elementary		Incomplete secondary		Secondary		Higher		All
Less than elementary	72.7	30.0	26.1	3.2	1.0	0.6	0.2	0.2	-	-	100.0
Elementary	19.9	64.3	75.0	73.0	4.6	19.6	0.5	4.3	0.0	1.0	100.0
Incomplete secondary	4.2	5.4	54.4	21.1	33.7	57.2	7.4	24.3	0.3	5.0	100.0
Secondary	0.8	0.3	17.9	2.3	32.0	18.3	43.3	47.6	5.9	30.7	100.0
Higher	0.2	0.0	5.8	0.4	17.3	4.3	48.8	23.6	27.8	63.3	100.0
All	100.0		100.0		100.0		100.0		100.0		N = 168,510

Source: Milic, 1967, table 21, p 56.

N.B. The 'All' totals do not quite make up 100%, as a small number of unknowns have been omitted.

(iv) Rural/urban status differentiation

Not only the evidence of intermarriage, but the most superficial acquaintance with Yugoslavia, point to rural provenance as an important source of negative status evaluation. The most obvious manifestation of this fact is linguistic usage, since the word 'peasant' is more often used in a pejorative sense than in its definitional meaning. It refers to a bumpkin, a backwoodsman, without education, and lacking in civilized manners. The same sense of social distance among the urban classes is reflected in the monotonous predictability with which popular comedy entertainment focuses on the humour to be extracted from the peasant way of life, and the contrast it makes with modern styles of living.

The taint of rural association disappears as the peasant assimilates to the urban environment, acquiring skills or education, and a style of life which enables him to merge with the urban classes. However, the status gap between unskilled and skilled manual labour can only be understood partly in terms of this association.¹⁴ In 1960, Milic calculates, 73% of unskilled workers and 63% of semi-skilled workers had earlier been peasants. What distinguishes these people is that in the main they tend to be drawn from the rural proletariat of the southern republics, so that their presence in an industrial and urban environment represents the most marked contrast it would be possible to engineer, in terms of dress, speech, education and habits.

This situation is induced by patterns of peasant mobility. Size of family holding is important for intergenerational mobility, because small farms will not support more than one heir. Most movement from private agriculture comes from farms of less

than 5 hectares.¹⁵ Such farms make up more than 70% of the total number of holdings.¹⁶ However, geographical location is important here. The fact that the southern republics have poorer soils and high birthrates means that they contribute disproportionately to movement into unskilled occupations. Those living in the north are advantaged by the fact that they live nearer to the urban concentrations which give them access to income from non-farm sources and to education for their children. Such peasant children become mobile into skilled work and non-manual occupations, and cultural and ecological factors have combined to bring a steady abandonment of holdings as a source of income in the north. In Vojvodina and Slavonia, for example, in 1960, only 22% of households were training heirs for the holding, as against 54% and 49% in Kosovo and the mountainous regions of the country, respectively.¹⁷

These differences persisted despite the fact that natural conditions and large families forced some 80% of the natural population increase between 1949 and 1960 to leave their native mountainous districts in search of work, and in 1963 these people formed half of all urban migrants.¹⁸ A minority of families buy holdings in the north each year, and from there repeat the cycle of mobility of the previous tenants. By far the greatest number, however, have to move directly into the social sector. Poverty and scarcity of educational resources meant that the vast majority became unskilled workers. Of the 245,000 people who found work in the social sector in 1960, 91,000 had a qualification earned while at school. Only one in five of them was of rural origin.¹⁹

For some of these recruits to unskilled labour, the transition to skilled work and assimilation to the urban environment

is quick and painless. For many it is less easy. In the first place, there may be no geographical movement involved for the unskilled worker. Though employed in the social sector they remain on the holding, working it part-time. A common variant on this is seasonal work, so that the social sector is actually abandoned at various moments in the agricultural year. These people form the true class of peasant workers, defined in terms of dual sources of income, as opposed to those who use their holdings basically as a home. There were 1.7 million of them in 1960, about a quarter of the total population.²⁰ On these people, employment in the social sector makes little cultural impact. For the most part, they are quite content to remain unskilled workers, regarding their other employment purely as a device for supplementing their incomes.

These peasant-workers are called 'polutani', and the name implies someone who is only half-engaged by his industrial environment. However, the problem of the 'polutan' mentality is not really solved by a definite decision to abandon agriculture as a source of income. The problem is essentially a regional one. Even within the working class, mobility is frequently restricted by a lack of education. The illiteracy rate in the Bosnian population over ten was 32.5% in 1961, as against 1.8% in Slovenia,²¹ and everywhere the recruitment of unskilled labour from the rural hinterlands produces the cultural clash which lack of education symbolises. 'Polutani' characteristically make no concessions to the psychological demands of industrial work,²² and in terms of dress and personal habits are very easily distinguishable from skilled, urbanized workers.²³ Much of the indifference of unskilled workers to participation in self-management affairs, as an example of attitudinal differentiation,

is traceable to the fact that they have "one foot in the furrow", as the expressive Yugoslav phrase has it.²⁴ The influence of the 'polutan' mentality is pervasive within the working class, and one which adds to the class differences between skilled and unskilled labour a status gap which is a major feature of the occupational prestige order.

(v) Education and status

During the earlier discussion on occupational mobility it was stressed to what extent education has become a determinant of mobility in Yugoslavia, even more so than in industrially more advanced countries where the government does not interfere with the free play of the market in securing the employment of educationally well qualified people. In contrast to the earlier period of economic development, therefore, education now plays a much more critical role in shaping the structure of inequalities. In addition, in a society where the rural/urban distinction operates with such force, education is a prime source of status differentiation, symbolizing to a high degree the successful transition from a peasant way of life to the urban middle classes.

The fact that secondary and higher education in Yugoslavia are of the mass type has meant that the upper reaches of the occupational structure have remained open to all social groups. (According to OECD figures for 1963 Yugoslavia had 4% of its 20 - 24 age group in higher education, the same proportion as in France and Belgium).²⁵ The result has been that the children of workers and peasants have been the main beneficiaries of the educational expansion characteristic of the period after 1955.

As table IV.8 shows, between 1948 and 1969 the proportion of non-manual children in full-time higher education remained constant. Over the twenty-year period covered by the table, blue collar offspring made substantial gains. At the same time, the table also reveals a later slowing in the rate of increase of manual workers' children, and a drop in the representation of peasant children. The first trend is probably over-dramatised by the figures, since the peculiar age-structure of the artisan grouping means that their offspring are a disappearing group within the student population, as are artisans themselves within the structure of occupations. Nevertheless, trends are developing which are tending to advantage non-manual children even though, as the figures make clear, they should not be exaggerated.

In the first place, although the process of income differentiation (which is the most important aspect of class in determining extended schooling) has been relatively mild, the fall in real value of the dinar has had a disabling effect on many lower income groups, we may surmise. This applies especially to unskilled workers. They tend to have large families, and to live longer distances from educational centres, which to them raises the costs of schooling disproportionately. A second factor is probably even more decisive, and it applies with especial force to the children of peasants, although it must affect many rural-based workers as well. This is an ecological factor, which has become prominent through the decentralization of funds for secondary schooling. As a result, the central state budget has ceased to underwrite equality of educational opportunity over the whole territory of Yugoslavia to the extent it once did. The system of financing secondary schooling now in force has led to a strong urban/rural discrimination. In 1965, 52% of all

secondary school places were located in 30 major towns and cities, which contained only 16% of the total population, and a still smaller proportion of the school age population owing to differential fertility rates.²⁶ This could not but be reflected in higher education as well, and an early study reveals marked regional variations in the recruitment of students according to the degree of industrialization.²⁷ Such variations have of course always existed, but they are being intensified by the state's abandonment of its central regulative role in education. This gives clear cut advantages to the children of skilled workers and of non-manual employees, who are by reason of their occupation more likely to work in urbanized areas.

Table IV.8 Structure of full time students by social origins, 1948 - 1969²⁸

Social origin	1948/9	1958/9	1969/70
Peasant	16.2	22.7	17.6
Manual	7.7	15.9	23.3
Artisans	16.3	5.0	-
Non-manual	51.1	45.6	47.0
Other	8.7	10.8	10.0
Unknown	-	-	2.1
N	47,596	76,239	159,718

Source: M. Janicijevic, unpublished material;
St.B. 670, table 2-8.

A third factor which ought not to be disregarded is that many manual workers may be increasingly less desirous of higher education for their children, unless it is of the vocationally-oriented kind, or in a technical subject. The rising numbers of the student population mask a change in the rates of graduation,

which are a new feature of the higher educational scene. Between 1958/9 and 1962/3 the index of graduates was 155.²⁹ After this date, however, the rate of increase in student numbers and the rate of graduation parted company. Student numbers rose slightly between 1962/3 and 1967/8, from 106,000 to 109,000, with slight intermediate fluctuations.³⁰ The index of graduates for the period was 90.³¹ This trend, which arose in response to changes in the structure of employment opportunity, gathered way at the very moment when Yugoslavia experienced her post-war 'bulge' generation in secondary schooling, so that between 1963 and 1967 the numbers finishing secondary school rose by over 65%, while the proportion continuing into higher education also rose. The faculty authorities reacted to these unparalleled pressures by in effect extending courses. The percentage of students who completed faculty education without repeating one or more years fell from 20% in 1964 to 13% in 1967.³² They also introduced devices such as entrance examinations to cut down numbers of full time students, and agreed to hold these on the same day, so that the practice of shopping around by weaker students to find a faculty to take them ended.

To some extent this situation must have led to the assertion of class advantages in a situation of scarcity of degrees. Clearly, when a university course is going to last five, six or even seven years, and the system of selection is undergoing refinement, manual workers' children are bound to suffer the consequences. However, the reality is more subtle than this. In a time of dearth of jobs, the whole significance of education is bound to change. The changes in higher education itself only reflect the fact that for very many graduates no immediate prospects of employment are available. Here we have to make a quite

clear distinction between technical and non-technical types of education. We saw in the discussion of incomes that all forms of non-technical personnel in industry have suffered in the market because of the glut produced by the schooling system.³³ Thus, the reluctance of manual workers' and peasant children to enter higher education in non-technical subjects is not peculiar to them but runs throughout the pattern of aspirations for higher education, among all social groups. This was shown clearly in a study of Skopje secondary school pupils carried out in 1969.³⁴ All aspirants for higher education showed a very marked preference for the Technical, Medical and Natural Science groups. No directly comparable figures are available, but the pattern of actual representation on the various groups of faculties shown by Milic for 1956/7³⁵ strongly suggest that non-technical education has undergone just the form of status devaluation we might expect, given that it is associated with relatively poor rewards and unemployment. It would not be surprising if many manual and peasant children, lacking any status prejudice in the matter, preferred the quick returns and relatively high incomes of skilled work to the doubtful outcome of long periods of expense in higher education promising only a poor return on the investment.

Table IV.9.1 Aspiration for higher education among Skopje secondary school pupils, 1969, (%)

Social origins	None	Nat. Sci.	Medicine	Technical	Hum./ Soc.Sci.
Peasant	93.5	4.3	-	2.2	-
Manual	68.9	2.5	1.6	22.2	4.9
Clerical, sales	43.0	6.4	4.3	36.6	9.7
Higher professional	16.7	5.3	9.6	44.7	23.7
Other	44.0	5.3	6.7	34.7	9.3
N = 450					

Source: Georgievski, 1972, table 10, p 320.

Table IV.9.2 Students, by groups of faculties and social origins, 1956/7

Social origins	Law	Econ-omics	Human-ities	Tech-nical etc.
Peasant	16.6	16.3	16.0	51.1
Manual	15.2	17.0	16.7	51.1
Non-manual	14.3	9.7	23.5	42.5
Artisans	13.7	13.3	19.5	53.5
Lib. professions	20.1	9.2	26.2	44.5

N = 54,469

Source: Milic, 1959, table 12, p 74, adapted.

The picture is complicated by the fact that the higher-status groups maintain a strong lien on the prestigious gymnazia. These schools take the cream of the elementary school leavers, and provide a broad-based course leading to the possibility of signing up on any of the faculties. These two factors mean a very high upper class representation on the four-year faculty courses, and particularly on the non-technical ones. In 1969/70, 85% of all first-year students on the faculties of Philosophy, Philology, Law, and Political Science were gymnasia leavers. Only on the Economics faculty and the other 23 technical faculties were leavers from secondary vocational schools better able to maintain the pace of competition for academic honours, forming 35% of all first-year students.³⁶ The secondary vocational schools are better placed in this area of the academic market because they provide the kind of 'applied' and vocationally oriented courses which are better integrated with such faculties.

The secondary vocational schools are most closely linked of all, however, with the polytechnic system, and their pupils are represented in polytechnics in equal proportions with gymnasia-leavers.³⁷ As a result, working class and peasant children made

up 55% of all polytechnic students in 1957/8. By 1969/70 this proportion was still steady at 56.7%.³⁸ For whatever cause, whether because of status considerations or more specifically educational reasons, this sector of the higher education system has resisted pressure from the children of non-manual parents, in a way that is not characteristic of the trends in gymnazia. Now the point is that the relation of the polytechnic graduate to the labour market has been much more favourable, precisely because they provide the 'middle-level' skills crucial to the hierarchy of occupations, such as technicians and primary school teachers, and which tended to get overlooked by the more able pupils in the "gold rush" atmosphere of free education and good mobility prospects. The index of polytechnic graduates 1968:1964 was 167,³⁹ and the numbers who graduated without repeating a year was high, 38% in 1967 and 47% in 1964.⁴⁰ While the gymnazia 'high-fliers' were scrambling for faculty education, therefore, many peasants' and workers' children were lodging themselves in the less competitive sectors of the educational system, and the market has worked to raise the value of their skills.

The middle classes have thus found themselves in possession of the advantages within the educational system provided by their cultural superiority and which is characteristic of middle classes everywhere, but have been unable to translate this into market advantage. It is a particularly galling fact that many of the people located high in the occupational structure achieved their mobility without the benefit of the educational advantages the middle classes have contrived for their children. The outcome is a separation to some extent of occupation and education as sources of status. Probably more significant, however, is the reduction of the status of education itself.⁴¹

Indeed, the size of the student population in Yugoslavia can partly be seen as a response to the employment situation. The government siphons off comparatively cheaply potential new incursions into the labour market, while the student acquires some claim to status and useful social insurance rights. This situation in education contributes still further to the blurring of social boundaries, already cut across by shifting trends in mobility.

Nevertheless, education is among the hardest of all forms of entrenched advantage to counteract in a socialist society, because of the influence of the family in passing on cultural attainment. Redressive mechanisms have normally been confined to special periods of post-revolutionary political activity aimed at building up a specifically socialist intelligentsia of proletarian origin. There is none of this working in favour of manual workers in Yugoslavia at the present time, and from very early in the post-war period the signs of differentiation were present. Milic found in 1953/4 that children of fathers who had elementary schooling only passed the matriculation without referral in 53.9% of cases. The figure for the offspring of university educated fathers was 70%.⁴² This is even allowing for the fact that working class children in the secondary system constitute a favourable sample, since many are eliminated at the age of fourteen by the operation of class factors, which means in effect that the children of unskilled workers are the first to drop out, together with those of the peasantry. The fact of economic development in itself creates a new, educated middle class with which manual children find it hard to compete. It was in Slovenia that Milic noted, in 1951/2, the strongest links between a tendency to self-reproduction among social groups, and economic development,

expressed in per capita income. He found a good negative correlation between economic development and the index of representation of workers' children in secondary schools of all types, with a corresponding, though slightly weaker, positive correlation in favour of the children of non-manual parents.⁴³ The evidence suggests that this is a thing which has spread to the less developed republics in the time since that study, as table IV.10.1 indicates. Although there are problems in comparison because of the differences in size of sample in the two tables below, the impression is that non-manual advantage has been securely consolidated in secondary education, which, in the event of a narrowing of selection procedures to higher educational institutions, could be every bit as divisive in class terms as the grammar/secondary school dichotomy in British life.

Table IV.10.1 Social origins of pupils in Skopje secondary schools, 1969

Social origin	Gymnazia	Trade schools	Secondary vocational schools	
Peasant	-	95.3	6.5	(46)
Manual	7.4	62.3	30.3	(122)
Clerical, sales	20.4	38.7	40.9	(93)
Higher non-manual & artisan	67.5	6.1	26.4	(114)
Others	33.3	37.3	29.4	(75)

N = 450

Source: Georgievski, 1972, table 5, p 310.

Table IV.10.2 Social origins of secondary school pupils, FNRJ, 1951/2⁴⁴

Social origin	Gymnazia, higher grades	Trade schools	Secondary vocational schools
Peasant	15.5	52.6	31.9 (91,900)
Manual	14.2	60.7	25.1 (47,154)
Artisans	23.3	46.7	30.0 (29,321)
Non-manual	40.4	17.7	41.9 (67,575)
Others	19.8	47.6	32.6 (13,992)

N = 255,989

Source: Milic, 1959, table 1, p 51, adapted.

So far, such a narrowing of selection procedures has not been permitted to occur. Even in 1967/8, when the secondary schools were experiencing the swollen numbers of the 'bulge' generation, the somewhat startling proportion of 95% of gymnazia-finishers and 55% of those completing secondary vocational school courses went straight on to some form of higher education.⁴⁵ This shows in another way the extent to which the middle levels of the occupational structure have been left to those with incomplete secondary education or less. As a result, there is little status distinction which can arise on the basis of educational differences between the mass of routine non-manual people and skilled labour. The former in 1967 comprised three-quarters of persons who had completed elementary schooling (46.2%) or less.⁴⁶ The same proportion (40.8%) of skilled men had finished elementary school according to the IDN survey, and among highly skilled men only 7% lacked it.⁴⁷

Against this background, the use which office and finance personnel make of education for their children makes a striking contrast. To some extent, the figures in table IV.11 can be explained by the fact that a quarter of finance and office

personnel had completed secondary education, and that unskilled workers are not shown separately. However, a comparison with the higher white collar grouping, who between them had 80% of personnel with secondary school education or better,⁴⁸ indicates beyond question that here we have to deal with a status characteristic which cannot be reduced to a problem either of income or of the educational level of the parent. Yugoslav white collar employees, in their concern with the intensive use of educational opportunity, exhibit a generic similarity with their British peers, who likewise outdo their superiors in the status order in this respect.⁴⁹

Table IV.11 Representation of occupational groupings among the full-time student population, 1964/5

Group	Index of representation		Group
Service personnel	35.8	117.2	Sales personnel
Peasants	35.9	206.2	Leading cadres
Industrial and craft workers	65.5	282.2	Others (pensioners etc.)
Traffic personnel	81.8	300.0	Higher white collar
Defence personnel	82.3	405.7	Finance & office personnel

Source: Janicijevic, unpublished work.²⁸

This parallel is all the more striking in that nothing in the history of the group would lead us to expect it. Clerical workers as a group have no inherited weight of status generated by a special position within the social class order in the post-war period. During the entire period, on the contrary, they have been distinguished by their strong links with the peasantry and the working class in terms of social origin. Further, the political system has prevented the growth of representative organizations which could create and sustain their self-image

and sense of cohesion as a group. Even in terms of educational achievement, clerical workers much resemble the industrial proletariat, which argues against even a sense of cultural distinctiveness marking them off from the latter. In the Polish study quoted earlier, it is argued that what separates the group of office employees from the working class is their cultural patterns, expressed as the likelihood of their having books in the home, reading regularly, and the like. Thus, the argument runs, whatever happens in the sphere of the distribution of material goods, "Special significance should be attached to what might be called a distinct reading threshold."⁵⁰ This is a very pertinent observation in view of the known influence of family background in urging on the young to educational success. However, reading and the ownership of books is itself closely related to educational attainment, as we might expect on commonsense grounds.⁵¹ In this respect, however, Yugoslav office employees are very different from their Polish counterparts. 65% of the Polish group had completed secondary schooling or better, and only one in ten had had no experience at all of the secondary school system.⁵² The corresponding figures for Yugoslavia are 28.2% and 65.2%. In other words, we seem to be witnessing a situation where the social structure is in the process moulding a distinct status group at this point in the occupational order, along the lines characteristic of western societies. We shall be returning to this point later, when we shall argue that the intensive use of educational opportunity by the group can very well be interpreted as an instrumental response to its isolation within the class structure, quite apart from the possibility of some degree of positive status identification with higher non-manual groups. For the moment, however, we shall move on to consider the possible

reasons for the unusually low status of routine white collar occupations, and the implications of this for an understanding of power as a source of social cleavage which to some extent cuts across the class order generated by the market.

(vi) The status of routine white collar occupations

The position of this group within the occupational prestige rankings shown in table IV.1 indicates that low grade administrative jobs have experienced a quite marked fall in social honour compared with their western counterparts. The exact location of the group is to some extent a matter of controversy among western sociologists, but a consensus exists that it is about on a par with skilled manual jobs. Glass's study, for example, ranks the routine clerk just above the fitter ordinarily, although decisively so in terms of mean scores.⁵³ On the other hand, Blau's re-analysis of the NORC study suggests that this order should be reversed.⁵⁴ In any event, the placing of the routine white collar worker below the two categories of unskilled worker is unusual, and requires some attempt at explanation.

Such an explanation clearly cannot rest on relative class position. Much as the market has worked to depress the rewards of clerical work, it has still left unskilled workers at the bottom of the ladder. Gorican's study itself provides clues which suggest the operation of an independent factor of status devaluation. When respondents were asked to rank the same occupations in terms of their class attributes alone (i.e. the word "prestige" was not allowed to enter the question), using criteria such as income, physical effort, and job security, routine white collar work appeared above unskilled manual labour. The reversal

of this ordering made its appearance again, however, when the respondents were asked to evaluate the "social worth" of the occupations.⁵⁵

It is not at all easy to track down the cause of this negative status evaluation in the absence of specifically designed research instruments, but two factors suggest themselves. The first is the high degree of feminization of clerical work. Research in the field indicates that between two-thirds and 80% of such posts in enterprises are filled by women. If this seems a high proportion, it should be noted that this bias is already marked in the representation of girls in secondary commercial schools, where they made up some 80% of the pupils, and their natural target would be jobs of a routine administrative kind. In the technical secondary schools there is an equally high proportion of boys.⁵⁶ A large proportion of women in clerical occupations is generally thought to contribute to status degradation, and this may well explain in part the systematic status discrepancy between technical and non-technical jobs at similar levels of qualification which is in any case generated by the operation of the market.

The fact that many such jobs are done by poorly paid women would tend to reinforce the status gap between manual workers and clerical occupations arising from attitudes to productivity and rewards. We have already adduced evidence that manual workers in Yugoslavia, as elsewhere, may well regard the enterprise administrators with some suspicion. They are "pen-pushers" who take more than their fair share of the rewards because of the power they wield over decision-making. It is not, of course, suggested that clerical employees have a measure of political power denied to manual workers. But to a far greater degree they

are the beneficiaries of an economic system which concentrates power in the hands of managements, and they are seen as agents of that power. Probably socialist ideology plays an important role here, since the doctrine of 'rewards according to work' and the special place of the working class in the marxist social scheme could be expected to sensitize manual men to the issue of the legitimation of the structure of inequalities. For manual workers, social processes thus combine to facilitate the identification of clerical work as unmanly and exploitative.

However, all this does still not quite explain the universal deprecation of routine white collar work which its lowly status position suggests, and which social attitudes reveal. 'Sluzbenik' shares with 'peasant' (though in somewhat lesser degree) the doubtful distinction of carrying with it pejorative overtones in many usages. Probably the link is not accidental. Low-grade administrative work, as we have seen, has been associated throughout the postwar period with low educational qualifications and peasant origins. But, it is hypothesized, to overlook the extent to which routine white collar employment is negatively valued because of its relation to the political power structure may be to miss a fundamental aspect of differentiation between communist and capitalist stratification systems.

(vii) Power and status

Little systematic attention has been given to the relationship of these two dimensions of inequality. Lipset and Bendix, for example, devote only two pages of a lengthy book to the problem, and they argue explicitly that power is a dimension of inequality which to some degree cuts across status. The specific

examples they give are of a trade union leader and a higher civil servant, both of whom have a high power ranking but are, respectively, low and high on status.⁵⁷ This seems to be a clearly mistaken approach. In situations of political conflict we should expect sharply divergent evaluations of status of these two occupations, and the history of the industrial democracies suggest that status conflict has been the norm in those societies. Indeed, day-to-day experience would lead us to believe that power roles are more sensitive than others to status dissensus, because their prestige is inseparable from what specific incumbents say and do. This is not the case with the mass of occupations. As Parkin observes, "institutionalized rank criteria provide a framework of occupational stereotypes or categories into which any occupation can be incorporated."⁵⁸ The stability of occupational prestige rankings depends, in effect, on the acceptance of these rank criteria as both necessary and sufficient for location in the social-honour hierarchy. Power roles, by their nature, uncover the sources of division and legitimation in society. They are far less amenable to the process of elision by which indicators such as income and education are allowed to stand for status.

This analysis is highly relevant to the status position of that group of administrative employees working in the state bureaucracies. They form only a small proportion of the whole, but one which is likely to be socially very visible because it is through this group that the public makes most of its contact with the mechanisms of political power. We have already seen that the professional morale of this group falls well below the impersonal bureaucratic standards demanded of their western counterparts, and that in fact government agencies have in the

very recent past been associated with downright corruption. It is therefore a reasonable guess that this group of "communards" contributes disproportionately to the status degradation of clerical work as a whole.

We argued in section II that the behaviour of state bureaucracies was only one aspect of the uncontrolled power, frequently symbolised by material privilege, which tended to work against the legitimation of Party rule. It is not suggested that this withholding of legitimation amounts to wholesale political opposition or anything like it. On the contrary, the stock of the Yugoslav Party is, as far as one can judge, enviably high by comparison with other east European states. Not only did the Party preside over a rapid rise in the standard of living well on into the sixties but it contrived early on to make itself the focus of national pride by its resistance to Russia. Nevertheless, there is a widespread feeling that some individuals do better than they should from Party membership, that the organization falls some way short of its ideological pretensions. Thus, in table IV.2 we seem to see an unusual devaluation of the status of those occupations most nearly related to the political and administrative superstructure of society - Judge, Federal Minister, and General. It is difficult to be very precise about this in the absence of precise historical knowledge about the grounds of social honour ascription in particular social milieux. The estimation of the military, for example, is likely to vary considerably both in time and from country to country. However, it is most noticeable that the occupations of University Lecturer and Doctor head the rankings, despite their relatively lowly class attributes. These are both jobs which are most obviously linked with humanistic and humanitarian values, and which invite

assumptions about the personal worthiness of their holders. The two specifically political command roles - Federal Minister and Secretary of the Commune - are equally noticeably displaced in the status order when compared with their class and power attributes. It is certainly unusual by western standards to find a status order headed by the intelligentsia.⁵⁹ Interestingly, Poland shows a similar ordering, with the occupation of Minister in fact showing an even more drastic displacement in eighth place out of twenty-nine jobs ranked.⁶⁰

Of course, carefully standardized comparisons of occupations would be necessary to determine whether we are here dealing with an aspect of differentiation between communist and democratic social structures, possibly incorporating the situs dimension of ranking⁶¹ so as to show up the systematic nature of status devaluation of power-related roles. But at least the findings of table IV.2 are consistent with the belief often to be found in Yugoslavia, that the Party member has a head start in access to any advantages going. Janicijevic's study of students' attitudes came up with supporting evidence, and indicated that they saw a discrepancy between the factual and normative distribution of social and material advantages. All agreed in identifying as "privileged" those occupations, such as directors of enterprises, state administrators, political functionaries and leading cadres in general, which are closely identified with Party membership. By contrast, they evaluated professions such as engineers, specialist occupations and the intelligentsia in general as not privileged, but felt that in the long term, if differentiation was to be permitted, it was the professions which most deserved distinction.⁶² It was also observed that students of Zagreb and Ljubljana universities placed Party members high on the list of

privileged groups in society. In the two most developed republics, where the technical and humanistic intelligentsia is strongest, in other words, Party membership is seen as itself conferring privilege. This, again, is wholly consistent with the informal power wielded by individuals with local elite connections, so that power influences the status evaluation of occupations apparently far removed from the institutionalized power structure.

In this way the state operates to create a line of social cleavage running 'vertically' through the class order, although its salience should not be overstated. There is obviously a tendency for the system of rewards sustained by the market and by political association to coincide. Nevertheless, within each qualification grouping within the non-manual stratum there is a large minority for whom Party membership means advantages not contingent on occupational position. The answers of the Zagreb and Ljubljana students indicates that the new generation of the intelligentsia, reared on a meritocratic social philosophy, is sensitive to the discrimination arising from the 'veza' network. Even the qualification structure of the Party may exaggerate similarities between it and the intelligentsia, although it is undeniable that in terms of education and social background they are coming closer together. One of the most interesting statistics on the composition of the Party is the very high rate of representation of HQ personnel (58.7%) as against VHQ people (43.6%). It is a further distinguishing characteristic of the HQ grouping that 17% of them in 1960 had acquired their status on the basis of work experience,⁶³ and we have already had occasion to point out the power of promotion as a means by which managements exercise power through cliques. It is a plausible

inference that the Party network is adept at conforming to the letter of legal requirements while still contriving to favour those already marked out for promotion on political grounds. The method of conferring qualifications as a gift is clumsy. Another means which is probably widespread is the choice of suitable part-time courses with a not-too-rigorous academic content. Since the faculties, like all major institutions in Yugoslav society, are comprehended within the 'veza' system, it is not improbable that a fortunate circle of friends might bring some discretionary easement in the process of acquiring a diploma to match the job. I have myself been present over breakfast with an enterprise director and a prominent academic when the director expressed the view that "it wouldn't be a bad idea" to raise his status from HQ to VHQ. The academic responded instantly with a comprehensive sketch of suitable course components spread over one year, and mentioned the names of mutual acquaintances the director could "go to" for course supervision and assessment. Certainly, Yugoslav public opinion is not entirely impressed with the changes wrought by the socialist market in the structure of qualifications in positions of responsibility.⁶⁴ It is by no means obvious that the lack of a diploma is invariably a crippling disqualification; but the point is that the figures conceal a whole gamut of camouflaging tactics as we approach the leading cadre section of the occupational structure.

If state power has to some extent been divisive within the non-manual stratum, however, it has also served to underline differences between manual and non-manual occupations generally. Not only are even routine white collar grades much more likely than workers to be beneficiaries of the 'veza' system, but employment in the state and allied bureaucratic organizations of the

non-productive sector is becoming increasingly attractive. Some of this attraction is of the usual kind in a society with a competitive market, and is linked with the familiar debate about the class situation of the bureaucrat when contrasted with manual work in production.⁶⁵ Although the state in Yugoslavia has equalized many of the conditions of manual and routine white collar employment with respect to notice, holidays, and so on, it remains true that many enterprises struggle hard to make ends meet, while the salaries and jobs of the bureaucrats are protected by their special legal status as part of the administrative superstructure of society. This attraction is conspicuously reinforced by the advantages which bureaucratic employment offers in the housing market. In contrast to the generally egalitarian look of income distribution, non-manual employment confers clear-cut superiority of access to housing, at all levels of qualification. This is a crucial aspect of inequality, because the principles of the market have been extended to housing as well, with a consequent rise in differential standards and a sharp increase in both the cost of buying and renting accommodation. Under present conditions of chronic inflation the possession of a flat or of a low-cost state tenancy is a major advantage. In the following section we shall show how both the market and state policy conspire to deprive the working class in the competition for housing.

(viii) Housing and status

A major feature of the status order of advanced industrialism in western societies is the clustering of groups in areas and types of housing according to their degree of desirability.

It is a feature which lends additional weight to the distinction between manual and non-manual occupations, since although they share an income which is roughly comparable with many groups of manual workers, even the lowlier grades of non-manual personnel tend to be relatively advantaged in their access to private housing and to the more 'respectable' neighbourhoods. Partly, this differentiation can be understood in class terms (in Weber's sense). To look at income alone, as we have observed earlier, is to miss some of the class advantages accruing to non-manual work, and which stem from the greater security and larger net total of the non-manual employees income over the total life-span. This is especially important in the business of securing a mortgage, which Rex identifies as a crucial qualification in the competition for housing in Britain.⁶⁶ To a considerable degree, however, the patterning of housing allocation has to be understood in wider terms, since the state is a powerful influence in distribution. Thus, council housing in Britain constitutes the basis of a second housing class, and although such housing lacks many of the amenities and economic advantages of private ownership council householders can in many ways be thought of as privileged in relation to lodgers, slum dwellers, and the like. The purpose of this section is to explore, within the limits of the available evidence, groups as they stand in relation to the system of housing allocation generally in Yugoslav society.

Elements of a model of housing classes in Yugoslavia

The evidence on housing allocation is far from being sufficiently complete to offer a rounded picture of housing classes. What is missing, in particular, is information of an attitudinal

kind which would enable us to specify the existence of groups marked by a consciousness of inequality in this sphere, and which could be expected to display more or less well-defined status-ideologies which justified or attacked the status quo in housing allocation. What can be attempted is a more modest analysis of the relative access of various groups to scarce and desirable housing facilities, and so of the potential basis for the crystallization of housing classes.

Fundamental to a model of Yugoslav housing classes is a process of movement which is the exact opposite of the 'drive to the suburbs' which Rex points to as the basis of housing-class formation in Britain.⁶⁷ Suburban living, far from providing desirable standards in recreation and amenities which are eagerly sought after by the middle classes, tend very often to be characterised by poor standards in schooling, transport and entertainment, because the very rapid transfer of the agricultural population in the fifties made the simple provision of a roof the first requirement, to the detriment of planned urbanization, for which there were few resources to spare. Totally uncontrolled building appears to have been quite common, which lent to the urban peripheries something of a shanty-town aspect, as the rural population closed in upon the sources of employment and schooling by which they hoped to achieve mobility. In Zagreb, in 1961, for example, the census returns identified 115 "unofficial" streets which had sprung up in the preceding eight years without any reference at all to the planning authorities.⁶⁸

Table IV.12 Structure of the urban population, in 000's

	<u>1948</u>	%	<u>1953</u>	%	<u>1961</u>	%	Index 1961/53
Total non-agricultural population	5,196		6,593		9,256		
Total urban population	2,651	100.0	3,378	100.0	4,682	100.0	177
In towns of less than 20,000	1,059	39.9	1,270	37.5	1,231	26.3	117
20,000-100,000	946	35.7	972	28.8	1,795	38.4	190
Over 100,000	648	24.4	1,136	33.7	1,656	35.3	255

Source: P. Ivkovic-Ivandekic, "Pravci i neki problemi posleratne urbanizacije u Jugoslaviji", Ekonomist 3/1961, p 359.

A town is here defined as a settlement of more than 2,000 people, one-third engaged in tertiary activities.

Suburban living as the lot of the underprivileged is also underlined by the pattern of urbanization in post-war Yugoslavia. As table IV.12 shows, even by 1961, a quarter of the non-agricultural urbanized population lived in towns of less than 20,000 inhabitants, and about a half of the total non-agricultural population lived in the countryside proper. To a great extent, this pattern of urbanization is shaped by the existence of the large peasant-worker stratum which is drawn towards the urban conglomerations by the search for work, but whose members have no hope of finding accommodation within the city centres or the old, pre-war suburbs. The largeness of the proportion of rural dwellers in the non-agricultural populations reflects in part the first phase of industrialization which aimed at exploiting natural resources. However, it was perhaps more shaped by the market for skills since the government deliberately aimed at

reducing the costs of urbanization by attracting into its housing, which was almost exclusively urban housing, those scarce personnel able to play a role in the mushrooming industries which were created. The first major trend in housing differentiation sprang from this source, and separated those with high non-manual qualifications from the mass of the population with respect to housing allocation. In this sense the market in Yugoslavia exerted a great influence on housing patterns, not directly through income differentiation, but because of the part it played in shaping the attitude of the state to this aspect of rewards.

A crucial difference (by comparison with Britain) also arose from the fact that the state, in the early years of communist rule, allowed very little money for the building of new homes to pass into the hands of private persons on the basis of credit schemes analogous to mortgage loans. By far the greatest amount of investment in private housing came from savings, while at the same time over the period 1952-65 over 578,000 private dwelling units were completed, as against just under 400,000 in the socialist sector.⁶⁹ This has led to a situation where in terms of comfort and amenities state housing offers very considerable advantages over private dwellings. For example, in 1967, 97% of flats built with social funds had both a separate bathroom and an indoor lavatory, compared with less than one third of privately owned flats. The trend towards differentiation in luxury appears to be increasing, as well. In that year 53% of socially owned flats had central heating compared with half that proportion in 1964. No privately owned dwellings had this amenity.⁷⁰ A great deal of this difference is associated with the fact that private building is virtually the only way of creating new homes in rural and mixed communities, so that, again, private housing

and low standards of comfort and hygiene tend to be particularly linked with the peasant and peasant-worker stratum. However, it should be observed that the privately owned flats in urban agglomerations are similarly less desirable. The structure of urban accommodation in the late sixties showed that nearly two-thirds of dwellings were privately owned. These are naturally located in older buildings and nearly 60% of all flats in the urban centres were built before the first world war.⁷¹ Private flats thus tend to be both cramped and ramshackle by contrast with the state housing erected after 1946, which in the seven largest cities of the country amounted to only one quarter of all flats.⁷²

A further narrowing of the distinction between the two types of housing arises from the fact that the regulations allow the passing on of tenancy rights in socially owned housing from one generation to another. The rules state that on the death of a tenant the spouse or family currently resident in the flat have the right to inherit legal title to the tenancy.⁷³ This obviates one of the greatest disadvantages of council housing in Britain, which is that children living in the home have the status of lodgers, and their claim to such housing has to be proved and approved afresh in conformity with the bureaucratic rules.

There is, however, one group of private owners who have clear advantages over all other classes of occupier. They are those people who live in the old, pre-war suburbs and own whole houses. In the city centres such owners suffered the depredations both of war damage and of the partial nationalization of central urban housing after the war, which broke up the structure of house-ownership which had grown up among the richer middle classes between the wars. The lower middle classes tended to move further

away, and to live in smaller, villa-type houses which did not attract the attention of the authorities in their search for housing space immediately after the war. By the standards of post-war building these houses are relatively spacious anyway,⁷⁴ but the biggest advantage of these houses has been their sites. The practice over recent years has been very widespread of selling part of a site on which an old house stands, in return for the building of a new house, while the building firm responsible itself acquires for sale a number of new flats within the new construction.⁷⁵ By this means the 'old' suburban inhabitants acquire houses of a size and standards otherwise available only to a privileged few. On the other hand, it is clear that this group cannot for long enlarge itself, and that as cities continue to grow the main contest in the housing market will be between those groups seeking homes for the first time.

Access to new housing; the evidence of a Sarajevo study

The only detailed study at our disposal in the analysis of housing distribution comes from Sarajevo, where a survey was carried out in five newly-built estates covering 1,105 households, or 17% of all dwellings on the estates.⁷⁶ The purpose of this section is to provide a summary of the findings of this survey in order to have an empirical background against which to set further discussion.

Table IV.13 Structure of tenancies in five new Sarajevo estates

Estate	All	Manual		All	Non-manual		
		US/SS	S/HS		UQ	Q	HQ/VHQ
Grbavica II	21.2	1.1	20.1	78.8	5.6	33.2	40.0
Kosevo	4.0	-	4.0	96.0	3.0	39.0	54.0
Pavle Goranin	59.0	17.0	42.0	41.0	7.0	24.0	10.0
Cengic Vila	33.0	5.0	28.0	67.0	10.0	29.0	26.0
Kosevsho Brdo	49.0	10.0	39.0	51.0	18.0	24.0	9.0
All estates	30.0	5.0	25.0	70.0	8.0	30.0	32.0
Structure of Srajevo pop.	73.0	45.0	28.0	24.4	11.0	9.0	4.4

Source: Zivkovic, 1968, table 2, p 41.

The most obvious feature of the distribution of new housing is the relative privilege of the HQ/VHQ grouping and the strongly disadvantaged position of unskilled manual labour. These groups are, respectively, eight times better and nine times worse represented than we should be led to expect on the basis of their relative proportions of the total population of Sarajevo. This result is perhaps trivial in itself, and might have been predicted on the grounds of the relative positions within the structure of rewards characteristic of the two groups generally. What especially excites comment, however, is that the white collar grouping above the level of Q is similarly distinguished. The Q group makes up 9% of the Sarajevo population but secured for itself 30% of the housing in these new estates. They form a strong contrast with the skilled manual grouping, whose members have not dissimilar incomes, but who managed only to achieve a representation in new tenancies roughly proportional to their numbers.

Just as striking is the tendency of non-manual and manual occupations to cluster apart. Pavle Goranin and Kosevsho Brdo are an exception to this generalization, to some extent. However, it is noticeable that in those two estates the HQ/VHQ grouping is poorly represented, the balance being set up by the relatively greater numbers of unskilled workers and UQ white collar personnel. In the case of the first two estates, where the higher white collar grouping is very highly represented, we find also a high proportion of Q personnel, and a low degree of mix with manual workers. This pattern is also present in the case of Cengic Vila, though there the skilled working class has found a foothold. Again, the unskilled workers have been excluded.

These contrasts in rates of representation are closely linked with the quality of housing and amenities which each estate provides. Here are in question many factors which do not admit of statistical representation, but which are nevertheless very important: quality of siting, standard of design and materials, convenience and so on. (For Pavle Goranin the author records that many six-floor buildings are built without lifts, which apart from the human problems it causes, is actually against the law!) The most obvious difference in the quality of life among these estates, however, is reflected in the number of rooms at the disposal of the families living in them. The figures show that where the working class is best represented (Pavle Goranin and Kosevsho Brdo) single-room flats predominate, and there are no flats at all with more than two rooms. By contrast, Kosevo, which is a white collar preserve has nearly a third of its flats with three or four rooms, and in Grbavica II only 14% of the flats are composed of single rooms. There, again, eight out of ten residents are in non-manual occupations.

Table IV.14 Structure of flats by number of rooms and estates

Estate	1 room	2 rooms	3 rooms	4 rooms
Grbavica II	14	71	14	1
Kosevo	30	41	28	1
Pavle Goranin	96	4	-	-
Cengic Vila	34	57	7	1
Kosevsho Brdo	77	23	-	-

Source: Zivkovic, 1968, table 6, p 46.

There is thus a very strong link between occupation and the chances of getting a flat of any kind. Further, this differentiation is underlined by the quality of the housing available to the manual and non-manual strata. Pavle Goranin, in the author's own words, is a "poor ghetto", 60% working class, characterised by low incomes and large families.⁷⁷ Although less marked in the case of other estates, this is a pattern of housing allocation which promises to overlay the inequalities stemming from the division of labour with severe deprivation in housing. We must, of course, be careful not to take the evidence of a single study as typical for the whole of Yugoslavia. Nevertheless, the situation of the working class in the housing market appears generally to be very poor.⁷⁸ The commission of the Trade Union appointed to inquire into the situation surrounding the big dock strike at Rijeka in 1969 noted as a major contributory factor the living conditions of workers who were frequently forced to make shift with their families in "bunkers, cowsheds, derelict buses and other conditions unimaginable for our times and irreconcilable with our socialist society."⁷⁹ At any rate, the situation in Sarajevo shows what the present system of housing planning and allocation can bring about, and it raises the question of how

such inequalities are maintained.

Mechanisms of allocation

The two methods by which individuals acquire the legal title of householder are through ownership and the allocation of tenancies. Although the two categories do not completely overlap with a discussion of the market in housing and the system of bureaucratic allocation respectively, it is most convenient to approach the problem in this way.

Direct dealing in the housing market in Yugoslavia is the privilege of a relatively small minority with high incomes. This occurs because the system of credit-financing for house buying in general is very poorly developed. Banks, special branches of which perform the role of building societies, lend only 4.6% of the funds earmarked for building investment directly to individuals for buying their own house. Over 50% of the total sum goes to crediting the completion or adaptation of existing structures.⁸⁰ Moreover, the conditions on which sums are loaned are such as to restrict the use of credit to those with substantial bank balances. Although banks may vary somewhat in their practice, the general rule is that they will lend money only on a fifty-fifty contribution basis. That is to say, for every 100 dinars deposited by the buyer, they will lend another 100. Everyone is thus virtually restricted to a 50% mortgage, which means under present soaring prices conditions that the acquisition of a two- or three-roomed house in the urban centres, with all amenities, is beyond the means of all but the very richest.⁸¹ In addition, the rate of repayment is low (usually over 18 years), which makes banks reluctant to advance funds.⁸²

The most important source of credit is the enterprise or institution in which the individual works. Evidence on how this system actually operates in practice is a little hard to come by, but the results of fieldwork in Yugoslavia 1971-2 suggest that as a source of cash credit industrial enterprises offer reasonable hopes of raising funds. Many are prepared to lend sums of up to 15 million old dinars, which can then be used as a bank deposit to acquire double the amount, and so form the basis of a mortgage covering the great bulk of the expenditure on the house. Even more favourable is the practice among some enterprises of buying a flat outright and allowing the recipient to pay back the capital sum over a period of 20 - 30 years at a rate of 3% interest, which under the conditions prevailing represents a knockdown bargain. The problem here is that in the allocation of housing the HQ/VHQ grouping are most likely to take the advantages going, and this tendency is especially marked in the case of appointment to leading cadre positions. Anyone moving into top management, if he has not a flat already, will very quickly be found one, and managements can use their power within the collectives to secure for themselves favourable conditions of credit and repayment. Of course, local conditions will to some extent fashion policy over housing. An acute shortage of skilled workers, for example, may result in the promise of housing being used as a bait to bring them into the firm. Nevertheless, there can be no doubt that overall workers are disadvantaged in the housing market from this source, and this is part of the explanation of their poor representation among tenants in new housing. It should also be noticed that this system of housing provision hardens the structure of inequalities resulting from the market. Enterprise housing funds are formed from a 4%

levy on personal incomes, so that firms in a poor trading position are able to offer correspondingly less help in finding accommodation, either by buying or loans. In the absence of a high degree of workers' influence, too, the present system tends to result in the ludicrous situation that low-income groups actually subsidize the housing needs of those financially better placed.

These inequalities pale into insignificance, however, compared with the inequalities stemming from the overall distribution of resources for housing. Despite their preponderant role in the creation of wealth, economic organizations in the productive sector dispose of less than one fifth of housing funds, three-quarters of which continue to be controlled by the state authorities. Even banks and other non-productive work organizations have at their disposal some 10% of housing funds. The result is a massive advantage in the housing market for those personnel working in the various administrative bureaucracies (whether strictly speaking state organs or not).

Table IV.15 Distribution of funds for housing,
by controlling authority (%)

Economic organizations	18.6
Other work organizations	6.2
Banks	2.1
State authorities	72.8
Private citizens	0.3

Source: Popov, 1969, p 617.

It is not, of course, suggested that those with access to housing privileges constitute a homogeneous group in a social class sense. In some cases privilege is associated with the

high incomes which arise from isolation from the market, as in the case of banks, and the correspondingly large funds for housing which such institutions are able to form. In other cases, access to housing is direct, in the sense that the organization or institution concerned sets aside from its income, which is guaranteed by the state, sums for housing which are far in excess of those which any enterprise can hope to achieve, however profitable it may be. An example of this is the Army, which provides for its personnel in permanent service a good standard of housing quite closed off to others of similar incomes in other occupations.⁸³ Another example of preferential access to housing is provided by those working in communal administration. Although exact figures are not available, this group is well-known to be first in the pecking order for flats held under local authority tenancies. Housing is part of the bureaucratic perks associated with the job. Yet a third privileged group are war veterans, whose housing needs are catered for by republican legislation which takes part of the work organizations' common consumption funds for their housing.⁸⁴

The fact that such a large proportion of housing funds are in state hands means that the working class has little hope of bringing to bear influence on the allocation of housing. The privileges associated with bureaucratic structures tend rather to mingle with non-manual overall advantage which stems from their closer association with the institutional power set-up. So, for example, teachers in schools, research workers in universities and other institutions, doctors and nurses in hospitals, and so on, are all likely to be able to bring informal pressures to bear at the workplace which will secure them a home. Partly the rationale behind this system of distribution reflects the

earlier use of housing as a means of rewarding scarce skills. However, there is no doubt that the association between the state's grip on housing resources and non-manual privilege has acquired its own momentum, and which derives ultimately from the different relationship of various institutions and groups to the bureaucratic sources of allocation in housing.

We can see this most clearly in the distribution of state tenancies as it has developed in Slovenia. In the social democracies, state housing has normally evolved as a means of correcting the inequalities created by the market in accommodation. In Yugoslavia, by contrast, the state allocation of housing simply reinforces the inequalities which the market produces. A report of a Slovenian survey notes that "Of every hundred unskilled workers 45% live in 'state' flats; among skilled workers 43%, among those with elementary schooling 54%; with secondary schooling 58%, while of those non-manual grades with higher schooling 67% live in dwellings built with social funds. Indicators of tenants' incomes point the same way: only 14% of those surveyed had incomes of less than 900 dinars, but 40% of those earning more than 1,500 dinars. It emerges that the poorest people have built their housing without society's help, and that society gives more to those who already have more."⁸⁵ Zivkovic also notes the increasingly divisive effect of state housing policy, citing a letter to Borba in which correspondents protested against the proposal to build in Belgrade, with state funds, a complex of super-luxury flats, with rents costing between 100 and 200,000 (old) dinars per month,⁸⁶ a sum which at that time would have represented between three and four times the income of an unskilled worker in industry.

Trends in housing policy in the post-reform period are

likely significantly to sharpen these inequalities. Building firms in the social sector before 1964 mostly produced for the state authorities as their immediate customer. Only 14.5% of their flats were destined for the open market. By 1968, this proportion had risen to 75%.⁸⁷ What is more, the shift to the market did not produce the expected increase in building stemming from greater investment from private individuals, nor the planned raising of state rents to economic levels. The index of completed housing in social ownership 1967:1964 was 88, that of private flats 118.⁸⁸ The increasing role of the market is reflected in the rent rises, which went up in 1965 by an average of 164%, while the social plan until the end of the decade foresaw a further annual increase of 25%.⁸⁹ To a rapidly increasing extent, therefore, the state is abandoning what pretensions it once had to be the guardian of the interests of the underprivileged in the housing market. Given the present stagnation in the economy, there seems every reason to suppose that the tension generated by this aspect of inequality may build up into a crisis within the urban complexes of the country.

The situation in housing in Yugoslavia indicates the extent to which the state has failed to achieve a discernible neutrality in its role as the source of rewards. In a situation where there is a clear case for the levelling down of housing standards and intensive centralized investment and control to counteract the acute shortage of accommodation, the political authorities have chosen to allow housing to follow the general trend towards the market as the basis of rewards' allocation. At the same time, it is a market of a very peculiar kind, because the state itself controls the bulk of the funds available for purchase. For the working class, access to these funds is beyond reach, since the

bureaucratic rules do not specify clear criteria of need as the basis of state housing expenditure. There is in fact no master principle of housing policy, and the advantage which various occupational groups establish in the 'market' stem both from relative economic power and from their membership of institutions and groups which draw their resources not from productivity and the market, as is the case with industrial enterprises, but from the state as the administrator of social funds.

It is this fact, it is maintained, which contains the explanation of the differentiation between skilled labour and the Q white collar grouping which is such a marked feature of the Sarajevo study. Of course, other factors play a part here too. The incomes of the latter grouping are on average higher than those of skilled men. Furthermore, urban dwellers are more likely to achieve mobility into non-manual ranks, and the preponderance of such personnel in new housing may reflect the fact of normal priorities working in the allocation of flats, based on length of residence. Nevertheless, by any commonsense criteria of social justice the working class is relatively deprived in the housing market, both in terms of access and of quality.

Segregation in housing, therefore, is likely to be perceived by the working class in negative social-honour terms, and to draw attention to the state as the source of privilege. Insofar as preferential access to housing is directly attributable to the working of the 'veza' system (and this is something which has to be shown in more detailed research) housing is only one of many forms of privilege deriving from the highly ramified system of patronage exercised by those in positions of authority in Yugoslavia. At the very least, the failure of the state to find more equitable principles of housing allocation shows how, in the

absence of organized political opposition, it can operate as a second force, so to speak, reinforcing the inequalities deriving from the market, rather than controlling them in the interests of social integration, with all the political hazards that this entails.

Status groups: a summary

The formation of status groups in Yugoslav society not unexpectedly reflects the rapid and often bewildering complex of changes which have gone on in the post-war period. Perhaps the most significant single aspect of this change has been the high rate of upward mobility, including long-range mobility, which has generated something of a sense of an open society, insofar as we take the evidence of parents' aspirations for their children as a guide. Attitudes expressed in this field reveal a break within the status order which falls within the working class, rather than dividing it from non-manual occupations. The great expansion of educational opportunity, which benefited especially children of humbler social origins, likewise contributed to the fluidity of status barriers.

One specific element of this fluidity arises from the fact that the process of economic development has worked in such a way that the relative advantages of the non-manual classes with respect to educational opportunity has not been translated into market terms. Non-technical educational courses have produced a glut of graduates for whom employment is difficult and rewards relatively low. The greater representation of manual children in vocational and 'applied' education, including those courses offered by the secondary vocational schools, while in itself reflecting educational disadvantage, has turned out to be no very bad thing. Mobility processes have also worked to loosen the link between education and status, because movement up the occupational hierarchy was in the fifties fairly easy to achieve without formal educational qualifications, while in the post-reform period all mobility has been very restricted.

Fluid as it is, however, the status order shows clear signs that under more stable conditions it will crystallize along the line of the manual/non-manual break. In particular, the intensive use which routine office personnel make of educational facilities for their children marks them off very clearly from the working class, even the skilled working class, and this is reflected in the patterns of intergenerational mobility. A similar, though less marked, differentiation emerges from the tendency of clerical personnel to marry upwards within the non-manual hierarchy in greater proportions than manual workers. Education here seems to be the major discriminating factor. While so many clerical workers are of working class origin and have low schooling, then endogamy is likely to be restricted. Success in the secondary school system greatly enhances the chances of the group of marrying upwards. To the extent that clerical occupations become associated with extended schooling, therefore, the more likely the group is to identify itself in opposition to manual workers.

The conclusion which can be drawn from the foregoing evidence is that although mobility may inhibit status differentiation between these two groups, status identification between them is outside the bounds of probability. The most important source of separation within the enterprise is the position of clerical workers within an authority structure which deprives the manual workers of their legitimate influence on decision-making. Very often routine non-manual personnel share in privileges stemming from managerial power. In any case, by reason of their membership of the enterprise administration they are likely to be identified by manual workers as a part of the management structure, even where, in terms of 'objective' interests, the two groups

share common aims. There is some evidence, too, though it will not bear a great interpretative weight, that lower grades of non-manual employees tend to take on the attitudes of their superiors, which emphasise the social distance between manual and non-manual work, and in particular tend to devalue the institution of workers' self-management as a threat to their professional independence.

Within the wider class structure, the status of clerical occupations is likely to be influenced by the position of these personnel within bureaucratic structures which not only enhances their class position, but gives them some access to privileges (housing being a notable example) which the working class is denied. The power of these bureaucracies in shaping the distribution of rewards is greater than in western societies because they are not subject, through the system of political decision-making, to the democratic pressures which would define their role as the impartial administrators of social property.

NOTES

1. Gerth and Mills, 1948, p 194.
2. Lockwood, 1958, p 100.
3. Gerth and Mills, 1948, p 192.
4. See above pp. 3-4.
5. Parkin, 1972, pp 41-2; Rex, 1961, pp 152-3.
6. W. Weselowski and K. Slomczynski, "Social Stratification in Polish Cities", in Jackson (ed.), 1968, p 206.
7. Rex, 1961, p 148.
8. L. Mitrovic, "Drustvena pokretljivost u jednom selu Bosanske Posavine", Sociologija 4/1969, table 4, p 686.
9. Frank Parkin, "Yugoslavia", in M. Scotford Archer and S. Giner, (ed.), Contemporary Europe: Class, Status and Power, Weidenfeld and Nicolson, London, 1971, p 313.
10. See Milic, 1965, p 128.
11. R. Milic, Sklopljeni Brakovi u Jugoslaviji 1950-1961, no. 32 in the series 'Studije, Analize i Prikazi', SZS, Beograd, 1967, p 51.
12. Lockwood, 1958, tables XVII, XVIII, XX and XXI, pp 114-5.
13. See table IV.4.
14. The low status of routine non-manual occupations may in part be due to this association, since peasants are notably mobile into such jobs.
15. Milic, 1965, table 3, p 123.

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16. M. Janicijevic, "Osvrt na strukturne promene jugoslovenskog drustva", JUS 1966, p 298.
17. Markovic, 1966, table 2, p 317.
18. Markovic, 1966, p 316.
19. Markovic, 1963, p 70, table 36.
20. S. Suvar, "Jedan pristup socijalnoj strukturi suvremenog jugoslavenskog drustva", JUS 1966, p 347.
21. Yugoslavia 1958-1964, table 16, p 23.
22. This fact is most obvious in the problem of non-adaptation to the rhythm of industrial production, a familiar theme in the sociological literature. Two factories for timber processing, absolutely identical with each other, were built in Slovenia and Kosovo. The management personnel in the Kosovo factory was also Slovenian, this agreement being part of an inter-republican aid programme. The output of the Kosovo factory was 35% of the other.
 In the same factory, a worker brought production to a standstill when he wheeled in his new motor-bike to be admired by his colleagues. (Personal communication from Stane Saksida of the Institut za Filozofiju in Sociologiju, Ljubljana).
23. For a vivid description of this distinctiveness as seen from the shop floor, see C. Kostic, Seljaci-Industrijski Radnici, Rad, Beograd, 1955, chapter VII.
24. See the rather despairing remarks of a skilled worker in Serbia, Politika Ekspres, 7.1.1972, p 4.
25. M. Striber, "Jedan pogled na strukturu inteligencije", JUS 1966, p 369.

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26. V. Tomanovic, "Socijalne nejednakosti uslova za obrazovanje", Gledista 5/1967, p 677.
27. M. Rasevic, Regionalno Poreklo Studenata Jugoslavije u 1961/2, Institut Drustvenih Nauka, Beograd, pp 26-9.
28. I am very grateful to Milosav Janicijevic of the Institute of Social Sciences in Belgrade for offering me the use of material taken from his unpublished work on social mobility. The first two columns of this table are based on it.
29. Yugoslavia 1958-64, table 102, p 72.
30. SZS I, table 19-8; St.B. 670, table 1-1.
31. SZS II, table 43, p 42.
32. *ibid.*, table 48, p 44.
33. See above, table 1.5.
34. P. Georgievski, "Suprotnosti i protivurecnosti u drustvenoj strukturi," JUS 1972 (2).
35. V. Milic, "Socijalno poreklo ucenika srednjih skola i studenata", St.Rev. 1-2/1959.
36. St.B. 670, table 2-6.
37. *loc. cit.*
38. Milic, 1959, p 81, table 16; St.B. 670, table 2-8.
39. SZS II, table 43, p 42.
40. *ibid.*, table 48, p 44.

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41. This is suggested by the type of jobs many of my student acquaintances have in fact taken. Few would refuse even a quite humble job in favour of finishing their studies.
42. Milic, 1959, table 10, p 69.
43. Milic, 1959, table 7, p 63.
44. In this table the different types of secondary vocational schools shown separately have been lumped together. In addition, the 'liberal profession' grouping has been eliminated.
45. SZS II, p 44.
46. *ibid.*, table 30, p 33.
47. Ilic et al., 1963, pp 209-10.
48. SZS II, table 30, p 33.
49. Lockwood, 1958, p 129.
50. Weselowski and Slomczynski, 1968, pp 210-11.
51. *ibid.*, table 18, p 202.
52. *ibid.*, table 4, p 188.
53. D.V. Glass, (ed.), Social Mobility in Britain, Routledge and Kegan Paul, London, 1954, p 34.
54. Peter M. Blau, "Occupational Bias and Mobility", Amer.Soc.Rev. Vol. 22, (1957), p 393.
55. Goricar, 1966, tables 3 & 4, pp 257 & 259.

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56. St.B. 625, p 9. In 1968, women made up 15% and 18% respectively of those working in jobs classified by the enterprise as VHQ and HQ. At the Q level their representation is 45%, and they make up well over half the UQ staff.
St.B. 672, tables 5-1 and 7-1. Of course, enterprises are only part of a system which encourages status discrimination against women. It stems from the wider society, especially the patriarchal south, and is noticeable in the relative deprivation of girls in the sphere of education. This deprivation is itself influential in restricting their mobility.
57. S.M. Lipset and R. Bendix, Social Mobility in Industrial Societies, Heinemann, London, 1959, pp 276-7.
58. Parkin, 1972, p 43.
59. Inkeles and Rossi specifically deny this view. See A. Inkeles and P. Rossi, "National Comparisons of Occupational Prestige", Amer.J.Soc. 61, p 329. But their evidence is equivocal, and Davies' analysis of the NORC figures supports it, cf. A.F. Davies, "Prestige of Occupations", Brit.J.Soc. III, p 140.
60. A. Sarapata, "Stratifikacija i drustvena pokretljivost u Poljskoj", JUS 1966, table 6, p 449.
61. See R.T. Morris and R.J. Murphy, "The Situs Dimension in Occupational Stratification", Amer.Soc.Review, vol. 24, April, 1959.
62. Janicijevic et al., 1966, p 89, table, p 94.
63. See above tables I.8 and III.7.
VHQ status cannot be obtained on the basis of work.
64. "Sposobnost i karijera", Politika, 19.12.1971, p 12.
65. Rex, 1961, pp 142-3.

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66. J. Rex, "The Sociology of a Zone of Transition", in R.E. Pahl (ed.), Readings in Urban Sociology, Pergamon Press, 1968, p 215.
67. *ibid.*, p 214.
68. L. Pjanic, "Istrazivanja uslova stanovanja u velikim gradovima", Soc.Pol. 7-8/1965, p 721.
69. S. Milojevic et al., "Housing", Yugoslav Survey (VIII), 1, February, 1967, p 95.
70. SZS II, table 106, p 86.
71. Milojevic et al., 1967, p 102.
72. Pjanic, 1965, p 719.
73. I. Bauer (ed.), Zbirka Propisa iz Stambene Oblasti, Savremena Administracija, Beograd, 1971, Article 20, p 7.
74. The tendency during the post-war period as a whole has been towards the building of one- and two-roomed flats, which make up about half the total number of all dwellings (private and state) within the urban complexes.
75. For example, my father-in-law acquired a new, large semi-detached house containing two complete flats, with large cellar and attic space and garaging, in place of an old four-roomed pre-war house in run-down condition by this means.
76. M. Zivkovic, "Jedan primer segregacije u razvoju nasih gradova", Sociologija 3/1968.
77. Zivkovic, 1968, p 53.
78. A recent "Vib" cartoon runs: 'Workers are the first to see a roof over their heads. Then they finish the house and go back to their rented rooms.'

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79. Popov, 1969, p 609.
80. Dragosavac et al., 1968, p 66.
81. See *ibid.*, p 65. The average price of a flat in Yugoslavia in 1966 was 8.6 times the average national income, and in that year was rising fast, having already shown a 25% increase in 1965-66.
82. The details on lending in this paragraph are taken from an Information Leaflet for customers issued by the housing loan section of the Bank of Belgrade.
83. I. Bauer (ed.), 1971, Article 11, p 255.
84. *ibid.*, Article 14, p 256.
85. Ekonomska Politika 22.11.1971, p 23.
86. Zivkovic, 1968, p 55.
87. Privreda u godinama reforme, p 42.
88. SZS II, table 101, p 83.
89. Milojevic et al., 1967, p 103.

CONCLUSION:

STRATIFICATION AND SOCIAL CHANGE

(i) Is Yugoslav society class-stratified?

It will be clear by now that Yugoslavia's stratification system at the end of the sixties showed distinct points of dissimilarity with that observable a decade earlier. We can perhaps best pinpoint the differences by focussing a discussion on the central proposition of Parkin's essay on the Yugoslav class structure, which states that the process of industrialization, combined with the egalitarian institutional arrangements flowing from a marxist ideology, produced a main break within the stratification order falling between the skilled and unskilled segments of the working class.¹ This contrasts with capitalist societies, which can be most usefully analysed in terms of a non-manual/manual dichotomy. Basic to Parkin's model is the view that the two principles of stratification he identifies operated together to favour the class position of skilled manual labour when compared with routine white collar occupations. While not questioning this analysis for the earlier period of development, we must observe that by the later sixties a dichotomic model becomes increasingly difficult to apply, and differentiation within the working class co-exists with manual/non-manual divisions of increasing salience. Further, the development of the market has tended to reduce the gap within the manual stratum, so establishing a more familiar class dichotomy.

With the benefit of greater hindsight we can see that the market for labour and the force of institutions maintained an equilibrium favourable to skilled workers only during the phase of centralized economic control. The move towards increased enterprise autonomy after 1961 destroyed that equilibrium.

The government's close control of prices and its taxation on productivity, together with its intensified interference in the internal distribution of enterprise profits between 1961 and 1965, prevented the new situation being immediately reflected in income distribution. Nevertheless, two new elements were present in the market situation of the skilled worker which became important after the economic reforms introduced in 1965.

The first change was a slackening of the demand for skilled men. Although industry became more skill-intensive during the sixties, the abandoning of the policy of forced investment meant that the number of available jobs remained static. The effects of this new economic regime were to be seen both in the considerably more rapid expansion of non-manual occupations and in the fact that over the post-war period as a whole the income gap between skilled and unskilled workers has diminished by comparison with that between skilled workers and higher white collar occupations. Unemployment figures among skilled men point to the same conclusion. This outcome of economic reform made even more significant the fact that, for the first time, the ability of the skilled worker to protect his market chances through self-management activity became a critical factor in income distribution. So, not only did economic reform upset the very favourable balance of supply and demand for skilled labour, but it simultaneously forced the group to fall back on its own slender bargaining resources in dealings with managements.

The instability and uncertainty which economic reform introduced into the market threw great strains on the political systems of the enterprises, the majority of which were managed by men who could have no clear idea of the strategies needful for success in more competitive conditions. In the ensuing

contest for influence, skilled workers increasingly identified themselves in opposition to managements, as evidenced by their rapid-mounting participation in strikes during the latter half of the sixties. Routine white collar people, by contrast, very rarely involved themselves in protests with the workers. The explanation of the difference is complex in detail, but three sets of factors suggest themselves in general. Firstly, the concentration of power in managerial hands made the workers doubtful allies over issues of common interest, while the physical and social isolation of clerical people as part of the enterprise administration would necessarily preclude the formation of solidary social groupings across the manual/non-manual boundary. Secondly, over some issues even the lowest non-manual grades share common interest with their superiors. This is especially true, as we have shown, where incomes are concerned. Because the market has so drastically depressed the price of their labour, routine white collar personnel are likely to be very active in their opposition to manual workers' demands for a rigorously maintained relationship between productivity and rewards. Thirdly, the tendency observed for routine grades increasingly to enter the labour market with extended schooling, a decision forced on them by the market itself, means that education plays a bigger part in status differentiation than it once did. This reinforces the likelihood of positive identification with higher non-manual grades, overlaying the status gap which stems from the high degree of feminization of clerical occupations. From the point of view of manual workers, this growing point of social cleavage has been underlined by the association of the enterprise administration as a whole with the exercise of illegitimate managerial power.

The outstanding characteristic of clerical workers in enterprises is their isolation. Separated from manual workers by divisions arising from interest and authority, they have also been cut off from the higher reaches of the non-manual stratum by mobility processes. The outcome is that, as Lockwood observes in his study, the solution of the routine white collar employee to his class predicament is essentially a personal one. Here lies the explanation of the very intensive use of educational opportunity as a means of better things for their children, which nothing in the social background of clerical employees would have led us to expect. Much of the attraction of this type of work lies in its use as a staging post upwards anyway, and the group in Yugoslavia is likely to be marked by particular mobility anxieties because the staging post is intrinsically less tolerable than in western societies where their market situation is much better. Pecujlic found in his study that 89% of the routine white collar people expressed a definite wish that their children should not follow in their footsteps, and in this they were considerably more decisive than manual workers.² This isolation, too, no doubt helps to explain the relatively high involvement of the group on self-management organs and with the Party and its allied organizations. The clerk's answer to the position in which he finds himself must be to manipulate the structure of intra-collective authority to his own advantage, and to distinguish himself from the ruck of his fellows by his zealotness in support of management, thus further weakening the bonds of solidarity within the group.

The very different responses of skilled workers and routine non-manual personnel to the problem of controlling power as a resource in the enterprise could only emerge with the transition

from a centralized to a competitive market. The key institutional change was the relinquishing by the state of a policy of heavy, centrally-directed capital investment aimed at building up the industrial and social infrastructure appropriate to a modern state, which necessitated the punitive taxation of profitable enterprises. This, combined with the fact that the state continued until 1961 to specify minimum incomes for all skill groups, meant that income differentiation arising from skill scarcity was strictly limited, while the centralized determination of prices gave a standard against which to measure the social effect of state allocation of resources. Even the 3:1 income advantage which the qualified engineer had over the unskilled worker only enabled him to buy more of the same basic commodities, and it is a socially important fact that consumption patterns are to a high degree standardized by the internal logic of economic system which gives priority to capital investment. At the same time, the very rapid expansion of the occupational structure led to a high rate of upward mobility symptomatic of a low level of competition in the labour market, which further blurred the outlines of class differentiation. Since communist states are ideologically committed to heavy and forced industrialization of this kind, it follows that their early development is likely to be associated with egalitarian class structures.

But the policy of high investment could not be profitably maintained. The creation of new wealth by establishing new industrial plant and jobs gave way to a policy of the more intensive exploitation of existing resources. The problem of investment was at first tackled by a process of diversification. An important aspect of economic reform was the demotion of manufacturing industry in the scale of economic priorities in

favour of the primary branches of production, agriculture, and tertiary activities such as tourism. This development was very important for the unfavourable effect it had on the market position of skilled labour, which we have just described. However, even the process of diversification has its limits. Sooner or later the problem of the economically rational allocation and control of investment resources has to crop up, because centralized state power cannot forever be applied to relatively simple and large scale economic objectives.

At this point the authorities, for the first time in post-war history, took away significant powers from the state bureaucracy and handed them over to enterprises. Decentralization had, of course, been going on since 1952, but it had to a major extent been decentralization of decision-making down the levels of the state machine, which became more flexible in the administration of resources without in any way calling into question the policy of centralized allocation. Enterprise autonomy greatly increased the power of managements, although this was not anticipated at the time. We should be careful not to overstate the contrasts between the earlier and later periods in this respect, since so little detailed information on enterprises is available for the fifties. No doubt management-worker relations could be something less than benevolent; but the chances are that managerial power was not also arbitrary, because of the organizationally defined role of the director as a middle-echelon administrator under close state supervision. Where the state took such a close interest in the running of the enterprise there was so much less scope for the development of conflict situations around which groups could crystallize. The change in the position of the director is dramatically illustrated by the

pattern of dismissals from the post. Hoffman and Neal record that in 1956 only ("only"!) one in twelve enterprise directors were fired, a situation which they contrast with the earlier period. But as we observed earlier, there is no indication that the power of dismissal has been successfully handed over to collectives under conditions of autonomy. It is interesting that even in 1956, when state power was much more accessible to collectives in backing up the self-management system, the state itself initiated 334 of the 502 dismissals of directors which occurred in that year.³

Most important of all, economic reform decentralized the principles of income formation. The outcome was a great leap in differentials, a fact which is concealed by the distribution between skill groupings, because it occurred primarily between macro-economic units. It is for that reason that the lines of conflict generated by the competitive market have to some extent cut across class divisions. Political-careerist managements, unskilled workers, skilled workers, and clerical grades have reacted with varying strategies to specific conditions. In particular, the fact that the two first-named groups can sometimes find aid and comfort in each other shows that it is the principles governing the distribution of rewards which is at stake. What is more, because the market was superimposed on a centralized economy, the scope for variation in patterns of conflict and coalition is very wide. Especially relevant here is the position of non-class formations, such as whole enterprises, industries and regions which have been adversely affected by change. If we look for a single line of division arising from the market it falls between those with an interest (to use Weber's phrase) in innovation and reform, and those who see

their position as threatened by them. Nevertheless, within these variations, the change in the character of the market coupled with the weakening of control over managements laid the basis for social class differentiation along western lines. This is clear from the evidence of strikes, which very rarely involve routine non-manual personnel.

The strengthening of the market served in another way to emphasise the difference between clerical work and skilled manual employment by highlighting the favoured position of those working in bureaucracies outside the productive sector. Although for some skilled workers in industry rewards continue to be better, income averages conceal important variations, and in general the level and stability of incomes of clerical grades in the non-productive sector are an attraction, especially in certain fields such as banking and social insurance where rewards stand in a direct relationship to overall increases in national wealth. Also very important to the distinction between sectors of employment is the concentration of social funds within the non-productive sector, and we have examined bureaucratic employment as a source of preferential access to housing in this connection.

The same complex of changes has brought the working class closer together. Now, skilled workers as well as unskilled feel threatened by a market which has increased differentials, much enhanced the chances of unemployment, and produced an exceptionally high rate of inflation. Both groups have had to confront the fact that managements have the whip hand in the struggle for power within the enterprise. This process of homogenization should not be exaggerated. Unskilled workers do have more cause to feel uneasy about the implications of economic

reform. Very pertinent, too, is the influence of rural provenance on the attitudes of unskilled workers to industrial culture. The problems of adaptation extend to social relationships as well as work performance, and Rus has pointed to the unwillingness of unskilled men to conform to the informal authority structure of the work group, maintained by their skilled colleagues, which often makes of them permanent outsiders within the working class culture.⁴ The fact remains, however, that the loss of the privileged status of skilled work can reasonably be expected to contribute to the radicalization of the group. This view is supported by the behaviour of working class Party members. They made up 61.4% of all those who left the Party in the reform year of 1965, and nearly all of them would have been skilled and highly skilled men. Yet manual workers formed less than a third of the membership at that time. They consistently constitute a majority of those expelled, too, (about 60%) mainly because they lose interest and patience with the organization, and fail in dues and attendance.⁵ This situation can be contrasted with the whole period up to 1962, when manual membership rose slowly but steadily.⁶ Skilled workers will probably therefore become much more energetic in attempting to persuade their unskilled workmates of the value of concerted action against managements, which could over time have important consequences for the political effectiveness of the class as a whole.

In general, then, although a western-type class order is emerging it is still a rather shadowy one, and the competitive market has not so far led to clear-cut class groupings. The confusion has been compounded by the speed with which two very different economic regimes have followed one another, with

attendant institutional changes. This has led to the dis-association of educational attainment and occupational position, with a consequent divorce between the attributes of class and status uncommon in western societies. A related problem is that status-ideologies respond only after a lapse of time to new social conditions, and the findings of the Slovenian mobility survey indicate, for example, that the pattern of parental aspirations for childrens' occupations showed little difference from those which we have recorded in table I.5.⁷ To a high degree, therefore, Yugoslavia is a society which, because of its rapid rate of change, tends to generate what Weselowski refers to as the decomposition of the attributes of status,⁸ that is, of what we should prefer to call social class.

Considering the issue on a broader front, we ought on balance to acknowledge that political power continues to overshadow economic change in its effect on social differentiation. The most obvious difference, compared with western class structures, is that private wealth plays no part in the allocation of rewards, "whereas the distinctions between property-owners and property-less workers, between income from property and income from work, run all through the capitalist societies and largely account for the strong sentiments of class position which are manifest there"⁹. Indeed, those with access to unearned resources are the power-holders themselves, and this serves to highlight the dominance of the political over the economic order, already reflected in the social consciousness of the operation of the 'veza' system.

Mobility processes reflect the dynamic aspect of this political dominance, and contribute strongly to making power an important focus of perceptions of inequality. Political

reliability as a principle of mobility reaches far down the occupational ladder, whereas in class societies social origins are a decisive factor only for a relatively limited number of positions. Although at present we lack detailed information about mobility trends in the critical period of the late sixties, fragments of evidence suggest that under conditions of restricted mobility, Party influence in this area of inequality is even more noticeable and resented. This problem is particularly one which concerns the relationship of the Party to the professional middle classes, the group most nearly affected by the political control of the upper reaches of the occupational structure. It draws attention to a more general issue of conflict between the middle classes and Party members over the allocation of rewards, reflected in the tendency for university students to devalue the status of occupations closely linked with Party membership. Certainly, the middle classes do not now often see skilled or even unskilled workers promoted over their heads to positions of authority, but as long as no positive commitment to Party membership exists, the control of mobility in this way is likely to make tensions between the professional and political structure endemic. Although, therefore, we can in one sense see the middle class and the Party as broadly constituting a single privileged group by comparison with the working class, there are reasons to suppose that the Party experiences certain difficulties in the normative attachment of large sections of the intelligentsia to the political status quo, even though this lack of attachment probably takes the form of indifference much of the time. This, again, is a mark of structural differentiation with western class systems.

(ii) Economic controls and class structure

Using Yugoslavia as a paradigm case, the purpose now is to introduce certain qualifications and refinements into the competing models of socialist class structures currently available. Goldthorpe sums up the issues involved in his thoroughgoing and formidable defence of the idea of a generic difference between the class structures of communist and democratic states. He is quite clear about the evidence needed to falsify the distinction between them, which stems from the relative strength of the market in each type of polity. "In the industrial societies of the West, one could say, the action of the state sets limits to the extent of social inequalities which derive basically from the operation of a market economy: in Soviet society the pattern of inequality also results in part from 'market' forces, but in this case these are subordinated to political control up to the limits set by the requirements of the industrial system."¹⁰ It is crucial to this argument, as Goldthorpe acknowledges, that the relationship between the market and political control can be maintained indefinitely: it is a feature of social structure under monoparty political systems. If it can be shown that industrial development eventually leads to a diffusion of political power, the assertion of a qualitative difference between the two types of stratification order breaks down.¹¹

The controversy stimulated by this view led Parkin to draw attention to certain regularities in the changing distribution of material inequalities in east European states. Any industrializing elite (he argues) will find great difficulty "in relegating the middle class to an inferior political and social status,

given their command over the skills and knowledge essential to industrial progress."¹² For this reason, Poland, Hungary and Czechoslovakia, like Yugoslavia, have all moved in the direction of greater income differentials and other social policies which have undermined the privileged position of the industrial proletariat characteristic of early communist rule. In short, a relationship of dependence very quickly springs up between the Party and the middle classes which is reflected in the rapid de-proletarianization of the Party itself. This is a powerful and persuasive corrective to exaggerated versions of the 'classlessness' thesis. For example, it is simply unrealistic to regard the Party, as Feldmesser does, as eternally poised to up-end the class order where whole social groups are concerned. This may happen in the immediate post-revolutionary phase, when the middle classes are politically suspect and so become the victims of wholesale social demotion. But there is no evidence that this is a recurrent exercise in communist states, and Feldmesser himself seems to recognise that it is against the "controllers" that coercive power is invoked to bring about the fall of groups which might threaten the integrity of the political command structure.¹³ It was against the Party and the Army that the great Stalinist purges were principally directed.

Against this model Goldthorpe could still urge his central contention that because in the Soviet system inequalities are planned, controlled, and highly manipulable, Party power can be applied to forestalling the growth of strong class sentiments and endemic class conflict which capitalism generates and democracy is designed to regulate at politically acceptable levels. It follows that we should not confuse the western market economy with the 'market' position of individuals. This

latter term is no more than a convenient shorthand for the outcome of the operation of the various factors which together shape the distribution of rewards. It is in this 'phenotypical' sense that the markets of industrial societies show a similar patterning in favour of skills. It remains true, nevertheless, that in socialist societies class differentiation is repressed, and can at any moment be reversed in favour of a greater or lesser degree of inequality.

However, the Yugoslav experience shows that maintaining a high degree of control over class inequality is very problematical. If we look for the source of such control we find it, not in "power" in the abstract, but in the particular kind of economic regime which characterised the period up to 1961. The question is, what comes next, and how does the process of economic reorganization implied by the slowing-down of capital investment affect other aspects of social structure?

Yugoslavia underwent changes in the direction of decentralization and a competitive market, and so demonstrated for one socialist state at least the weakness of Goldthorpe's argument that "the limits set by the requirements of the industrial system" on the political control of inequalities can always be resolved in favour of the latter. Of course, his standpoint is deliberately polemical, designed to start an argument, but the criticism is nonetheless valid. If the fluidity and malleability of socialist class structures spring from a particular economic regime, then a change of economic regime may well involve a diminishing of political control over many aspects of differentiation arising from the division of labour. The centralized economic system of the fifties came under strain, and, for the reasons outlined in the preceding sub-section, it is hard to

resist the conclusion that other communist countries will encounter similar difficulties. Indeed, the evidence is that other east European states are embarking on programmes of economic reform identical in kind, though perhaps not yet in degree, to those changes introduced in Yugoslavia.¹⁴ Beyond a certain point of economic development, in fact, tensions arise between centralized planning and political control because a centralized system can no longer ensure the economic growth on which the situation of "no-competition" in the market depends.

In a crucial passage, Goldthorpe comes very near to conceding his whole argument, when he argues that certain superficial adjustments in the nature of political authority can make a planned economy a permanent alternative to a western-style market. "The regime may be compelled to give more consideration to the effect of its decisions on popular morale and to rely increasingly on the expertise of scientists, technicians and professionals of various kinds; it may also find it desirable to decentralise administration and to encourage a high degree of participation in the conduct of affairs at local level. But the point is that all these things can be done, and in recent years have been done, without the Party leadership in any way yielding up its position of ultimate authority and control."¹⁵

It can justifiably be said, however, that these changes are highly significant for the structure of political power. The increasing reliance of the Party on expertise, which is having a profound effect on the class composition of all communist parties, is indicative of a sharing of power in the sense which Blau defines it, as "the resource which makes it possible to direct and co-ordinate the activities of men."¹⁶ The perennial problem of communist parties is that administrative

centralization does not confer control over complex and diffuse social processes, and the system of institutionalized political power (which Goldthorpe insists on) comes less and less to represent the Party's true capacity for shaping such processes. As Worsley argues, political power can only be usefully conceived of as the system of factual constraints limiting action at any point in time,¹⁷ and if the collaboration of the middle classes in the process of industrialization is critical to success, then they control a source of power highly relevant to the behaviour toward them of the political class. Decentralization, too, is not a "neutral" device. It constitutes an admission that direction from the centre is an inappropriate means of goal-attainment, and that certain decision-making functions are best left to those who dispose of the information necessary to problem solving. Compared with the Plan drafted and issued from the centre, decentralization is an example of the diffusion of power.

Further, so long as maximizing economic growth is a first political priority, the relationship of dependence between the Party and the middle classes grows stronger in proportion as economic processes become more complex and hard to manage. Although we cannot predict with certainty that other socialist states will follow Yugoslavia's path, we can say that the devolution of economic power to social groups standing (at least partially) outside the Party machine will be a tempting option because decentralization appears to be peculiarly suited to the management of a relatively advanced economy. "Because the debate over socialism and planning has turned so heavily on such economic considerations as incentives and possibilities of accounting and pricing ... administrative considerations have been largely overlooked. Yet, as noted, there is every indication

that in our time they are decisive. If, as here argued, any substantial degree of central authority is administratively impossible in a community with a high, variegated and variform standard of living, then the corollary is that such planning may be entirely feasible in a community with a relatively primitive standard of living ... There is a popular cliché, beloved of conservatives, that socialism and communism are the cause of a low standard of living. It is much more nearly accurate to say that a low and simple standard of living make socialism and communism feasible."¹⁸ There is a striking analogy here with Finer's analysis of the role of the military in social development, and the organizational similarities between an army and a centralized Party bureaucracy speak for themselves. In underdeveloped societies the army is often well equipped to discharge developmental functions successfully, because it can apply all its resources to comparatively simple and clear cut projects. In advanced societies the situation is quite otherwise, and in post-war Germany "the occupying powers were only able to carry out their tasks by heavily reinforcing their military personnel with specially trained civilian administrators."¹⁹ The process of modernization, in other words, creates new centres of power which cannot be encompassed by a Party machine operating on the basis of decree, intensive supervision, and administrative centralization.

In the strictest interpretation, undeniably, the response of any communist party to the slowing down of centrally-directed economic growth cannot be thought of as necessarily involving the move to some kind of competitive market. However, we can speak in terms of high probability, because the process of industrialization is to a high degree imitative and not inventive.

and there is really no alternative source of the technology and organizational techniques which promise to sustain the momentum of industrial advance.²⁰ For all the alleged domination of political priorities over economic needs, on the other hand, it does not seem probable that any socialist society will try to persuade its inhabitants to accept a low and static standard of living for the sake of political quietism. We shall have to look to radically different political cultures for solutions of this kind. Communist states are in a hurry to build up their economic strength, and despite the dangers inherent in a competitive market the advantages it offers for growth of an intensive kind are likely to make some version of it an attractive proposition.

(iii) Monoparty power and the modernization process

A greater degree of Party dependence on the collaboration and creative initiative of the managerial and technical intelligentsia in securing economic growth does not of itself break the monopoly of the political decision-making structure. What we can say is that the retention of that monopoly often precludes the political and administrative innovation which may be necessary to direct and control the modernization process. In a situation like this, the Party has a weakness which lies in the fact that it pursues contradictory aims.

Such a dilemma, we have argued here, confronts the Yugoslav Party in its management of a competitive market. Although the principle of enterprise autonomy in many areas of decision-making is now well established, the actual operation of the system is subject to continual political interference. The freedom of

the market is, in any case, of a limited kind, because there has been no transference of power to managers at levels beyond the individual firm. It does not follow that this power disequilibrium must be righted so as to confer on the Yugoslav manager the functional independence of his western counterpart. The managerialization of political elites may give a politically optimum solution to the problem of combining sufficient growth with Party control over decision-making. As a device to restrict the diffusion of power in its institutionalized aspect this may well be successful, but its use involves consequences which are politically weakening in other ways.

The problem can be most succinctly put in terms of elite recruitment. Writing in the heyday of communist power in Europe Aron could credit the unified elites of the socialist states with "absolute and unbounded power".²¹ But the whole history of subsequent Party recruitment in these states indicates that they could not remain impervious to the need for elite diversification, to the partial incorporation, at least, of elites founded on class. At the very moment of his writing, events in Yugoslavia were falsifying Aron's prediction that "decentralization of ownership is unlikely to come about for psychological and technical reasons."²² Such diversification raises the possibility of the secularization of the Party, as individuals are recruited not on the basis of proven loyalty in politics but because of their success in their chosen professional sphere. However, the Party is unlikely to permit a managerial revolution within its ranks by an oversight. We have suggested in the course of this study that Party men may achieve their mobility by devices not open to others, such as by the manipulation of the educational structure and by evidence of strong attachment

to managements within enterprises. It is also very interesting that "Every year more and more Party members are drawn from those who have finished one of the political schools", which is consistent with the existence of a hard core of Party loyalists (about 1 in 7 if the Army membership is excluded) being early marked out for crucial administrative functions.²³ The fact that nearly all of these persons attend the political schools for from between three months and a year (only 1,698 out of 102,043 attended the faculty and polytechnic political schools) is also highly suggestive of the class composition of this group. It will be very instructive, in future mobility studies to look to see where these personnel are deployed in the occupational structure.

At any rate, whatever the surface similarities between Party members and the middle class, it seems clear that recruitment to political and administrative command roles can and will filter out the politically lukewarm. So, although monoparty rule has lost the repressive and overbearing character it once had, the Party still stands guard over positions of authority. We have discussed the consequences of this policy for the management of the economy: the closure of the top-managerial stratum, the failure to utilise technical manpower resources, and so on. The co-operation between political power and managerial expertise is thus always limited. It is impossible to say to what degree the poor economic performance of recent years is due to the change from one system of economic organization to another, but unquestionably the post-reform period has given the Party no cause for optimism about its ability to secure a rising standard of living through the use of the market as it now functions in Yugoslavia. So far, what strengthening of the independence of

the managerial role has occurred has been at the expense of the working class, but, if the economists are right, this will be irrelevant to the fundamental problem of securing the necessary flexibility and integration of planning incompatible with continued close state interference in economic life.

We can put this in another way by saying that the stratification orders based on power and class are in a state of tension in Yugoslav society. By clinging to its decision-making monopoly, the Party forfeits the political advantages which could follow from the greater devolution of power to professional managers. Tension is reflected within the stratification order itself by the social cleavage engendered between professional managers and the agencies of political supervision. Line and staff managers, in particular, appear to be forming two distinct and relatively closed groups. This division is just one specific example of a more generally uneasy relationship between the Party and the intelligentsia, a relationship rooted in the fact that the Party excludes from the institutionalized power structure just those people with the fund of knowledge and ideas critical to the carrying on of the business of government conceived of as the power to act rather than as the power to repress political competitors.²⁴ Orwell put his finger on the problem when he observed that "a classless society directed by elites may ossify very rapidly, simply because its rulers are able to choose their successors, and will always tend to choose people resembling themselves."²⁵

Tension is also present in the Party's ambivalent attitude to freedom of speech and of political dissent. Cultural liberalism has now struck quite deep roots in Yugoslav society, though even in this sphere a too overt political 'message' can

still attract the Party's active displeasure.²⁶ Above all, dissent is not institutionalized in political life, and only ideological activity which comes, and is seen to come, from the Party itself finds any degree of tolerance and expression in print. The problems of ideological control are heightened by the fact that often intellectuals, many of whom (including the most able) are themselves Party members, launch sharp attacks on the highest echelons of power from positions of model orthodoxy. They do not deny that self-management socialism is an ideal to be aimed at, but claim that its implementation needs new minds and new talents. One writer complains that "all important federal and republican functions in this country are discharged by at the most about a hundred people. All possible functions are in their hands and are earmarked for them They are somewhat tired. They themselves show it and that is how we think of them. They have become insufficiently decisive and inventive, as they once were at certain critical moments in our recent past, to drive the ship of state on by their own force and inspiration."²⁷ Another critic castigates the static condition of social philosophy, indicative of the stagnation of practice, which can do nothing except to "glossarise and paraphrase in increasingly weak and boring fashion what was long ago asserted and exhaustively formulated."²⁸

In this way, voices from within its own ranks confront the Party with its own aims and its own failures, and the call to greater political action passes over very easily into questions of unwelcome political reforms. Significantly, it is to its own intellectuals that the Party sometimes bares its teeth as the vanguard of the proletariat, in contrast to the disuse into which the term has generally fallen in Yugoslav ideology. "It

has already been shown what negative results can ensue from petty-bourgeois liberalism and confusions in the ranks of some of our intellectuals who are Party members. So ... we must examine very carefully all that has led to theories which could paralyse the League of Communists, or make of it an organization without ideas in which every member just pays his subscription and does as he likes. The Communist Party is the vanguard of the working class, and its role will for long be very important."²⁹ Thinking and theorizing and criticism there is to be, but of the sort which, like the rationalism of Aquinas, does not extend to the questioning of the fundamental articles of orthodoxy.

It is not intended by any means to suggest that the intelligentsia as a social group is seething with rebellion. The issue, we have suggested during the course of this study, should be posed in terms of legitimacy. Legitimated power Weber called 'authority', or the chances that commands will be voluntarily obeyed. The ideal system of power relations is one resting entirely on authority, that is, where commands are never questioned. All governments have to make shift with considerably less than this degree of legitimacy, but a socialist intelligentsia has especially reason to reject the Party's claim to special status as the moral and practical embodiment of social progress, since large sections of the group are discriminated against in order that the Party shall maintain itself as the sole source of political action. The intelligentsia is most sensitive to, and aware of, the existence of privilege, which reveals the mechanisms used to subordinate them in the contest for political influence. At times of political crisis, therefore, the Party cannot confidently look for active support from the most articulate and influential strata of society.

This fact is likely to make a monoparty system especially vulnerable to tensions arising elsewhere within the class order. But it has been a most striking aspect of our findings that the Yugoslav Party has proved inept at combining a decentralized market with the administrative and political flexibility necessary to manage the conflicts arising from the effect of the market on inequalities. Indeed, the power of the state aggravates those inequalities, and this problem is inseparable from that of the autonomization of local elites. Important powers have moved from the centralized state bureaucracy to the town halls, but no nearer to the people. Despite repeated calls to the democratization of local political life (a development, incidentally, which Goldthorpe takes quite for granted in his analysis), communal leaderships have shown themselves indifferent to the principles of social justice in the administration of state property, which constitutes for them both a form of bureaucratic 'extras' and a source of increased influence in the local community. Opportunities for speculation and manipulation of resources by interested individuals have been enormously enlarged by decentralization, and experience suggests that they are seized on gladly in many instances. Events in East Germany and Hungary in 1953 and 1956, and at Gdynia in 1969, have more than once drawn the observation that communist regimes, preoccupied and inaccessible to the groundswell of public opinion, are prone to outbursts of violence which sensible concessions could avert and institutionalized class conflict warn them of. Evidently, much more than the purely administrative device of transferring power to a lower level of the political structure will be needed to avoid this danger in Yugoslav society, and any workable solution to the difficulty seems bound to be of a politically pluralist kind.

The point can be made most clearly by looking at the failure of workers' self-management in enterprises. It is impossible to accept that the system was deliberately created not to work, and its breakdown must be counted as an unintended consequence of the Party's political monopoly. The influence over the life-chances of the collective formerly exerted by the political machinery standing outside the enterprise has passed under conditions of autonomy to the managers themselves, and redoubled their capacity for arbitrary behaviour within the system of industrial relations. Not only, by this means, are society's norms flouted and held up to ridicule, but the cause of economic efficiency is also lost, since managements are in a position to resist the organizational changes which a strengthened market demands. Self-management seems, in other words, not to be capable of solving the problem of change and adaptation in the economy or of providing a mechanism of class adjustment which would be an alternative to separate political representation. The behaviour of the workers, which shows their increasing isolation within the enterprise, and the response of the government in tolerating strike activity, both suggest the growing need for a working-class 'counter-bureaucracy' to represent its interests. This the paramount consideration of Party unity cannot allow.

The Party reacts to this and other pressures with measures designed to remove abuses while leaving intact the political institutions which give rise to them. Its typical modus operandi is through the ideological campaign, directed for or against this or that, and intended to recall society's power holders to a sense of their obligation to obey the exhortations of the leadership. As a means of tension-management, on the other hand,

the Party machinery is remarkably elephantine. To revert to our chosen example, we have observed that even the detection of abuses in self-management presents difficulties, because there is no flow of information from the bottom to the top of the social structure to provide a basis for action. Unless they take the form of an overt collision, conflicts within enterprises can rumble on unobserved. Further, to rectify acknowledged injustices is no easy matter, because the government lacks the centralized officialdom necessary to the task. To overcome the deviant tendencies of managements requires, even if only temporarily, the bringing into being of a parallel bureaucracy to oversee their activities. It is a political system in which no economy of effort is possible, because every initiative to the correct use of power must come from above, and any failure to maintain pressure on local authority figures is liable to bring socially divisive consequences. This is as true outside the economy as within it.

Nothing in this study provides the grounds for predicting the collapse or takeover of power in the Yugoslav state. It does, however, show that the 'fingertip control' of the class order, and of the sources of social stability implicit in such control, is by no means an option always open to the Party. In particular, it is suggested, critical problems are bound to arise when the communist state fulfils the task of the rapid expansion of the occupational order, and comes up against the need to fashion an economic system based on productivity and managerial and technological innovation. The inelasticity of the political and administrative order militates against both the successful management of the economy under market conditions

and the resolution of conflicts generated by the growing scope of inequalities. The solutions found by the Yugoslav Party to the requirements of political adaptation in a period of rapid change have given rise to marked strains within the stratification order. The means by which the Party copes with these strains will provide a stringent test of its ingenuity and resource in the future, and its success or failure will provide a powerful example or an awful warning to other socialist societies where the force of the competitive market is as yet weaker. Yugoslavia must therefore be a central focus of the analysis of comparative social structures and of social change in industrial societies.

NOTES

1. Parkin, 1971, p 299.
2. Pecujlic, 1967, p 26.
3. G.W. Hoffman and F.W. Neal, Yugoslavia and the New Communism, Twentieth Century Fund, New York, 1962, p 242.
4. Rus, 1966a, pp 108-9.
5. Nikolic, (ed.), 1967, pp 783-4 and table 20.
6. *ibid.*, pp 758-9.
7. Personal communication from Stane Saksida.
8. W. Weselowski, "The Notions of Strata and Class in Socialist Society", in A. Beteille, (ed.), Social Inequality, Penguin, 1969, pp 128-133.
9. Bottomore, 1965, p 56.
10. Goldthorpe, 1964, p 114.
11. *ibid.*, p 115.
12. Parkin, 1969, pp 356-7.
13. R.A. Feldmesser, "Toward the Classless Society?", in A. Inkeles and K. Geiger, (ed.), Soviet Society, Constable and Co., London, 1961, pp 581-2.
14. A particularly sensitive indicator of the changing quality of communist economies is the rate of unemployment, which is now becoming a sizeable problem in contrast to the earlier period of full centralization. See Parkin, 1969, p 359-60.
15. Goldthorpe, 1964, p 115.

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16. Peter M. Blau, Exchange and Power in Social Life, John Wiley and Co., New York, 1964, p 199.
17. P. Worsley, "The Distribution of Power in Industrial Society", in Halmos, (ed.), 1964, p 17. Worsley proposes a distinction between what he calls 'Politics I' and 'Politics II' which is very germane to this discussion.
18. J.K. Galbraith, American Capitalism, Pelican, 1963, pp 186-7.
19. S.E. Finer, The Man on Horseback, Pall Mall Press, London, 1962, pp 15-16.
20. Bendix, 1963, p 209, points out that marxist ideology never doubts that the economic power of the advanced capitalist states is an example to be aimed at, and from its inception the Soviet Union had as its ideal the creation of a "communist America".
21. R. Aron, "Social Structure and the Ruling Class", Brit.J.Soc. (I), June, 1950, p 131.
22. *ibid.*, p 132.
23. Nikolic, (ed.), 1967, p 781.
24. For a general model resting on the conflict between these two types of power, see Frank Parkin, "System Contradiction and Political Transformation", European Journal of Sociology, XIII, No.1, 1972.
25. George Orwell, Review of T.S. Eliot's "Notes towards a Definition of Culture", The Collected Essays, Journalism and Letters of George Orwell, Volume IV, Penguin, 1970, p 515.
26. For example, the staging of the political satire "Kad tikve budu cvetale" in 1969 provoked an immense storm. Tito himself appeared on TV to criticise it.

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27. S. Suvar, "Ne odgadjati otvorenu i odlucnu bitku za samoupravljanje", Nase Teme 5/1968, p 759.
28. Dragicevic, 1966, p 526.
29. Tito, speech to Belgrade communists, 17.4.1967, in Nikolic, (ed.), 1967, p 143.

APPENDIX - A

A note on the classification of occupations

This study has quite frequently used (in default of better material) a classification of occupations which presents some problems for the sociologist. Below is a brief discussion of those problems to enable a judgment to be made about the appropriateness of arguments based on tables using this scheme, an example of which can be found in St.B. 312, pp 88-9. The details given below are taken from this source.

1. Agricultural workers/peasants.

One group may appear without the other, depending on whether the private sector is under consideration or not. State employed agriculturalists form a very small proportion of the whole, and can be excluded for analytical purposes if necessary.

2. Miners and

3. Industrial and craft workers.

Both these groups are made up to a very high degree of manual workers, although some foremen and first line staff are included. But after 1961, unskilled workers were included under each occupational grouping, rather than separately as was previously the case. In compilations it is impossible to pick them out owing to lack of detailed breakdown, and it is essential to bear this in mind. In this study the group "Industrial and craft workers" always includes the unskilled sub-group, and usually the discussion makes this clear.

4. Traffic and Communications personnel.

Socially highly heterogenous, although predominantly manual (about 70% of a total of 200,000 economically active). Ships' officers and aircrew personnel are also included

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here, but form a negligible quantity numerically. However, some 40,000-odd should be classified as middle level white collar.

5. Sales personnel.
Overwhelmingly lower white collar. A good control group for comparison with other above and below.
6. Service personnel.
Overwhelmingly manual, and including a very high proportion of unskilled and semi-skilled labour. A very useful control group for comparison with group 3.
7. Defence personnel.
Police, firemen. Before 1961, this group included Army officers and N.C.O's. Nowadays, Ministry of Defence personnel are excluded from statistical publications. The state militia is thus also excluded.
8. Finance and office personnel.
Highly homogeneous, composed almost exclusively of Q and UQ people, without special qualifications which would place them in group 10.
9. Leading cadres.
In view of the importance of the group for sociological analysis the constituent sub-groups of this classification are given in full.
 - Permanent members of political bodies.
 - Heads of state administrative services and their immediate deputies.
 - Heads of institutions and their deputies. (Schools etc.)
 - Directors, technical directors and financial directors of enterprises.
 - A large group (about 13% of the total) of 'others'.

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10. Higher white collar.

A curious grouping, the logic of which is not clear. It includes all the higher white collar occupations and professions, but stretches a long way down the scale. For example, technicians as well as engineers are included, nurses as well as doctors, primary as well as secondary school teachers. This, again, simply has to be borne in mind in weighing up the implications of sociological evidence.

APPENDIX - B

Skill/qualification groupings in statistical publications

Two kinds of skill classification are used. The first reflects formal qualifications (strucno obrazovanje), and is linked to the notion of schooling, interpreted in its broadest sense. This classification is therefore one of the person.

The categories are:

<u>Non-manual</u>	<u>Manual</u>
VHQ - University degree or equivalent	HS - School for HS workers or equivalent
HQ - 2 years university	S - As above, for skilled workers
Q - Secondary school (to 18 years)	SS - Those doing manual jobs without either of above certificates
UQ - Primary school (to 14 years) or incomplete secondary	US - Ditto

By equivalent is here meant evening schools, sandwich courses, attendance at management college etc., leading to the award of a nationally recognised document of qualification. Equivalents exist at all levels except for unqualified (UQ) white collar and semi- and unskilled blue collar workers. These groups have no classification except according to the job they do.

This second type of qualification uses the same categories, but it reflects the enterprise job schedules, which determine the duties of the particular post and pay for it accordingly. So, for example, many semi-skilled workers, according to the first classification, do jobs which the enterprises classify as skilled. This kind of qualification is known as occupational training (stručna sprema).

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