

# **YUGOSLAV SELF-MANAGEMENT AND HIDDEN COGNITIVE MAPS OF CROATIAN LABOUR**

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## ABSTRACT

This thesis is focusing on industrial workers in Croatia. First question that I am addressing is about ideological continuities and legacies of socialism in current period on the side of Croatian workers. I am trying to uncover hidden histories of labor and hidden cognitive maps of workers perspective on property, workplace and their approach to work. In short, what do workers think who built and who owns the factories? Secondly, I am trying to contribute to debates led about Yugoslav self-management and its empowering effects for workers. It stems from my research that self-management in Croatia indeed provided workers with certain amount of power over production process, and that it can be characterized as management-worker coalition in fight for market survival.

**Keywords:** Labor power, Yugoslav Self-management, Legacy of Socialism, Social Property, Ideological and Institutional Legacies

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## INTRODUCTION

When I have embarked to conduct this research I was led by the question posed by Brnabić, Goić and Završak in 2006. They claim that in Croatia there is strong connection between self-managed communism and employee's stance toward their workplace. On the one hand workers were convinced that they have created the companies they work for and because of that they should have the right to participate in ownership or distribution of assets of enterprise. On the other hand they believed that those who work create value, and therefore have the right to participate in distribution of profit. "Thus, an ideological basis for employee ownership as well as for profit-sharing existed at least on the part of employees" (Brnabić, Goić and Završak, 2006:5).

At the beginning I was quite skeptical about existing connection between ideological basis of self-management and current workers stance towards their workplace. That's why I have decided to go and visit the core working sector of Yugoslav socialism and socialism in general which was industry. That was the first place to look, because industrial workers were one of the central pillars of socialist ideology (Vodopivec, 2012). If socialist ideological perspective can't be found there, then it probably doesn't exist in other less "socialist" sectors.

With this in mind I went to company ITAS Prvomajska, while on the way there I also spent some time in TPK Nova. ITAS Prvomajska is industrial factory that is producing machine tools and only example of successful workers takeover of the factory in the whole post-Yugoslav space. TPK Nova is also industrial factory that is currently producing marine boilers, burners and equipment for those products. It was privatized in 1999 by German company Sacke which is the current owner of the factory.

Insights that I have gained in this factories, through interviews and participant observation have provided me with an interesting story. In the case of worker owned factory

ITAS it seems that there is much more than just ideological basis inherited from socialism. Their organization, production and everyday practices point out that the workers have revived, remade and remodified Yugoslav self-management system, while managing and increasing the production in the last 10 years. On the other hand, I have spent only 2 days in factory TPK Nova and I was not able to delve deeper in their organization, production and everyday practices. Still, interviews that I have conducted there show that there are ideological elements about work and workplace that workers still assume from socialism.

In this work I will try to do two things. First I want to talk about hidden histories of labor which still assumes certain ideological stance towards property of the factory, workplace and work. In case of ITAS Prvomajska those hidden histories have been revived and remade, while in case of TPK they have remained but only in the thoughts of anonymous workers. In a sense, this paper gives them certain voice.

Secondly, I am trying to contribute to debates about “labor weakness” during the transition period in post-socialist countries, and more specifically in former Yugoslavia. Many authors argued for labor weaknesses coming from socialist legacy (Ost, 2001; Arandarenko, 2001) , while argument here is that labor was not weak on local level and that Yugoslav self-management indeed provided workers with certain amount of power over production then anywhere in the West. I am claiming that on the basis of ITAS Prvomajska and their revival and readjustment of many characteristics of self-management. The logic is simple, if it was bad, why would then they reproduce it today with certain modifications and improvements.

## CONTEXT

### 1.1 Global context - accumulation by dispossession

In their edited collection called *Blood and Fire*, Kasmir and Carbonella (2014) argue for anthropology of labor. In another issue where they take part, Don Kalb and James Carrier argue for anthropology of class (Kalb, 2015). Adam Mrozovicki and Norbert Petrovici are doing similar thing while focusing on Central and East Europe (Mrozovicki, 2011; Petrovici, 2010). All this issues present a new approach in anthropology that tries to bring back class and labor in to the spotlight of anthropological research.

They claim that different class formations around the world are very much present. According to Harvey, neoliberalism is not a specific type of socio-economic organization in present time but rather a phase of capitalist reconfiguration and geographical expansion (Harvey, 2005) where the classical pattern of class differentiation stays in place. If the Fordist working class disappeared that doesn't mean that class as such disappeared. They are trying to establish new framework in the anthropology that would allow to analyze new and remade social relations of production. There is a world of labor in various stages of making, unmaking and remaking of the class (Kasmir and Carbonella, 2014:40). There are new labor relations that are producing different class subjectivities around the world in different local, national and regional spaces. That is constraining development of international solidarity, while capitalism is operating on global scale.

Kasmir and Carbonella (2014) start from Marx's concepts of "multiplication of labor" and "primitive accumulation" which according to Rosa Luxembourg are not one time events like Marx defined them. Accumulation and expansion are driving forces of capitalism which always reoccur in different forms. All that brings us to David Harvey's concept of "accumulation by dispossession" according to which capital expands at the expense of labor

through various dispossessions of labor force that are including privatization, creative destruction of assets, speculation, geographic mobility and similar processes (Harvey, 2003)

Using that framework, Kalb embarks to analyze what happened with the former states of Eastern bloc, and particularly Poland (Kalb, 2014). With the sudden fall of Berlin wall and a “definite” end of socialist modernity, the new spaces for capitalist expansion and “accumulation by dispossession” opened. Some states tried to take fast path to capitalism with shock therapy, while others took slightly less painful road. Privatization was the process that has marked the 90’s and early 2000’s in many post-socialist countries, while theft was recurrent motive in the vocabulary of workers. It was the main tool which was supposed to provide transition to capitalism, and secure better working conditions. Instead, the process brought with itself dispossession and disenfranchisement of the working classes. In 2016, post socialist states are still not the core of capitalist production relations, but rather they form periphery or semi-periphery. If we take in account ongoing capital flight from the European countries to China and other spaces, they won’t become soon part of capitalist core.

What happened in the meantime with the populations, what happened with the central pillar of socialist societies – industrial workers? Economist are still assessing macroeconomic costs. Did we reached GDP of 1989 or we are still not there is the main question. The question posed here is how individuals cope with changes at a personal level, how money and wealth have been redistributed, and how the transition reshaped relations of inequality and power in society (Vodopivec, 2012: 610). That is the aim of anthropologies of class and labor, to uncover hidden histories of labor (Kalb, 2014:253; Ost, 2001). Those stories were not told in the transition process, while they encompass quite significant number of people.



## 1.2 Croatian context

Croatia was part of Socialist Federative Republic of Yugoslavia from 1945 until 1991. During that time industry has been boosted and economic development and organization was led by socialist principles. Yugoslavian political elites tried to build alternative both to capitalism and state led socialism of USSR, with self-managed socialism which was operationalized as workers right to independently decide about all basic economic decisions (Horvat, 1989:20).

In the late 1980s this system started to dissolve and in 1989 Yugoslavian government with Ante Marković as its head, already started to introduce private property. Soon after that the war has broken and newly established Croatian government started radical process of complete transformation of Croatian ownerships. One aspect of that new political program was full privatization of social ownership. Croatian model of privatization had various cycles of which the first one was characterized by emphasis on workers buyout of company stocks, but against self-management which was seen as part of bad communist past. Later on, the model was replaced with voucher privatization and according to Brnabić, Goić and Završak (2006: 8) “after the first stage of privatization, Croatian government did not support privatizations by employees, but tried instead, whenever it was possible, to stimulate entrance of outside owners into the enterprise, even at the cost of reducing enterprise activities, loss of assets and working places, and generally worse business results“. The whole process resulted with less than 10% worker stock owned companies (Galetić and Rašić-Krnjaković, 2004: 769). Currently, that number is negligible and there are only couple of companies that are worker owned.

The legacy of communism is present in Croatian public and everyday life discourses, but that is almost entirely in a negative context. First reasons for that is wide spread argument about huge inefficiency of socialism. Fuller made a list of adjectives that different “transitologists” use in order to describe socialist economies or enterprises. “Favorites include

not only inefficient but also irrational, unsustainable, uncompetitive, submarginal, dismal, decaying, closed, corrupt, distorted, bloated, subsidy-dependent, crisis ridden, self-suffocating, obsolete, and unsophisticated” (Fuller, 2000:591). One more specific thing that went in line with this is “internal societal orientalization” as Buchovski calls it, which means that workers were just bad and lazy (Buchovski, 2006).

This was followed by nationalist politics that have arisen in the late 80’s as an answer to Serb nationalism, and according to Kalb (2015) and Ost (2001) also as an effect of lack of alternatives that working classes had. Nationalist framework identified socialism as a tool of Serbian hegemony, and therefore it rejected all its postulates and practical achievements. According to that view, socialism served as a justification for extraction of the money from Croatian enterprises and economy. That has led to a coalition which was already present during the 1971 and so called “Croatian Spring” which united liberals with nationalist. Nationalist wanted Croatian independence which found a supporter in liberal elites from the West and within the country which have hailed the private property and market economy.

To conclude, on the one hand in case of Croatia socialism and its legacies are discredited on the basis of economic inefficiency and totalitarian rule, an arguments present in all post-socialist countries. On the other hand, socialism is discredited as a tool of oppression from the side of the Serbs in Federation. This views prevailed in many spheres of society, including academia which led to neglect various aspects of socialist organization of society.

## LITERATURE REVIEW

### 2.1 Power over production and self-management

According to Kalb's research, Polish workers in the 90's perceived transition as something that could potentially bring them the best of the "two worlds". On the one hand Solidarnosc presented aspirations for more political democracy, for freedom of speech and departure from authoritarian institutions. On the other hand, Solidarnosc argued for more self-management or self-governance under the idea bring the factories to the workers. Kalb (2014), claims along with Verdery (1996), that workers and managers had a large amount of control over production process and probably more power than on the shop floor in the West. Therefore, in minds of Polish workers, departure from socialism meant to improve then existing system of work organization, and not to let it to new private owners and different disciplining regimes that came along with capitalism.

Those in power through 80's, Polish generals, tried to manage the situation with introducing more self-management and decentralization. Consequences of that was fragmentation of work force to the factory levels, while that also cut the links between workers and intelligentsia. All that undermined the potentials of working class to mobilize and realize their aims for combining the best of the "two worlds". During Round table talks, liberal shock doctrine paradigm prevailed which left little space for workers appeals in direction for more self-management. Poland as the other post-socialist states embarked on the process of privatization of state owned enterprises. In that process labor faced dispossession and disenfranchisement, while that was not often the topic in public discourses (Kalb, 2014:265).

This is connected to a debate about labor quiescence and absence in the times of ongoing dispossession and disenfranchisement. What were the reasons for the labor weakness? In contrast to Kalb, Ost and Crowley (2001:7) claim that the legacy of communism is the reason

for labor weakness and particularly weaknesses of trade unions. Studies in their edited volume suggest that labor own antiunion ideas, or crisis of class identity powerfully contributed to union weakness. Unions were authoritarian institutions that were helping management to fulfill the plan, while at the same time they had the role of providing social services and in-kind benefits through workplace. They claim that by the late communist period many workers embraced capitalism as the viable alternative, and good society meant one with unfettered ownership rights (ibid).

Adding to that, in his case study about Serbia, Arandarenko claims that labor weakness comes from socialist legacy from the way in which labor was integrated in communist system, therefore self-management left particularly negative legacy on workers organization. It is a myth that self-management provided workers with more rights and more power than elsewhere in the world. For him self-management was not different from bureaucratic system of management in the Soviet-type socialist countries, and it was an attempt from above. His three main arguments for this claim are that communist party still controlled all the major decisions, conflicts of interests within the workplace were not recognized and there were no genuinely autonomous unions (Arandarenko: 2001:164).

On the other hand, in the case of Slovenia, Stanojević (2003) claims that workers power in Yugoslavia was not a myth, while Grdešić (2008) from different starting point claims the same. Slovenia is one of the rare successful stories of transition, and it had the same self-management system as it was in Serbia (Stanojević, 2003:290). This claim may be faulty because self-management was same on the formal level of Federation, but there could be differences among republics in their application of self-management. On the other hand, I didn't find research which will account for differences in self-management among republics. For now, we accept the claim that Slovenia and Serbia had the same self-management. In transition period Slovenia had no radical disconnection from the self-management tradition, and it was

transformed into a codetermination system on the German model (ibid.). In fact, it seems that self-management legacy was helpful in Slovenian transition because the worker's didn't disappeared in the process and their trade unions are not weak organizations. Furthermore, he claims that the main reason for different transition paths of Yugoslavian successor states are political elites and their interventions in society which have mediated self-management in different ways. Political elites were the problem, not the self-management which provided workers with some power (ibid.).

Developing on a debate between Stanojević and Arandarenko, Grdešić brings into the discussion the case of Croatia and Croatian legacy of self-management. His claim is that workers self-management in Yugoslavia provided workers with certain amount of power, which can't be found anywhere else, while the reason for that is specific geopolitical context of Yugoslavia. Its position on international scene made Yugoslav political elites to offer concessions to its main constituent in society, the working class and therefore they introduced self-management (Grdešić, 2008:134). After WW2 Yugoslavia, along with other states of Eastern bloc, was on its way to a socialist modernity. Soon after that Yugoslavian political path was challenged by Soviet Union, and in 1948 the famous clash between Tito and Stalin happened. That was the crucial element that led communist party of Yugoslavia to develop "third way" with self-managed economy as its main pillar (Unkovski-Korica, 2015). Simply talking, communist party had to find support from bellow because that was the only way by which they could stay in power within this geopolitical context. All this allowed to workers to gain some power over the production.

The most comprehensive argument that power of self-managers was not such a myth is longitudinal comparative study of participation in companies in western European and Yugoslavian companies named Industrial Democracy in Europe (IDE, 1992). They have conducted two big research surveys in the 1977 and 1987 in various companies in 14 European

countries. Their results published in 1992 clearly show that in regard to economic democracy Yugoslavia achieved high grades on almost all the variables and it was standing out in comparison to other countries. According to them most effective tool for workers power were work councils (Rus in Stanojević, 2003:292). Along with that, famous Yugoslavian economist with long research tradition and work on self-management Branko Horvat, after the bloody dissolution of Yugoslavia and disappearance of self-management still claims in 2003 that “The final conclusion was that the worker-managed firm can do anything that a capitalist firm does and something more.”

From his long research experience in Yugoslavia, Estrin agrees that it seems that self-management gave the workers and managers a real degree of effective autonomy and decision making which was absent in other countries, while some critics argued that self-management was ineffective because managers were usurping decision making authority (Estrin: 1991:189). At its best, self-management relied on the distinction between enterprise policy-making, which was subject to employee influence, and the execution of that policy, which was the domain of management (Estrin, 1991:192).

## 2.2 Property

One of the important elements in the inquiries of economic anthropologists is the issue of property. Its roots in discipline are dating back to comparative lawyers in nineteenth century<sup>1</sup>, while interest in property experienced revival with the study of post-socialist transformations. Authors that have been involved in study of post-socialist transformation have brought new insights about property from the experiences of socialist social and state property. Most famous work in this sense is done by Katherine Verdery in Romania with her study of “fuzzy property”, which explores how property developed after the end of socialism and how various actors

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<sup>1</sup> <http://www.eth.mpg.de/2169/en>

established new fuzzy structures (Verdery, 2004). Alexander outlined how objects, persons and the relations change with the change of state property to private property in Kazakhstan (Alexander, 2004). Most important insight that anthropologists have shown is that the social significance of property is much broader than as it is devised in standard liberal model of private property, and both the social and economic functions of property change, in close association with political dynamics (Hann, 2005:111).

According to Hann one of the most fruitful attempts to devise a general analytic framework for understanding of property regimes comes from Franz and Keebet von Benda-Beckmann. They apply notion of layer to social organization (Hann, 2005:130). Those layers are cultural ideals and ideologies, more concrete normative and institutional regulation, social property relationships and social practices. These layers are not solid and permanent but rather they are contested between the layers, but also contestation happens inside the layers.

Level of cultural ideals and ideologies envelops ideas about what property is, and what it should be, for which purposes it should be used and why (von Benda Beckman, 1999:30). Dominant ideology about property in Yugoslav socialism was framed under social ownership which meant that those who work there are also the owners. On the other hand, transition and shift to capitalist ideological framework required clearly defined private owner of property. Normative and institutional level encompass more specified and institutionalized rules, rights, obligations and legal concepts which reflect ideological level. They are more specific in their definition of the property and the legal consequences in terms of rights and obligations (ibid).

This normative level should be distinguished from the actual social relationships of concrete property holders and property objects, which forms third layer. In different social relationships people have different rights and obligations, which don't have to be in line with normatively defined property rights. Those social relationship can be based on kinship, neighborhood, relations of political authority, economic dependence and membership in

religious groups (ibid:33). And finally forth layer are actual practices that are happening in regard to property, which can reflect other layers but also actors may initiate changes (Hann, 2005:130).

### 2.2.1 Ideological debates about property in Croatia

On the one hand, Yugoslavia had developed specific type of property that was called social ownership but debates about social ownership or more collective forms of property are not present in Croatia or other successor states. Bajt defines social ownership or self-managed property as:

“if worker or group of workers has secured the right of the subject to decide on use of means of production and the right of subject to decide about use of produced factors, if worker or group of workers are economic owners of their own product, economic property of that worker or a group we will call self-managed” (Bajt, 1988:154).

In practice, social ownership had many similarities with state ownership in other socialist states, but there are certain differences which remained unexplored in anthropology and other fields.

With the fall of socialism the idea of property significantly changed in all the layers of the property, and social ownership was abolished. Public ideological debates about property in Croatia after 1990 were certainly dominated with idea of private property, and social ownership was classified as inefficient. I have identified three academic strands that argue for private property. First one, present in all post socialist countries, claims for private ownership based on efficiency (Crnković, Požega, Briševac, 2010), second one claims for private ownership based on religious authorities and human tendency to acquire private property (Šokčević, Dugalić, 2007, Biškup, 1992). Another line of thought, mainly from sphere of economics is accepting private ownership as such, but they try to argue for revising and implementing some of the



practices developed by self-managed communism and social ownership (Brnabić, Goić, Završak, 2006; Uvalić, 2004).

## METHODOLOGY AND POSITIONALITY



In this research I have used qualitative methodology, which included participant observation with interviews. In ITAS Prvomajska I have spent 5 working days while on average spending from 7 to 10 hours per day. I have recorded 8 longer interviews, while I have spoken to more than 20 workers in the shop floor and management. Most of the insights of those unrecorded interviews I have written into my field notes. I came there through network of friends and

acquaintances, more specifically through organization for workers' initiative and democratization (BRID). They have established connection with regional industrial trade union active in ITAS, called RIS and through that channel I meet couple of workers from ITAS that have facilitated my arrival there. When I arrived there, in a way they have given me workplace in planning center. I had my own table in a room with 5 other workers which are responsible mainly for coordination in the factory. I felt almost I am employed there as some human resources employee or similar.

Adding to this I have 3 hours of video recorded material that has been made by Srđan Kovačević, who is making a movie about ITAS Prvomajska and who provided me with several short interviews that he had done there for the movie.

In TPK Nova I spent only 2 days while I was conducting interviews. I came there through a friend, and my interviews were appointed through hierarchical structure. First I spoke with director, then he sent me to speak with middle manager who then sent me to one bellow

him. That person then arranged for me to meet with certain workers that middle manager identified in order to help me out and satisfy diversity. Then I spoke to couple of workers, of which 2 interviews were under some pressure because managers asked for that, but I realized that and went to shop floor to speak with workers. Even though, this hierarchical line presented some problems I have managed to make couple of short interviews and explore stances on workplace and work. Findings from TPK I use only mainly for support of my claims, and not as main source which is ITAS

## ETHNOGRAPHY

In the first part of ethnography I am trying to give some overview of the factories where I have spent my fieldwork. Also I am describing worker takeover process in ITAS Prvomajska which provided them with a starting point for new work organization.

In the second part of ethnography I am discussing ideological continuities with socialism. I am trying to uncover hidden histories of labor and hidden cognitive maps of workers perspective on property, workplace and their approach to work. In the first two paragraphs I am discussing ideological layer of the property on the side of the workers in ITAS and TPK, while giving some indications for broader conclusions. In the third paragraph I am discussing workers approach to work.

In the third part of my ethnography I am trying to show in which aspects Yugoslav self-management is revived in ITAS Prvomajska. I am doing that in order to support those claims which agree on empowering effects of self-management. I think that workers in ITAS Prvomajska have replicated certain structures and practices from the period of socialism. In fact their whole model of formal organization resembles workplace institutions that existed in the time of self-management, while they have introduced one new institution which would give them more power. If they are using the same model as before that should probably mean that it provided workers with certain benefits, while it certainly needed improvement. Therefore, in the first chapter I am describing institutional arrangement of ITAS and its practical implications. In the second chapter I am trying to list all the other ideological, institutional and practical legacies that workers have taken from self-management.

Finally, in the last chapter of ethnography I am trying to show that ITAS Prvomajska reassembles management-workers coalition on a global market, which according to many

authors was specific characteristic of Yugoslav self-management that left certain amount of power to workers (Grdešić, 2008; Estrin, 1991).

### 3.1 Overview of the factories

#### 3.1.1. ITAS and takeover of the factory

The story about history of ITAS and takeover of the factory I have mainly reconstructed from my interview with Stjepan Brlek, and couple of newspaper articles that he gave me. It is important to note that he was one of the crucial actors in the whole process as shop steward in the factory, and he was the leader of the workers. Many workers emphasized that the takeover of the factory probably wouldn't be possible if he was not there.

ITAS Prvomajska is factory located in Northwestern part of Croatia, in a small place Ivanec. It is established in 1961 from the small workshop that was servicing local cable car used for transportation of coal from neighboring places. In the beginning they were producing accessories for machine tools and in the mid of the 70's they are starting with production of machine tools. As the company was developing, in the late 80's they have developed their own original CNC and NC machine tools. Prime examples for that are tool milling machines (AG-200CNC, AG-210CNC, AGS-200CNC). During that times, ITAS was classified as basic organization of associated labor (BOAL), while it has been part of bigger composite organization of associated labor Prvomajska from Zagreb. Prvomajska consisted of 11 factories and production lines, which were all located in Croatia.

During the 80's the factory had more than 1000 workers, but with the start of the transition process in the 90's the number of the workers was constantly decreasing. In that period, factory had experienced various problems and changes in their business and ownership models. During the 90's they didn't had one majority owner with more than 50% of the stocks because law was prohibiting that, while workers held the majority of the stocks in the company.

In the 1999 they have experienced certain problems with their business, and workers didn't received three and a half wages. At that moment workers held 39% of the stocks, while PIF Sunce (war veteran organization) had 32% and state owned fund for privatization had 29%. In 2001 a local city major managed to buy 75% of the stocks and she had become the majority owner of the factory, while worker owned stocks fell down to 22%.

At that time the negotiation about collective bargaining agreement took place, which new director didn't wanted to sign. Because of that workers organized 1 day strike, but the striking committee was fired. After that they organized strike until the fulfilment of the requested requirements, which in the end finished with signing of the collective bargaining agreement by all sides. The main problem that workers noticed through this process was that the new owners have established new company (ITAS-Nova) to which they were transferring the assets of ITAS. Newly established company was doing well financially, while ITAS had problems with late wages, overtimes etc. According to workers with which I spoke, the intention of the owners was to sell the property of the factory and land to the interested buyers, and not to continue production. There are many proofs by workers that this was real intention from the new owner. Just one example is that the whole factory was bought by 400,000 EUR, while only one part of the factory was sold later to LIDL for 1,205,000 EUR. The culmination point was in 2005 when the owners built a wall in the passage between two central halls of the factory which are called P1 and P2. After 14 days, workers along with Stjepan organized themselves and they brought the wall down with forklifts because that was crucial connection line between the parts of the factory. After that owners went to build 50 cm ferroconcrete wall that would be hard to break, which was supposed to be done when workers are not there. Stjepan gathered several workers at Main Square which came with him to the factory in order to stop building of the wall. Furthermore, they have sent a notice to local radio station Ivanec in order to notify the rest of the workers from the factory. In couple of hours more than 150 workers

gathered in the factory which marked the starting point of factory occupation. From this point they were not leaving the factory, but they were defending it from inside as Stjepan says.

Soon after that, because of the huge debts of the company, they went bankrupt and ownership structure from that point was deleted. In the bankruptcy process, workers were insisting on the continuation of the production, while the bankruptcy director insisted to sell the rest of the property in order to settle the debts and pay to creditors. Since the biggest creditor were workers by themselves, they had the institutional power to change the bankruptcy director on the Assembly of creditors which they did, while before that on the daily level they were obstructing the work of bankruptcy director with not providing him the required data. They have appointed new bankruptcy director, who was inclined to help to workers to continue production and find a new ownership model.

Because of mentioned debts, at one point in the bankruptcy process their electricity supply was cut which was a big problem for machines that could lose their internal memory and therefore produce long term negative effects. At that moment 18 workers, of which 2 woman have started a hunger strike until their conditions are not fulfilled, while Stjepan was going to meet local county politicians urging them for help in order to give them electricity to start a production. After three days and special session by Croatian parliament, hunger strike was ended and electricity was given back to ITAS. There are many minor events that also took place in workers fight to continue production, including road blockades, local politicians etc. in which I am not going to delve further. During all the time, workers were not abandoning the factory. They had regular guards and they were coming every day there, even though there was no production process.

The whole process finished with workers becoming majority owners of the factory with 46% of the stock in their ownership, while the other creditors didn't wanted to take the company stocks. Deal with them was that their debt is going to be repaid in couple of next years. That

happened and workers are now the owners of the 46% of the stocks, while the company itself is owner of 54% of the stocks which is unique case in Croatian legislature.

Currently, the company is employing 250 people of which 80 or more came in couple of last years. They are producing exclusively for foreign markets. Their business partners are from Germany, Venezuela, and Slovenia etc. They don't have their own original line of products, while they are working by the license of other companies.

### 3.1.2. Internal organization of company

There is a director who has his own office in the management part of factory, and his secretary is there. Then there is sector called technology which is place where engineers are working on drawings of procedures for construction of certain parts. They have commercial sector which deals with finances, and in between is construction sector. All this places are on the second floor of the building. Downstairs near the passage that connects hall 1 and hall 2 is planning office which gathers data both from shop floor and from technology above. They are the ones in charge of setting the production and following the product on production line.

On the shop floor, there are several parts. There are two big halls, P1 and P2 which are main production sites. P1 is having light machines, while P2 is having newly acquired and more complex machines. They have assembly part and storehouse. For all of this 4 compartments they have the chiefs, and additionally P1 and P2 have headmen's. Also, there is divide along three lines in metallurgy and that is division on those that are turning, drilling or milling. Technology and planning center also have their chiefs.

Age of the workforce is divided among older and younger workers, while the middle aged are very few. Older workers have been employed in the factory starting from 1971 up to 1990 when the layoffs began. Since then, all the way up to 2007 there was no major influx of new workers. After 2007 and workers takeover of the factory, the production was boosted and



in couple of last years they have employed around 80 workers, mainly younger ones. Younger workers are old up to 30 years, and they have up to 10 years of experience. The work hours are from 6:00 am to 2:00 pm, and second shift is from 2:00 to 10:00. In the first shift factory is full of workers and all of the management services are working. Second shift leaves the feeling of emptiness and you can find workers sporadically.

### 3.1.3. TPK-Nova

TPK-Nova is factory that is producing marine boilers, burners and equipment for those products. It was a part of big socialist company TPK, which was producing steam boilers for Croatian shipyards. TPK was restructured and one part of the factory was bought by German company Sacke in 1999 which afterwards was named TPK Nova. They are smaller company than ITAS Prvomajska with around 80 people employed there. Since the owner Sacke has a bigger factory for steam boilers in China, TPK-Nova mainly serves as service company for certain things. They don't have trade union or work council, and management pointed out that they don't need it.

## 3.2. Ideological layer of property

### 3.2.1. Creation and ownership of the factories? Who owns the factories? Who created them?

In this part I am trying to show how the workers perceive factories in which they work while focusing on the ideological layer of property. I am mainly focusing on workers in ITAS, but I am using examples from TPK and from other factories.

First day when I arrived at ITAS I asked Stjepan who created this factory. He started to talk that there was a small workshop in Ivanec which was servicing local cable car used for transportation of coal from neighboring places. Also, there was this engineer who took some initiative, and they were educated for jobs in metal industry in company Prvomajska from Zagreb. They started with production in 1961, and later they joined bigger entity of Prvomajska which consisted of several basic organizations of associated labor (BOALs). Furthermore, he concluded that ITAS is built through initiative of local people from Ivanec. I was quite surprised with that answer, because I was expecting more of involvement of communist party or state there, at least a mention of those structures. When I asked other workers the same question, the answers were less detailed but most of them mentioned this small workshop and later joining to ITAS Prvomajska from Zagreb. There were no accounts of state involvement in creation of this factory. In one instance, a worker clearly separated workers and factory from the political system. From my video material, older informant said that “We made this factory for ourselves, it was not made by Tito, Tuđman, Mesić or any other president“. He still quite vividly remembers the times when the certain parts of factory were built “... we were making concrete foundations for machines, I made this with my colleagues, I was not alone. And we were working on Saturdays and Sundays. When you are finished with your job then you go home, and not when you finish with your work hours“. Marija, a woman close to her 50's spoke how emotionally she is connected to this factory. “As I remember from pictures, and from stories,

this factory was built by people. I don't know who those people were, I think that one of that was some miner or worker”

Another worker, video informant, a returnee to ITAS went even further in his claims saying “Listen, people have created this, they have the right to say something, not like it was during privatization.” This account of workers claiming right to have a say about functioning of the company were rare, but It seems that many workers implicitly accept this logic and that served as a certain basis for overtaking of the factory. Stjepan, expressed that clearly in one of the interviews he gave to Ružica. He was talking how did they decided to break the wall that was built by owners. “Although we were not owners, we were working in this factory more than 30 years and we believed that we had the right to do that, because we didn’t wanted to be left without a job” (Topić, 2014:47). Except this explicit appropriations of company as created by workers, they were many more accounts when workers spoke about company as “ours”, “something that belong to all of us”, “something that we have returned during Our Struggle” etc.

Marko Horvat, a trade unionist in regional industrial trade union RIS, that gathers around 10 companies, pointed out to important age divide in workers perspectives to workplace. Older workers still perceive companies as something theirs and they have feeling of loyalty to the company, even then when they change the company.

„Older workers, and before all, woman workers are very loyal to their companies no matter of privatization and transition. Me concretly, I have a case because my wife works in textile factory. She is critzicing that factory all the time, but nobody else, not even I can say something bad about the company. Then instantly she stand to defend her company. With those older workers, even when they change the company somehow they feel belonging and loyalty.”

On the other hand this is not the case with younger workers who feel that they are expendable, that they don't belong there they just don't pay too much attention to company and work.

Still, in my research I have found some accounts of younger workers who claimed that the factory was made and owned by people. One of the workers that came in last couple of years to ITAS, Igor Ivančan with whom I have built certain friendly relationship, spoke about creation of the factory "...It was in time of Yugoslavia, I think it was also similar like workers stockownership, but it was not you know (implying not the best thing) ... people were working and they made that ...". David, from ITAS also spoke about bringing the factory back to the workers, while Martin pointed out that this was always workers stock ownership company. All of them are younger than 30.

In the case of TPK, these accounts were not so present but they exist among older workers, while I have interviewed only one younger worker. In my interview held with the secretary of TPK, older lady working there already for 37 years, I asked who built and made this factory. She immediately pointed out to the picture of work council that was standing outside of her office and it was the first thing on the entrance to the company. They created the company, some regular people from 1947. Andrija, an older worker who changed his workplace couple of times, while always returning to TPK, spoke that even it is a bit ridiculous to perceive this as something yours since it is privately owned, he still cares a lot about TPK and behaves toward it as it is his private things. Ivan, who worked in Gredelj for 30 years and he had to change workplace because there was no more job in Gredelj, said that he never believed that he would leave Gredelj. That was clear part of his identity, like a home. With these examples from TPK, I want to point out that this ideological basis also exists in an industrial company that is privatized for long time, more than 15 years.

Adding to this fieldwork data from my research, Vodopivec has found similar perspective on the side of workers to their workplace in case of Slovenian textile factory in

Litija. Workers often referred to the feeling that factory was our factory and that it meant a lot if factory performs well. On the other hand she says that use that vocabulary workers expressed rather belonging to the factory, than implying the ideas of ownership or property relations (Vodopivec, 2012: 623). While I agree with her to certain extent, I think that this claims can and have served as the basis for the ownership claims.

Adding to this, recently Croatian state went to privatize 54 of the remaining not privatized companies. Soon after that workers of the 2 factories which are supposed to be privatized raised their voices and got some media attention. They have written letters to media about their views on possible privatization. Ending sentences of both letters provide indicative clues for future research. Workers from Lipovica are seeking for a solution that would allow them to become owners, while the whole letter finishes with sentence “We have built all this together, we shouldn’t allow for individuals to ruin all of this<sup>2</sup>”. Workers from Končar, famous industrial complex from Croatia, that has been sold just a week ago to some investment fund, held a peaceful protest with banners like “Sell what you have created, not what we created”, and “Končar is ours, Karamarko<sup>3</sup> out”<sup>4</sup>

From all of this accounts, I suggest that there is still existing ideological inheritance of socialism to workers perspective on workplace and its property structure, which can be mainly found in perspectives of older workers. I have found that there are existing accounts like this on side of younger workers, but there is quite significant difference between younger and older workers. Even though, communist leadership was promoting ideas of worker owned factories

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<sup>2</sup> <http://www.index.hr/vijesti/clanak/pismo-radnika-lipovice-zelimo-radnicko-dionicarstvo-a-ne-privatizaciju-na-hrvatski-nacin/837425.aspx>

<sup>3</sup> Tomislav Karamarko is current Croatian vice-president of Government.

<sup>4</sup> <http://www.index.hr/vijesti/clanak/radnici-koncara-prosvjedovali-protiv-prodaje-tvrtke-prodajte-si-mater/895313.aspx>

it seems that workers truly embraced this idea. It seems that it was not just an empty story presented by state, but it was embedded in everyday practices and thoughts of workers.

### 3.2.2. Privatization and private property

While it is already commonly accepted story that Croatian privatization was conducted quite badly, and that it didn't yielded expected results, it is not useless to mention today's workers negative stance towards whole process and about privately owned companies.

Even though, I didn't went to ask people what do they think about privately owned companies and about their experiences of privatization, those accounts were just popping out. In my research I have witnessed to several accounts of bad experiences of workers in the companies that were privately owned. All this contributes to my quest on property understanding by workers on ideological level. From my findings it seems that workers accept private property as present reality, but on the other hand they don't accept it as the best model of work organization and often refer how it was better before.

On the one hand lot of the workers with which I spoke perceived privatization as something very bad that happened in Croatia. Stef said that during the socialism ITAS was like a thermal bath, and after that when privatization came everything went wrong. Matija referred to privatization as something just sad, very sad and then he would stop talking. Luka, the younger middle manager, told how he feels sorry that workers in ITAS were so cheated and exploited so many times in the whole period of the 90's. Andrija from TPK said "I really didn't know why we had to transform from worker owned to state owned, and then to privatize it again". This also refers to workers unawareness about what does the privatization was supposed to be exactly. In a newspaper article, trade unions Mario Iveković nicely summarized the position of trade unions in the 90's.

“In that times trade unions simply didn’t understood the situation. Nobody in trade union social circles was taking the stance against privatization as process. That was the part of mindset that we inherited from war years. We were confusing concepts. In Yugoslavia some things were bad, but it was not clearly defined what was bad. Privatization seemed like one of the solutions for the problems. Today it is clear that that was a big mistake, but then it seemed like an exit path”<sup>5</sup>

Secondly, companies that are privately owned are perceived as something where you can’t be happy and private owner will just exploit you. David spoke about his experiences of work in Germany in construction site, which was very hard. Igor also worked in privately owned company, and he spoke that the owner there was forcing people to accept short term contracts, and when they would raise their voice about that, they would be fired. They didn’t had trade union or anything, he concluded that it is like this in whole Croatia. Both young and older workers expressed their dissatisfaction with private owners. Still, two of the workers pointed out that you can have good private owner who will respect human rights. Interestingly, secretary from TPK claimed “No, resolutely, in capitalism worker have no any rights. I mean, I think that workers are more exploited because of some profit and there is difference between people, we don't know who has which wage.”

### 3.2.3. Approach to work

With the fall of Eastern bloc, a new global ‘truth’ equated socialism with historical stagnation. New political elites invented their own language to redefine notions of ‘backwardness’, ‘the modern’ and ‘the developed’. In this grand narrative of post-socialist modernization, the role of industrial workers altered dramatically. Industrial workers, who had previously been pillars of the revolution, were now considered almost as the remnants of the

past times (Vodopivec, 2012:611). In other words, the workers lost their prestige that they had in socialism (Ost, 2001)

Socialism had special emphasis on the role of the work in society, and in individual's life. While current global system is producing consumers, socialism was producing workers. Work was central for society to reproduce itself, and for individual who believed that through work you are becoming a fully established person. Marija, nicely summarizes that "But I needed my job, in order to be normal person you have to work at least 8 hours so that you can function as human". Stjepan was fired couple of times in the factory, and he commented those experiences with ontological questions. Who am I at all? Do I contribute to this society? Am I worthy of something if I don't have a job?

Adding to this, workers believe that with being good worker you will be rewarded properly, because good work means better results for factory and in the end for the whole community. Matko, from TPK, spoke that before and now you just have to make that you are good workers and everything will be fine. He had a master who thought him to work on the machine in the 80's, and because he was good he got a job. From then, during transition and up till now he was following this logic. Igor, spoke that it is important to do job properly and that's it. Only two younger managers emphasized that worker has to think more outside the box and look what he can do for betterment of the company, on all levels. All the others were focusing mainly just on their clearly defined job position and task that they get. Also, adding to this work played a significant role in social positioning of the individual and therefore today in ITAS an important criteria for a worker to go for elections and become a member of the work council is his level of skill on the shop floor.

One more insight that indicates importance to work are accounts of different competitions connected to certain professions. When I arrived in Varaždin, during the short car ride with Ana and her mother, they proudly told me how Ana's dad was Croatian champion in



drilling in 1983 and then they discussed was he a champion of Yugoslavia. Later, it turned on that he was third in championship in Yugoslavia. They spoke about this as important thing that Ana's dad did in the past when the times were better. Matija, told that they were a crew in the 80's. There was a couple of them who went for this championships and persons from ITAS were quite successful on Croatian and national level. Josip was a champion in milling.

### 3.3. Replication of self-management in ITAS

#### 3.3.1. Institutional organization and practical outcomes

In this chapter I am discussing the institutional arrangement of decision making organization in ITAS. I am discussing this in order to show certain similarities with Yugoslav self-management, and to support my main thesis about revival of certain practices from before. After that I move on to describe how that plays out on the practical level.

Main ruling body in the company is the assembly of owners. All of the stock owners can and should participate in it. Assembly of the owners is choosing the steering committee. Below that there is shop floor commission, which should serve as main decision making body in the company. Shop floor commission includes trade union representatives, members of work council, director and all of the lower members of the management (chiefs of departments, headman's). Also, every worker can participate in the work of shop floor commission with the previous announcement. In practice, workers have to notify Stjepan to come to the meeting of the shop floor commission. Work council members are mostly from shop floor selected based on their skills, seniority and their willingness to participate. They are selected on elections, which happened twice since 2007 according to one of the workers. Trade union members are also chosen on elections by workers.

President of work council is the president of shop floor commission. All this is guaranteed by statute of the company. The shop floor commission and steering committee discuss the same agenda, while as rule shop floor commissions meets before meeting of the steering committee. Meetings are held once a month. So far steering committee never made a decision that was against the decision of shop floor commission. If there is an initiative from trade union or work council about removal of the director, then that goes to shop floor commission which suggest removal of the director to the steering committee. In 2012 the workers have changed their director because their business results were bad.

This institutional setting reassembles many elements from self-management while at the same time introducing shop floor commission from German model. Therefore on institutional level, property and managing the property allows workers to have a significant influence on business decisions of the company. The model for organization of this company is not finished and they are working on it in cooperation with Institute for Economic democracy from Zagreb.

On a practical level shop floor commission is envisaged to be big and important improvement, but I found several accounts in which workers were complaining that they are not deciding about anything. One worker complained that they didn't know that one part of the factory was going to be sold couple years ago. Another one, complained that there are only 2-3 people here deciding about everything, while on the other hand David told that that worker is knows as very skeptical. Barbara told that she doesn't feel like that they are asked about anything. On the other hand, many workers said that there is a good hope in this company and that it can work well. Boris, pointed out that they are well informed what is going on in the company and because now there is no communist party they can really decide about the factory. I would say that perspective about influence to decision making range from very little or none to the level where workers are well informed, they can change things through work council and shop floor commission and things are expected to improve.

One more important observation what many workers expressed is that they are not so interested in this models of economic democracy and they don't know much about it. They are mainly concerned to do their job well, and to get a wage for that. Still, most of them favor the work organization they have and they are hoping that business will improve so that they can get better wages. I would say that they are in favor of workers owned companies, but they don't know much about that and they don't have much time to deal with it so they focus more on their working and practical tasks.

### 3.3.2. Ideological, institutional and practical layers of socialist legacy

Even though Stjepan calls ITAS's self-management of the 21<sup>st</sup> century, and claim that is has nothing to do with Yugoslav self-management it seems that there are many ideological, institutional and practical legacies that have been revived with the workers takeover of the factory, while some stayed throughout the time. The point is not to discard claims by Stjepan, but just to point out to continuities with some previous times. In this chapter I am trying to list ideological, institutional and practical legacies of socialism that are today revived in case of ITAS Prvomajska.

On ideological level, one thing that can't be missed in the factory are pictures of former Yugoslavian president Josip Broz Tito. In both P1 and P2 there is a picture of Tito standing on the wall. When I asked them why he is here, they would reply "Well, he was a metal worker too". Furthermore, it seems that his persona represent some kind of workers resistance to outside pressures. Boris told me "He was always here, even when there was privatization they wanted to take him away, but he stayed and now is here". Adding to this ideological level they have made the name of the factory ITAS – Prvomajska, which was the big company to which they belonged before.

On institutional level there are several things that are connected to socialism. First and clear legacy is work council that is a part of ITAS's decision making structure. First work council in Croatia was established in 1949, which was the first work council in whole Yugoslavia. I have already mentioned from several authors that work councils provided a certain voice for workers. Therefore, I think that workers in ITAS have that institution for the same reason. This two accounts from bellow say a bit more about general stance of workers and trade unionist about work councils.

While we were driving back home from trade union meeting in Varaždin, organized by RIS (regional industrial trade union), in the car we were talking about work councils. Along with two people from BRID, Martina Vedriš was with us, who had long tradition of trade unions activity and for 36 year she was active in trade unions. At one point she was leading her own trade union which had 3600 workers. She spoke about debates in the beginning of the 90's about work councils. She emphasized that some were arguing to totally remove workers councils because they are created during the socialism and therefore present link with socialism which should be avoided. Still, workers councils were created but their formation was not supported. There are no studies how many work councils exist in Croatian companies and she pointed out, that by the law they are only optional. I think that she assumes that work councils should be mandatory or at least that there is some stronger pressure on the side of law to put more emphasis on work councils.

In my talk with Andrija from TPK he told that he is wondering when the work council ceased to exist in their factory. He was member of the work council somewhere between 1985 and 1989, and he said that in fact you could say something at that time as worker in the factory. Then he was participating in „democratic changes” but the work councils just disappeared which he sees as the same as it was work councils that existed before. In the same factory when

I asked the secretary who built and made this factory she pointed out to the picture of work council.

Secondly, on the institutional level they have established wage ratio 1:4 for non-skilled and skilled workers which is one more legacy from socialist times. Because of that managers can't have more then 20 000 HRK wage per month, while workers are revolving around 4000 or 5000 HRK. David pointed out to me about this fact, while mentioning that it was like that before in socialism.

Third institutional legacy are workers assemblies. Last day of my stay in ITAS factory, there has been held workers assembly like those assembly's that were taking place in Yugoslav self-management. The meeting took place in the end of the first shift, and it was scheduled for half past one. As soon as workers have received the news, they started speculating about possible reasons for it and lowering the wages. I was expecting that it could be that director wanted to wish to workers happy workers day that was to take place in two days, but workers speculations were correct. The director lowered their wages for 10% since they couldn't collect more money that month. Later on, I've heard that this is not something new and that was



*Figure 1 Workers assemblies before 1979 and in 2016*

happening exactly like this before. This event clearly reassembled those meetings that were happening in socialism.

On the one hand workers have established again institution of workers assembly which obviously provided some source of information's and a place where the important decision are being told. On the other hand it provided management with means to discipline workers in a certain way and ask for heavier work. That is quite observable, because participation and discussion are still totally left out from those type of meetings. One indicative practice for that is the way the workers were behaving on the assembly. It was at the end of the shift, and many of them already changed their clothes in order to go home when the meeting began. Stjepan was about to take the mic, and first he tried to manage issues with the places that workers occupied. Many of the workers have gathered at the small passage close to exit doors of the factory. First Stjepan asked them to move to the center of the hall and not to stand on the side of the passage, but nobody reacted to that. He repeated what he said previously, but nobody reacted again. He done it once more, or twice with raising his voice and mentioning that this is always the problem but very few workers moved and moved just a meter or two, while nothing changed significantly. Stjepan, then pointed that situation is serious and he gave the word to director. Director immediately said in first two sentences that the wages are lowered for 10% and then he started to list the reasons why that happened. He held a longer speech addressing certain issues, and mainly talking that workers are not working good enough since they have problems with products, communication, deadlines etc. Stjepan took over the mic again and started urging for workers to be more serious and to start caring about ITAS. The whole event finished with Stjepan offering the floor for workers to ask some questions. Nobody raised a question. He repeated but nothing happened, and workers went home then. Why nobody didn't raised the voice, Stjepan explains for different case but it applies here too.

“There was some problem, and on council director asked what they think but no one replied anything. Its problem to say something, because it is unpleasant and you don't want to be attacked by others. But when they go around, they talk about this things, but they won't say on meeting. “

Forth institutional legacy is the role of trade union in the factory which mainly serves as social service and for distribution of certain benefits. Trade unionist participate in the work of shop floor commission, but except that their role is mainly for providing workers with certain benefits on certain occasions.

One more interesting fact that can be observed in ITAS is that they are pursuing full employment. On the one hand, from numerous accounts it is very obvious that is it very hard to be fired in this factory. Tomislav told “in order to be fired here you really need to fuck up something manly, and even then you will get official warning or something, maybe they will penalize your wage and then after that it can go to shop floor commission and then maybe you will be fired”. David pointed out to the same things, while I was talking with him. This is also expressed in feeling of security by workers in factory that is expressed many times, because they are quite sure that they will not be fired.

On the other hand, they had a big deal with company Wokman, which supposed to raise their production to significant levels and along with Ferometal be their biggest partner. The problem was that Wokman was not paying for the products and they had to stop the production for them. On account of that deal, they have employed many workers in recent years, and especially last year so that now they have around 250 employed. Many workers raised their doubts about this amount of workers which is not necessary for the functioning of the company. Jerko told that “we could be 150 and get quite decent wages, this is only surviving not living. We can't be social institution. “

Igor told me that when there is no work, then you either stay home while taking vacation if you have vacation days or you come and do some simple job here, just in order to work something. But nobody is getting fired here, I heard only about one worker who was fired from director who threatened to workers on assembly with that example.

Furthermore, they have long term business partners based on the connections from the previous times and reputation they have built during Yugoslavia. Also, part of the business relations is based on the old connections from Yugoslavia. It seems that they had certain reputation in Germany, since many of their partners are from Germany while this relationship was maintained during the years. In regard to connections from former Yugoslavia, they have two foreign partners which are owned by former citizens of Yugoslavia who became famous businessman's abroad. One of them is Bimoq from Venezuela, which is factory owned by certain Montenegrin who lives in Venezuela. During 90's he was their most important partner. Second one is Yasar Kusturica from Germany with which they have good business ties also.

### 3.4 Management – workers coalition on a global market

One of the characteristics of Yugoslav self-management that was often emphasized in literature is that there was existing coalition of managers and workers in production. Managers depended to a good extent on their political connections, but on the other hand they were not fully appointed political actors under the control of communist party. It was in their interest to maintain good relationship with work council and trade union, which produced micro-corporatist insider coalition of workers and managers which was mostly aimed at market survival (Grdešić, 2008:137). Vodopivec develops similar claim, “bargaining” between the state and managers resulted in specific internal discipline on the shop floor. Workers helped to managers to overcome technological drawbacks and shortage of stock materials. This required



hard and overtime work, but the workers enjoyed security and employment stability, as well as financial, material and symbolic rewards. (Vodopivec, 2012:619).

It seems that this kind of coalition exists in the case of ITAS too. On the one hand management asks workers for heavy and good organized work, because they are now on the world market. Furthermore, they use the idea of worker – entrepreneur by which every worker should start from himself and do as best he can for the betterment of the factory. On the other hand I have already showed that ITAS is pursuing full employment and that workers are enjoying the same feeling of security and employment stability. Furthermore, management tries to build good and friendly relationships with workers, while they are trying to minimize standard disciplining measures present in factories in Croatia. I didn't observed that they were receiving any financial, material or symbolic rewards. The reasons could be because they are struggling to pay minimum wages or slightly higher ones.

#### 3.4.1. Approach of management to workers

In regards to approach of management to workers that was quite explicitly observable on the assembly of the workers, which I have already analyzed but for different purpose. Those assembly's happen every 3-4 months and from accounts of other visitors in ITAS they are always the same. The one that I witnessed was on the last day of my stay there, and it was the strongest experience from there. Director started quite dramatically with "I will talk slowly so you can understand me, and I hope that all of you will understand. This will be the last time that I am talking this to you."

He told that the wages are lowered for 10% and then he went to identify reasons for that. One is global competitive market, while the other reason were people in the factory.

"and couple of last days what I saw when I went a bit deeper, when you see that something is not going in the way that it should be, then you discover a huge pile of things

which are simply showing like that we are not grown up enough to deal with the times in which we are living and that we are not mature enough for tasks that are in front of us.”

Last year they had negative balance, and this is what he identified as the reasons for that. “Why it was like that, there are couple of mathematical facts that are supporting that and that is that we have raised the wages in the beginning of 2015 and on that basis we have paid 800 000 more than the previous year. That wage was supposed to give different results, better results, our better efficiency, our better productivity because that is proportional. It should be better reward for better work. But that obviously didn’t happened“. Following this, in his speech



Figure 2 Workers during the director's speech

he was threatening with sanctions, and mentioned one worker who got fired while one more is on a good way live up with the same destiny.

With this speech director identifies workers as the problem for negative balance, and claims that their efficiency is low. With this he stresses that they have to work harder. This happens every couple of months, which seems that every couple of month's management has to reclaim its power and to require heavier work.

One more thing that is enforcing work discipline and work involvement is the idea of worker-entrepreneur. Stjepan told that he has this idea that every worker in the factory should be also in a way an entrepreneur and think about how to help to foster the production. With everyone doing their job good and looking for ways to improve production they would become a modern European factory.

On the other hand to compensate for this requirements, along with job security and full employment that I already described, management tries build very friendly and collegial relationship with workers and between all hierarchical lines in production. Secondly, they are trying to minimize use of disciplining techniques used in other factories, while also allowing certain things in production which reduce the stress of everyday work.

When I asked Tomislav how does he feels in the factory and what are his impressions, the first thing he said to me was about human relations in the company.

“I must point out that I was very surprised about relationship towards workers, I mean it is on a top level. For example if there is a need to work on Saturday, director calls, excuses for interrupting and asks can you work on this Saturday. Then if you can't it is really ok if you can't come and don't come, the director looks further.”

Others pointed out that it is not a problem if you need sometimes to leave factory for an hour or two in order to deal with some important issue that you have. Even for vacation you

don't have to worry, you can just say a day or two earlier that you are going on a vacation. While I was in the planning office, one day Ivan was missing from his workplace. Štefica, the chief of planning center, told me that he is probably on vacation today. Just like that. Stjepan also once told that he has to drive his son to a hospital in Varaždin and he left around 9 am there.

In general, relations in the factory seemed quite relaxed. Most of the time in the background there was some radio playing the music. When I approached workers they tried to make jokes with me, and that was the case with me walking around with Stjepan. There were some tensions, which I noticed in the planning center but they were something serious.

It is important to notice that workers are allowed to smoke in the factory during the work hours, which was observable on the shop floor and in some parts of management. You could see worker working on a machine smoking or walking around and smoking. On other hand workers were not smoking in the planning center while there are smokers working there. Marija told that she is going out to smoke. On the other hand, Stjepan smoked in his office next to director while I don't remember that people were smoking in construction office, and technology and commercial I didn't visited.

Secondly, as Luka told they drink a lot of coffee around and that was also observable in the factory. I could see workers during the working time, standing on the machine that is being assembled and just drinking coffee. Interesting event took place when two workers that are working on forklifts arrived to storage and tried to have coffee there. They have parked the forklift in the storage, and left them in order to drink coffee. Then somebody said a bit louder, director is up there, which led them to return back to forklifts while cursing on the way. Otherwise, they would had their coffee.

Štefica, told that the difference between now and then is that you can maybe speak a bit more. You do the same job and things are of very little difference, maybe I can speak a bit more but then you compensate that during work. Tomislav, also pointed out to this, that sometimes they have to stay 10-15 more minutes because someone had to drink coffee during work time. Which means that they have the leisure, but on the other hand they compensate that with their work later. Marija pointed out to this, that when there is crisis then people involve more effort to finish the necessary job.

Work doesn't start exactly at 6 since some of the machines are still empty, but already at 6:10 the job is ongoing. It has to do with changing of the clothes, because huge majority comes at 6 since they have card registries at the entrance doors. Also, the end of the shift is at 2:00 pm, but at that time most of the workers are already at exit gate waiting for 2:00 pm so that they can register and leave the factory.

## CONCLUSION

In this work I have tried to uncover hidden cognitive maps of labor in case of two factories in Croatia, TPK-Nova and ITAS-Prvomajska. My findings show, contrary to dominant ideological understanding of property in Croatia which is private property, that workers have different understanding. Even though workers are completely aware of dominant and legal private property structure, they still refer to factories as theirs and consider that socialist organization of work and production was better than the current one. They refer to factories as theirs, even though they usually don't express clear property or decision making claims. This refers mainly to older workers, while there is significant gap between them and younger workers. Still, there are some accounts of younger workers in support of this thesis. Similar thing is with the approach to work, which still takes the central role in the lives of former socialist workers. When we add to that certain media and everyday discourses, it seems that socialist ideas of workers owned factories, and centrality of work are still present in Croatian society and particularly Croatian labor. On the other hand, very interesting graffiti in Zagreb points out to significant problem that Croatian labor is experiencing currently. On the wall of public building in the city center of Zagreb someone wrote with red color "Factories to the workers". Couple of months later, bellow that there was an answer "Which factories?"

Secondly, I tried to show that Yugoslav self-management was not the same as state socialist organization of production, and that it provided Yugoslavian, and particularly Croatian workers with certain amount of power over production and later on the shop floor. Realization of that project was far from the proclaimed socialist ideals, but on the other hand it was better at least for a nuance then in comparison to the then exiting "West" and "East". I have pointed out for that because workers in ITAS after takeover of the factory have replicated certain structures of self-management, and have used some practices from Germany like it was done in the case of successful transition story of Slovenia.

In regard to limitations of this research, the issue of time spent on the fieldwork is quite surely a problem. I spent 7 very intensive working days on the fieldwork, which didn't allowed me to get into many details. Because of that, I have focused partly on institutions and institutional legacies since they are easily observable.

Second limitation for generalizations from this research, and especially to the generalizations about existing socialist perspectives on workplace and work comes from the geographical and economical position of the observed factories. Both of the factories are situated in the northwest part of Croatia, and very close to Slovenia. Slovenia and northwest part of Croatia were most economically developed parts of the former Yugoslavia. They were doing well during the Yugoslavia and maybe their application of self-management was good, but that was not case in the rest of the Federation. It would be very interesting to do research like this in some other less developed states in the former Yugoslavia in regard to work organization.

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