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Too much Party control over the system of workers' self-management in Poland is the most important criticism voiced by the Yugoslav journalist, Jovan Raicevic, in the second installment of his article dealing with his impressions from a journey to Warsaw, published in the 19 December issue of the Yugoslav Party weekly Komunist.¹

In the first installment of his article, Raicevic briefly presented the background of workers' self-management in Poland, describing how the so-called Conferences of Workers' Self-Management were created in 1958. He emphasized that a Conference was composed of: 1) the workers' council in the enterprise; 2) the Executive Committee of the Trade Union; and 3) the Party Committee (usually the Secretariat). The Yugoslav journalist begins his second article by voicing the following criticism:

"The automatic inclusion of the Party and TU leaders in the highest organ of self-management has, on the one hand, undoubtedly increased the role of the PUWP and TU, but also, on the other hand, given the whole system of self-management the mark of Party-Union control over the management of the enterprises. The emphasis on control -- as a primary function of the self-management system -- could to a certain extent paralyze the struggle of working collectives, which demand the increase of the material basis of self-management in the broadest sense of this word." (Emphasis supplied)

What Raicevic appears to have in mind here is that workers in Poland would like to see the system of workers' self-management not only influencing production methods, but also allowing workers to have a greater say in determining the amount of their wages.

1) For a discussion of the first installment of Raicevic's article published in Komunist of December 12, see the NTA backgrounder of 18 December, "Belgrade Komunist On Self-Management in Poland". Raicevic was sent to Poland under the auspices of Komunist which is the organ of the Central Committee of the League of Communists of Yugoslavia.

Ways of Stimulation -- The "Enterprise Fund"

It goes without saying that the Yugoslav journalist considered as his first task informing the workers in Yugoslavia about the way workers in Poland are stimulated to work better and earn more. He did not make any comparison, but rather left it for the Yugoslav workers to draw their own conclusions.

Here is what Raicevic has to say about the ways the workers in Poland are stimulated:

"The chief material basis of self-management in Poland is the so-called enterprise fund. It is created in order to stimulate state enterprises to achieve even higher economic results and also to increase the material interest of the workers. The size of this fund is limited by the Government and at the same time the state plan establishes a maximum and minimum for this fund in all economic branches. The maximum amount (10 per cent of the wage fund) is provided for the mining industry. This fund, in principle, can be established only by those enterprises which have operated economically i.e., which have exceeded the planned profit. This is also permitted those firms which have just fulfilled the plan. However, their fund is set at the minimum allowed for their particular industrial branch. Enterprises which underfulfill the plan according to any of the essential indicators lose the right to organize an enterprise fund."

Raicevic adds that the enterprise fund in Poland depends on four elements: 1) the fulfillment of the production plan, 2) the decrease of production costs, 3) technical improvement and 4) the accumulation achieved. However, "the very procedure of establishing economic results of an enterprise -- on which the size of the enterprise fund depends -- is a very complicated mechanism", Raicevic said. The anatomy of an enterprise fund in Poland, according to Raicevic, looks like this:

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"The enterprise is partially limited in using this fund because laws have provided in advance what sums shall be spent for individual aims. One-fourth of the total enterprise fund is allotted to housing while the remaining sum is used for bonuses, social security and for the construction of rest homes. In the Nowa Huta steel plant, for instance, 25 per cent of the enterprise fund goes for housing, 17.5 percent for social security, and the rest for bonuses for workers and white-collar employees. It is also provided by law that the total amount of bonuses may exceed the wage fund of the enterprise by only 8.5 per cent. This means, for all practical purposes, that in the most profitable enterprises in Poland, workers can achieve at most an extra salary, i.e. a 13th monthly salary in a year."

Of course, Raicevic emphasizes this fact, because in Yugoslavia -- where workers earn according to the work they do -- there are many factories where workers may earn several extra monthly salaries a year. (There are also, on the other hand, factories in Yugoslavia where workers receive a so-called "guaranteed minimum" salary amounting to about 80 per cent of the average monthly salary. These factories usually work at loss.)

Powerful Administration -- Changes Inevitable

Another important point made by Raicevic in connection with workers' salaries in Poland is the fact that "in most cases the administration of an enterprise" decides who should receive bonuses and who should not. True, officially the Conferences of workers' self-management are entitled to make "final decisions" on bonuses, as are also workers' councils "if they are given such authority". The Yugoslav journalist then notes the following fact:

"Along with the results in connection with the fulfillment of the plan, how high the bonus shall be depends also on the length of the working service of individual workers. A worker who is unjustifiably absent from work even for one day only -- loses all rights to the bonus."

(Emphasis supplied)

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The Yugoslav journalist does not hide the fact that there are considerable counter pressures in Poland to promoting "economic incentives". Raicevic writes:

"Everywhere in Poland one can hear that the system of economic incentives has been a good thing. However, many Party and economic functionaries told me that there have been many difficulties and obstacles in the implementation of such a policy..." (Emphasis supplied)

The reasons for this are quite obvious for Raicevic. He explains them as follows:

"Incentives depend, above all, on the fulfillment of the plan. However, because the plan is made by competent ministries, associations and planning organs, enterprises have been fighting to make planning figures as low as possible, in order to fulfill them more easily. Sometimes even decentralization, otherwise a positive measure, represents a negative influence. In the past year, for instance, the indicators of the central state planning office were reduced to 17 control indices, which was a big step forward. However, this situation was used by individual enterprises with the aim of lowering their plan targets..."

But Raicevic also sees in Poland that the limited rights of enterprises have been one of the most important obstacles to further progress. He says:

"The policy of incentives -- as is emphasized by well-informed economic experts in Poland -- has come into conflict with the limited rights of enterprises. In order for this policy to produce corresponding results, corresponding changes in the economic system are inevitable. Above all, it is necessary to introduce measures leading to the strengthening of the position of enterprises and creating conditions of production in which workers would truly get better pay for better work." (Emphasis supplied)

It is, however, not easy to introduce "structural changes", Raicevic says, "because certain old disproportions have become even more aggravated, especially in conditions of relatively

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sudden changes in economic relationships both within and outside the country". Furthermore, very bad results in agriculture "because of the catastrophic drought" in the past year have contributed much to the economic difficulties in Poland, the Yugoslav journalist says.

Objective and Subjective Difficulties

The above-mentioned difficulties in Polish agriculture are ascribed by Raicevic to "objective factors". There have also been some "subjective factors", however. One of them, for instance, has been "the insufficiently effective policy of economic incentives". Raicevic continued:

"In the course of the past three years, for instance, the plans for decreasing material costs were not fulfilled, while personal consumption increased by only 11.7 per cent instead of the planned 16.5 per cent. The total wage fund in the national economy, however, increased by 17.5 per cent, while the average of real wages increased only by 5.6 per cent. This means that real wages have not increased as expected because the number of newly employed people has increased disproportionately. Instead of employing only 425,000 new workers during a period of three years, as was planned, 785,000 new workers have been employed. All this has influenced productivity per worker..."

Raicevic says that enterprises in Poland "have consciously oriented themselves toward employing more workers than necessary", because in that way "they have increased their wage fund". They have thus automatically increased "their funds for bonuses". This is why an analysis in the Gdansk shipbuilding enterprise, "The Paris Commune", showed that "32 per cent of the working time was not used for production". Subsequently, "working discipline has become lax, because in the first eight months of this year alone, the number of working hours lost due to unjustified absence reached 16 million".

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The Yugoslav journalist positively appraises the fact that all shortcomings in Poland "are openly discussed". He concludes his article by saying that "changes in the policy of economic incentives" will take place which "will inevitably lead to the strengthening of the real influence of self-management on economic development".

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