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SOCIALIST SELF-MANAGEMENT IN WORK-COLLECTIVES
OF THE SOVIET STATE INSURANCE COMPANIES

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The overall democratization of the Soviet economy that is considered as a real alternative to command-style central management, has been introduced to all sectors of national economy. One of the visible results of this process has been development of self-management movement in the work-collectives, where the workers are linked by the means of constant co-operation in process of realization of mutual aims and interests. ¹⁾ As it is known, the political economy of socialism enumerates several basic types of economic interests dependant on the degree of their socialization and social range - namely: individual, group and national interests. ²⁾ They are not only complementary, but as well contain certain

contradictions. During the outgoing phase of social relations formation, with its command-style of central management - unconditional submission of all interest to the national (state) interest was considered to be the main method of solving these contradictions. At the new stage of development in socialism, KPSU has accepted a strategy of their harmonisation. In new redaction of the Party Programme it has been stated that to improve the central planning it is necessary to: " secure optimal coordination of interests and needs of work-teams, various social groups and general national and state interests ... " 3) This process, in my opinion, doesn't exclude giving priority to collective interests, what seems to be most necessary in present conditions. Similar tendency, although it must not necessarily lead to constant domination of group interests over national ones, appears at present stage of development to be basic contradiction in socialist states. One of promising methods of solving this contradictions seems to be gradual development of self-management in work-collectives in conditions of general democratisation.

It's already evident that the interests of work-collectives are most visible in context of their economic activity on basis of self-financing. Therefore, as it has been proved by short, but substantial period of democratic transformations in the Soviet Union and other socialist countries such basic factors as "democratization", "self-financing" and "socialist self-management" are not only complementary but also should be considered as mutual preconditions: they may proceed only

in the frames of certain logical and historical sequence. To start this process it's necessary, as I am convinced, to democratize the foundations of social life (in political sphere beyond all). This can form, so to say, a general basis for inspiration of further changes in other sectors, including economy. It's a precondition for real implementation of principle of "self-financing" in prevailing majority of the main sectors of national economy. Furthermore, self-financing forms preconditions for social (political) expression of particular economic collective interests in form of socialist self-management. The latter, in turn, influences the process of democratization in all society.

An effort to democratize widely the economy on company level, which was mainly expressed by the 1983 law on work-collectives, failed. It was undertaken without proper calculation of multi-dimensional links of this process and neglect of the role of "self-financing" principle. Thus, the 1987 Law on State Enterprise (and associations) with special stress underlined the direct link between economic independence and self-financing of enterprises and the process of forming of socialist self-management in work-collectives. In particular, this thought was expressed in Article 2 of the Law: "The enterprise acts on basis of full economic independence and self-financing what is achieved by the means of socialist self-management".

I suppose, that above quotation should be in full scale applied to the national insurance system. Despite the

fact that institutions in this sector appear as parts of national finance organs, it is elements of institutional state system - the insurance sector, in whole, shows all basic features of a state enterprise. Thus, on republican level the insurance firms act on basis of economic independence and have possibilities of self-financing. Their specific economic and social activities, as well as work-payments, are financed exclusively by the means acquired by services rendered by the members of the system. That is also the source of financing of all expenditures connected with insurance services. Profit is treated as most general, although not exclusive, indicator of their effectiveness. However, up to now, such desirable solution is applied only on top levels of management of the state insurance sector. Its most numerous primary elements - inspections - are deprived of some important formal features of economic independence and their workers, consequently, of basic preconditions to constitute socialist self-management.

The implementation of socialist self-management principle could be reduced, in principle, to creation a mechanism which would provide increasing responsibility on part of workers in response for additional rights of all collectives and individual employees. Self-management increases involvement of average worker in economic activity, his interest in most effective use of social property and authentic self-identification with collective and national interests. Most typical form of work-collective, assuming posi-

bility of self-managing, is a brigade. Law on State Enterprise confirmed its right to achieve economic independence inside enterprise.

In the system of national insurances the brigade form of work organization was initiated since beginning of 70-ies, and to a greater extent from the middle 70-ies. One of the specific features of these brigades is fact, that they are formed exclusively from the insurance agents - only one category of all the employed in insurance sector. At present - out of more than 154 thousand insurance agents employed at national insurance company (Gosstrach) - about 70 % are members of brigades, which are all voluntary associations. In the past brigades of insurance agents, as a progressive form of their work organization, proved successful. It's their development which enabled insurance business to achieve good results in the stagnation period. However, the essence and source of brigades advantages is based on fact that it is not only organizational and technological association but also a new form of social organization. This is an elementary work-collective, where there develops moral and economic concern with the results of work-mutual for all its members, where self-management and self-organization process takes place. Each member of a brigade, when it is properly organized, not only feel their responsibility before the collective but also realize that group sources derive from individual achievements. This creates a deep personal interest in the brigades affairs, gives birth to autonomous

involvement in solving problems important for all the collective.

An essential role in proper coordinating individual, group and national interests is played by relations of distribution which occur in work-collectives. 4) One of the most crucial elements in this respect is the work-payment system of insurance agents - brigade members. In accordance to existing rules the brigade members choose themselves most acceptable form of payment for their work. At present there are three most widely applied methods of payment distribution:

- payments are distributed among the members of brigade in relation to their working-time,

- payments are distributed according to the coefficient of work participation (KTU),

- workers are paid on a mixed basis: constant wage in relation to the number of working days and bonuses - according to KTU.

Besides this, in some inspections there is also implemented a progressive system of payments, which is based on principle of equal share of all the members of brigade in available pay-roll - equal payment solution. Brigades of the first type have the biggest share - 62 %. Collectives that opted for KTU principle form - 29 %. Only 8 % of all brigades apply the mixed formula. 5) The general feature of all quoted systems of payment distribution is prevailing preference for group interests. The circumstance favours present model of brigades in relation to their predecessors, which

at the time of primary creation of this organizational form practised almost exclusively systems of individual payments. Opinion polls among members of brigades about their evaluation of applied forms of payment distribution have proved, that above 80 % of respondents were satisfied with their choice of pay-system based on KTU principle and 76 % approved of chosen form that linked payments with the number of working days. So it is quite possible to state that application of the principle "payment according to work" has not only great impact on collective morality creation, but also appears as a measure of its social maturity.

Justice in distribution of the brigade's gains as well as corresponding with payments distribution of duties and individual planned tasks among the members of a brigade could be achieved only when there component organs of self-management exist and a collective expertise is applied. Therefore, in full correlation with requirements of developing self-organization and self-management and specially, under influence of the Law on Work-Collectives, in 1985 there were completed works on elaborating typical models of their organs: Statute of Brigade of Non-Permanent Insurance Agents, Statute of a Brigade Council, Statute of Brigade Leaders Council. In effect of applying of those solutions there was some elementary unification achieved. There is now more clear legal situation in respect of the competences of brigades and their organs in state insurance sector. Special stress was given to the statement that all organs of self-management should be elected and

subordinate to the brigade collectives. On the other hand, brigade leader and its council are given wide official authorization to manage the internal affairs of brigades and to constitute their external representation. Practically following questions are included into their exclusive competences:

- forming brigades (when a new member is hired it's necessary to obtain written agreement of all the old members),
- planning and organization of work in brigade,
- payment and work stimulation,
- work discipline.

In order to coordinate brigade activities and to help management of the inspections at the same time there are brigade-leaders council formed. They include most experienced representatives and make decisions on allotting territory of insurance activities to separate brigades - from the point of view of strictly economic effectiveness and according to social justice principle. They decide also about mergers and dissolving of brigades, support information about interesting experience, receive reports of brigade leaders, inspire new forms of insurance work, new principles and tariffs.

Practical experience proves, however, that there occurs serious barriers on the way of forming a complex system of socialist self-management. They are of both - administrative and socio-economic origin. First, statutory instructions are often neglected in some crucial points in many insurance institutions (they appoint the brigade-leaders in administrative way, the decisions of brigade councils are not taken in con-

sideration by professional management, etc.). The brigade leaders often have no possibility to show necessary initiative because of strictly limited range of their decisions. According to their own opinion, usual practice is to put brigades into frames that are much too narrow for their present aspirations. 6) Second, each brigade, being a voluntary association of human collective, from the very start of its organization shows its own intrinsic contradictions. One of the main problems is that, for some reasons, a brigade should be large enough to achieve potential of solving socially significant questions, and for other, as it is evident, big collectives are hardly manageable in social meaning.

It's hard to make them operate according to democratically expressed will of the group members. Mainly for that reason, at the beginning of the movement an average brigade was grouping 5-6 members, what proved to be unsatisfactory small number in practice. During last years a general campaign of enlarging brigades has been observed in all sectors. Now they consist usually of 8-10 members, what also is by many considered to be only a partial solution of the problem. Some insurance institutions, following the tendency of centralization, create brigades which include all insurance agents employed in the inspection. Instead of former small brigades there appear units, having very limited rights, with a formal status of brigade's subdivisions. Such structure of insurance agents collectives has its advantages. It helps to avoid conflicts around appointing insurance fields to separate brigades and fixing their

borders, which disappear totally in that case. It is also easier to organize cooperation in bigger collectives and to concentrate efforts, when necessary. ⁷⁾ In fact, almost all the non-permanent employees of the inspections join such brigades.

In my opinion brigade, even a large one, is only a basic cell of all organizational system. Its independence in process of socialist self-management organization should not be exaggerated. The complicity of the situation in insurance business is linked to the fact that any type of brigade deals only with one side of the work - collection of the insurance fees. They are completely separated from payment of premiums. That means that they don't participate in the final results of insurance services and are not responsible for them. To make process of democratization in enterprise really collective - it must integrate the interests of all levels: shop-floor, middle and top. By top level I mean here those workers of inspections, who deal with insurance premiums. Their duties are directly dependant on the activities of insurance agents and their brigades, although they don't participate in financial affairs of the brigade and its self-management. Because situation like this is far from normal - a wide scale experiment in Soviet insurance sector is planned for the nearest future. Its aim is creation of complex brigades, which will include not only insurance agents, but also other specialists: economists, accountants, inspectors. Such brigades will no longer be mainly formal structures. They must be oriented on final financial results.

Joint responsibility of agents, accountants and inspectors should lead to complex optimalization of management on basis of socialist self-management. Such primary units, which are oriented on final results of collective work, would have better possibilities to apply self-financing and consequently develop real self-management.

Thus, far going improvements in existing model of self-management in insurance sector are still necessary. Only after that idea of democracy could be reality in the everyday life of work-collectives.

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Opiniował

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The paper discusses the current state of state insurances in the USSR and the need for reforms. It analyzes the existing system and proposes changes to improve efficiency and coverage. The author suggests that the current system is outdated and does not meet the needs of the population. Reforms are necessary to ensure the sustainability of the insurance system in the context of perestrojka.

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