

The following essay of András Hegedüs is an important and unique piece of the Hungarian sociological heritage. There are at least two reasons why was it important at the time of its publication, in 1965: one is more social-political and the other is academic in nature. First, it was a preparatory period of the economic reform, when marketization and optimization got emphasis and public discourse was shaped mostly by efficiency minded economists. Hegedüs knew and supported the efficiency arguments as far as they sought to rationalize, or at least constrain bureaucracy. He knew the lingo of the party apparatus as well. He used the argument of efficiency against the information monopoly of the party. This was unique at that time, at the beginning of consolidation after the 1956 revolution. The elite wanted to distinguish itself from its immediate dogmatic predecessor and elite members had to change their mind in several respects. Hegedüs himself had to make up his mind, being the last prime minister before the revolution. He contributed to the reform discourse with a critical view. His perspective was slightly different from the efficiency argument and it was certainly different from the attitude of the cautiously modernizing party bureaucrats. Its core idea was the presence of alienation under state socialism and this anticipated the debates and attitudes of the Hungarian opposition in the 70s. It did shed light on the problem of leadership as well, that has become an established research topic since then.

The second reason this piece might be of interest is that it was written in the period of the rebirth of Hungarian sociology. The sociology research group at the Academy started to work under the leadership of Hegedüs in 1963. A previous issue of this journal (www.socio.mta.hu/mszt/a2000) published the recollections of colleagues concerning Hegedüs and the role he played in that period. The rebirth of sociology headed by Hegedüs did not last long. He protested against the invasion of Czechoslovakia in 1968 and was soon removed from his position. His critical perspective however had a lasting impact.

OPTIMIZATION AND HUMANIZATION* – ON THE MODERNIZATION OF THE SYSTEM OF ADMINISTRATION –

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System of administration or management, economic mechanism or mechanisms, system of planning, the specific system of the planned economy – who could list how many terms are used by specialist writers to indicate essentially the same? It is that medium of the society behind the term where economic policy is realized, where the specific types of economic decisions emerge, and where therefore the trend of economic processes is determined to a large extent and as a consequence also the pace of economic development is set.

This is an extremely colorful world. At first sight apparently it is only the distribution of functions, duties and rights as well as the isolation of organizations and institutions, and to this extent it seems to be a narrowly understood legal or organizational problem into which only the economists at the most have a say based on the fact that the result is primarily manifest in its economic impact. The depositories of normative legal rules, such as duties and rights, are, however, members of real groups of the society, who are the carriers of specific economic relations, having special norms, moral judgments, sets of values, and a social, political and economic consciousness, therefore this medium is a research topic for every branch of social sciences dealing with the present. We have, however, reached this realization only during the most recent period.

* Published in *Valóság*, 1965(3).

HISTORICAL RETROSPECT

The social outlook that had become dominant in the early 50s in our country too, did not even recognize the mere existence of this medium; according to it the plan and economic policy can govern and control the economic processes without any particular mediation, and the enhancement of efficiency may, at the most, demand the improvement of the plans and of control. It did not even occur in our thinking of those days that the plan and control themselves are results of human activity, hence they are the functions of social-economic conditions.

It has necessarily led to seeing even research into that medium as something suspicious, and provoked against itself the accusation of attacking the socialist social setup. The ideological basis to it was offered by the outlook identifying every formal element of the administrative system with the essential features of the socialist society. This is how piece-rating became the form of wage best suited for and with a general validity corresponding to the socialist principles of distribution, and the brigade organization of cooperatives was regarded as the 'only true' form of the work organization of socialist agriculture, and this is how the annual and five-year plan indicators had become law in the real sense of the term which did not even approximately reflect social interests.

In this situation the academic study of the system of administration could not unfold, because if the researcher is not satisfied with some kind of apologetic task, always criticised by Marxism but wants to study the system of administration in its essential reality, he/she has to put the question in each case whether the specific solutions are expedient or not. Could science study whether it was useful to issue plans empowered by legal sanctions for every area of industry when the annual plan was sanctioned in every detail as the essential specificity of the socialist economy?

To some extent the discipline of law has also promoted this simplification which practically traditionally identified the normative legal rules with real processes, the system of economy with rules for the allocation of materials, and the practice of paying wages with legal norms for wages, etc. According to this understanding the task of science was limited to shape and modify the legal norms to suit the concepts of economic policy from time to time. The difference between normative rules and real processes seemed to be simply a mistake of practice, which we willingly traced back to the remains of capitalism in our thinking. Hence it is only too natural that law-making was practically not preceded even once by the analysis of the real social processes with scientific method and description.

Socialist society had to overcome that condition because it necessarily led to bad solutions and hindered basing the changes becoming inevitable as a result of conflicts on scientific studies, therefore it opened up broad opportunities to unfounded and subjective ideas and voluntarist decisions.

Historically it was economics that started to study profoundly the perfection of the system of administration simultaneously, in almost every socialist country. Soon its major topic became the system of financial interestedness.

Researches, even if some of them were rather one-sided, already indicated the acknowledgement of the necessity that science had to study the medium that was

between economic policy and the implementation of its aims, and by research it had to offer help to making the management of the economy more efficient.

When, however, researches progressed somewhat the idea matured in a growing number of researchers that it was not only the system of financial interest in the realization of social and economic political aims, and not even moral incentives referred to as the pair of that concept that played a role in the realization of social and economic political aims but that there were several other, hitherto not studied factors such as the expedient centralization and decentralization of decision-making rights, the level of knowledge of people working in the system of management, the relationship between leaders and subordinates, or the ideas about the society of the various groups as well as the different forms of common consciousness and particularly of the political and economic one. These are, however, phenomena the study of which leads from economics to the other social sciences, and primarily to the realm of sociology and social psychology.

Today social science has got suddenly into a situation in most of the socialist countries that it is not only allowed to study the functioning and efficiency of the administrative system, but it has become a compulsory task made prominent in the most different ways for those engaged in social sciences. Development, as usual, has brought forward a series of problems. Empirical research has rapidly multiplied, approaching this complicated world of phenomena from different angles and describing partial phenomena that may not be brought into contact among themselves at all (allocation of materials in a given branch of industry, bonus methods in a certain factory, etc.). In the flood of empirical research it is becoming increasingly difficult to synthesize, meaning that it is also difficult for science to offer truly valuable and lasting assistance to practice. It is only possible to analyze the different groups of phenomena taken out of their context with the help of partial researches, but the presentation of interrelationships and the essential causes would be necessarily missing. Consequently the recommendations of social scientists may only be directed towards superficial treatment and corrections. Meanwhile such general concepts are born in diametric opposition that more or less precisely outline a significantly new, or thought to be new system of management. There is, however practically no connection between those general concepts and the results of research into detail.

Overcoming this condition is greatly made difficult by the fact that the theoretical consequences drawn from empirical research are extremely deficient, moreover such dogmatic ideas tenaciously survive which orient practical research into a wrong way through different transmissions, and send them towards side issues such as organizational practice.

OPTIMIZING DECISIONS AND ITS SOCIAL CONDITIONS

When studying the efficiency of the system of administration and when weighing any idea of renewal or modernization the question inevitably emerges what kind of demands should be set for the management of the economic system in the socialist society and what are the *theoretical* requirements of its efficiency. (The mathematically exact measurement of efficiency is an entirely different question based

on statistical indices, but its expedient solution also requires the clarification of the theoretical starting points.)

Historically the most frequently stressed criterion was the promotion of the possible most rapid development of the material goods of the society and also the largest extent of satisfying the growing social demand. In this stand one may discover at least two rather grave shortcomings; first of all it sets out from the assumption that any kind of enhancing the production of goods, irrespective of the structure of choice, quality and variety of products, ultimately of its use value, would promote a higher level of the satisfaction of social needs; secondly it does not consider social cost therefore it provides a broad space for the “costs what it may” outlook. In addition this wording is too general and as such it is eminently suited for developing schematic judgments, and may serve to justify any kind of dogmatic practice of economic management.

At the different levels of the system of management, which is wrong to be restricted only to the management of the economy, for the direct ‘product’ is not the expansion of material goods, as it can only be an ultimate result, but it is some kind of managing and governing activity playing a minor or major role in the reproductive and distributive processes of the society, and the most prominent and interrelated basic form of it is the decision-making and controlling process. Priority has to be accorded to the decision determining social action of the two, for ultimately the purpose of control is nothing else but the correction of old decisions or the preparation of new ones.

It seems to be more expedient to reformulate the previous, rather general requirement all the more so in order to see to it that a truly efficient system of management should promote in every level the optimization of the social-economic decisions made within it, so that the most favorable ones to society should be selected of the possible decision-making variants. (Let us now disregard the exact definition of the criteria of the most favorable variant for it has a big new literature and we will come back to its elaboration later on.)

The literature on economics of the socialist countries has recently been dealing a lot with the methodological problems of rational action, and with the optimal social-economic decision-making within it, with the so-called *praxeology* (particularly in Poland). This new discipline wishes to answer to the question what variants of solution are possible under different economic conditions, and can it be determined, and if yes, in what way which is the most expedient of the different variants. As in the case of every new approach illusions have spread in relation to this one too, many think of this perspective as reality and consider the sphere of decisions that can be programmed as an extremely broad one.

But even in cases for which science has elaborated the mathematical formulae best suited for optimum decisions (such as the method of calculating economic efficiency of investments), it does not at all mean that the given procedure may be applied without any further step also in the system of management. Many circumstances may be present that work against the optimization of decisions, and encourage decision-makers not to select the variant advantageous to society despite all advice of science.

The creation of favorable conditions to making optimal decisions as a criterion of the system of management is naturally a requirement asserted not only in socialist, but also in capitalist society, at least within the framework of certain monopolies, trusts and companies. Here, however, optimization is possible only in accordance with some

particular interests. The difference between the two systems is not that there are no particular interests in socialism, for naturally they cannot be eliminated here either because commodity production is continued here, too. In socialism, however, such a form of mobility of social activities and conflicting interests can be developed with conscious work which, at least as an ultimate resultant would ensure the assertion of the interests of the entire society (which today still means mostly the national society).

Naturally, the creation of this possibility does not automatically derive from socialist ownership relations but it depends to a very great extent on the state of sciences. In this sense one cannot overestimate the great progress that has been made in the development of researches into the mathematics of the economy during the past decade. Yet, every scientific effort made in the interest of modernizing the system of management, including mathematics, would remain fruitless if social sciences, and in this respect much depends on sociology and economic sciences, would not develop in keeping with the growing social needs and is unable to offer meaningful assistance to the construction of such a system of management that would guide social production, and social activity in a broader sense with an optimum effect.

In the system of management decisions are born amidst specific social conditions, and this social environment should be considered in a dual sense, too: 1. partly as the object of decision where and through which some concrete aim is to be achieved, namely the social stratum in which we want to effect the way of work or the consumption structure, and 2. partly as the subject of the decision-making process, the active participants, those who as people making recommendations or as those choosing the variants would actually decide.

Both approaches which are naturally not separated in every case in practice raise a series of social problems and indicate also those huge tasks that should be solved by social science and particularly by the sociology of economics and of economic sciences.

First of all one may distinguish between two intertwined spheres of the social conditions of optimal decision-making: knowledge and interest, which would essentially determine the most expedient level of competency and the manner of decision.

As a starting point, a definite quantity of knowledge and information is needed to social-economic decisions about the social environment where one wishes to exercise effect. It is just one of the most important preconditions of building a modern system of management that decision-makers should possess those pieces of information. Today one of its biggest obstacles is the one-sided economist outlook satisfied with the description of the material-economic sphere of the social environment. Unfortunately the trend of econometrics has also joined the service of this one-sided trend due to the lack of proper social sciences. Thus living society is excluded from the more or less exactly grasped world of materialized social relations, and hence the efforts and reactions to decisions of different social strata are disregarded, which means daily life in its complexity. This outlook ultimately would confront itself because without considering the proper social mediation most often even measuring the purely material consequences of decisions would also prove to be an impossible task.

Naturally, it would be a mistake to deny that there are decisions for which social mediation in a broader sense has a relatively small role, such as minor changes in the structure of production, or in the norms of using materials, etc. In these cases the

subjective sphere of the society, the sociological aspect in a strict sense of the term can be neglected. More important social-economic decisions, however, necessarily go beyond the sphere of material and economic relations in almost every case, and the subjective factor has an extremely great role in their implementation and the achievement of the aim set for them. All this naturally does not mean it either that there are no grave shortcomings in getting acquainted with the material-economic sphere. We are still far away from considering even that kind of knowledge as satisfactory.

It is not difficult to see that it is an illusion to trust in the scientifically based choice of the optimal variant without considering social knowledge in a broader sense. At the most one may trust one's instinct or experience which, for sure, cannot be underestimated, but the general progress of society, including that of the management system necessarily would further strengthen the significance of controlled 'instinct' and controlled 'experience'.

One may distinguish between two groups of social knowledge necessary to optimal decisions, such as: a. the objective social conditions intended to be altered; b. the opinion of the social strata involved about the different variants; hence the expected direct impact of the decision on their behavior and a prognostication of the possible side-effects.

In the first group of knowledge regular statistics can offer a lot of help even in its present state of development. Yet, several problems require change in the dominant outlook even in this respect. Statistical data often get stuck on the surface of phenomena. They record such facts with more or less fidelity which are not suited to explore deeper interrelationships by themselves. Statistics, for instance, may state the distribution of a given social group by occupation, income and other similar characteristics, but we have to carry on further studies to be able to reach those social strata which have autonomous efforts. One may list a large number of similar specific examples from every field of social life.

The currently available statistical data, however, do not extend over the common cognitive sphere. Public opinion polls have not adequately developed in most of the socialist countries (in Hungary the Department of Public Opinion Polls was formed as attached to the Hungarian Radio and Television hardly two years ago, and that one too mostly studies the efficiency of programs). There was and still is an opinion that there is no need for the methodical study of the subjective sphere of the society in socialism, because the opinion of the different social strata can be gathered by the daily experience of the party. This position, apparently protecting the party, in fact makes its work more difficult because it divests the party of scientifically systematized knowledge acquired from an important field of social life. This very question indicates that here it is not only changes of outlook, and not even the enlargement of the knowledge of those participating in decision-making what is involved but also the institutional development of the system of administration.

I have to add something more to this: it seems to be almost impossible to use the available data or the ones collected previously by those who make decisions, particularly on higher level; their situation is not made any easier by our statistical publications, and though they contain a particularly large pile of data by nature they are unable to adjust to the requirements of the various partial decisions. This raises the need for broadening social sciences subordinated to practical aims, which is already a

living demand of the most diverse institutions. One should not see some kind of fashion in it but a phenomenon which is a necessary corollary of the development of the administrative system.

Today it may be regarded as something general that decisions are preceded in ever broader fields by research, grouping and processing adequately statistical data for decision making. (In English literature one may see the mysterious indication of R&D, in which R stands for Research and D for development which means decision). Even where it does not develop as an institutionally separated, autonomous activity there is need for collecting and systematizing information before a decision is taken, else quantities of statistical data would remain unused. Determining to what depth the decentralization of various decisions is expedient would depend just on the creation of this opportunity.

Undoubtedly the other group of issues is more important under the social conditions of optimum decision-making, and this is what greatly determines also the acquisition of information, in other words, to what extent does individual and group interest, summarily particular interest encourage the choice of the most favorable variant, or in a broader sense, for action corresponding to the overall social interest.

This problem has been in the focus of economic science for about ten years, and during that period many things have been clarified without, however, the emergence of an at least somewhat comprehensive 'theory' of the effects of financial interestedness exerted in socialism. It appears to be particularly important in the current state of science to direct our attention to two groups of issues on the right solution of which the construction of a truly efficient system of administration depends: a. interestedness in the long run and in indirectly emerging results, and b. the relationships among particular interests and those with social interest.

A precondition of optimal decision is that the participants in decision-making should not only be interested directly but also in the results of a longer period and in indirectly manifested ones. Frequently there is conflict between the direct results of today and those asserted mostly *indirectly* in the future in a rather broad field of social life and not only in economic activity. I could quote a long list of examples to it. Yet this contradiction is most expressly present in technical development where the struggle for results directly achieved in a short period would, in most cases decrease success expected for a later date and manifest indirectly thus slowing down even the pace of social progress.

Our system of financial interests is only capable of considering the annual results at the most for several reasons (lack of organizational stability, uncertainties of the price system, etc.). Even if we assume that the present solutions could be significantly improved, and we have no reason to doubt it, one has to consider some limiting factors. One is the simple fact that beyond a certain degree of complexity and deadline the effectiveness of the system of financial interestedness would greatly decline.

This train of thought in itself proves that optimal decisions cannot be unilaterally built on the relations of financial interest (hence for this reason too the concept of the theory of management based on the economic mechanism only is a wrong one though it has been fairly widespread in the socialist countries).

Essentially the study of the second problematique, the study of the relationships between overall social and particular interests would lead us to similar considerations.

Economic science often commits the mistake that it states the total identity of overall social and particular interests, hence, in the final analysis it demands the abolition of the latter ones. Here it should be remembered that individual interest is nothing else but the specific manifestation of different particular interests in the relations of a single person. The large number of wrong solutions at the construction of the system of administration, and particularly at choosing the forms of material incentives originates precisely from this concept full of illusions, excluding the possibility right from the outset that movement corresponding to the overall social interest should emerge as a resultant corresponding to the various particular interests and of the conflicting decisions and actions.

Such an idea excludes among others an expedient development of relations between industrial firms and commerce from the sphere of management, because its starting point is that a perfect harmony can be created among the interests of producers, distributors and consumers. Based on this outlook excessive emphasis is laid on such forms of incentives of which their creators expect the establishment of perfect harmony between the overall social and company interests, but because in most cases this is impossible, too great carefulness is also born in respect of any such measures that would truly lead to the creation of a really effective company interestedness.

It is totally unimaginable, for instance to develop forms of wages corresponding to social interest if we disregard the interests of those on whom the elaboration, introduction and implementation of those forms of wages depend. If the production and distribution relations in a broader sense are disregarded then whatever one writes about the harmony of the overall social and the particular interests it is nothing more than benevolent incantation. A given form of wages, setting norms, or a system of work organization is never good or bad in itself. Its effects depend on the financial and social conditions in a broader sense. This is how it may happen that direct piece-rating, even in the case of identical technological processes results in improving quality once, but would lower it in other cases.

This issue is very closely related to attitudes formulated about the role of spontaneity emerging in socialism. Not the least under the influence of Stalin a false alternative has become dominant which confronted subordination to the blind forces of spontaneity with a consciousness regarding anything instinctive bad and wishing to eliminate it. In reality, however, we do not have to make our choice between these two solutions; there is every opportunity and also social necessity for having the consciously developed and socially controlled spontaneous (or conscious due to particular interests) forces to speed up progress. In fact the recognition of social interest, at least in the present phase of development, is practically nothing else but the product of the conflicts of opinions expressing the interests of the different social strata.

Consequently the requirement that the system of administration should produce optimal decisions corresponding to the overall social interest cannot always be interpreted as a direct aim, but often only as a final result, produced as a result of the effects of contradictory forces and conflicts between particular interests.

A separation of interests and the existence of particular ones are of objective nature in socialism. It directly derives from the division of labor and from the fact that commodity relations survive, even if with a changing content and form from those in capitalism. Financial interestedness and particular interests always play an important role in socialist society, until money or any other means of mediation (such as work

unit) received for individual work as mediator of the material needs of individuals, or until the development of the means of production does not create the possibility of really surpassing the present degree of the division of labor (elimination of the socially understood difference between white-collar and blue-collar work). Ultimately we would confront Marxism itself if we wished to negate or even diminish the significance of this objective fact characterizing the economic foundations.

At the present stage of social development the elimination of particular interests, different from the overall social ones cannot be an aim because such an effort would necessarily get into conflict with the objective conditions. On that basis only illusionary ideas may be born about forms of wages, systems of bonuses reflecting overall social interests without fail, or about the role of socialist consciousness overcoming particular financial interests. All this would be self-delusion, hindering the understanding of real social relations and their conscious, planned development.

If we set out from the premise that material interest necessarily creates particular interests in which the interests of the entire population are only more or less reflected then obviously we have to look for solutions hindering the privilege of one-sided particular interest differing from that of the entire society in important decision-making processes, and would allow for the healthy conflict of different interests serving social progress. The task is to find a form of movement for the confronting particular interests which would approximate the optimal result from the angle of the entire society even if as a result of conflicts and that too within the shortest possible time.

Surely the fear may emerge that the acknowledgement of all this may strengthen individualist outlook as contrasted to thinking that would consider social interests. But that would only happen if, let's say, one-sided interest of production may be freely asserted in the face of consumers, if the activities of a domestic commercial company are not effectively controlled by the consumer, etc. And last but not least it is social movement determining controlled and even institutionally regulated daily activities that would help elevate thinking from the limitations of particular outlook, and would create the proper social foundations to overcoming individualist outlook.

PROBLEMS OF HUMANIZING THE SYSTEM OF MANAGEMENT

In socialism it is not only the interpretation and the opportunities of the realization of the criterion of optimization where essential change takes place in comparison to capitalism but a new basic requirement, closely related to the former one is also added to it: it is the effort towards many-sided humanization of social relations and management within them. In other words it is to eliminate alienation. This is the specific task of historical significance of socialism as a necessary phase of social development.

By socialism such a social-economic formation has stepped on to the stage of history in the administrative system of which optimal conditions can be created for economic development at least in theory as well as to re-humanize social relations that had been alienated in the previous historical periods.

This latter process has no less significance in the growth of the attractiveness of socialism than the rising level of the production of material goods has, for it is a natural

desire of people not only to satisfy their material needs but to make their social relations once again human, to unfold their essence as humans and to realize it in their daily activities. We should not allow ourselves to be disturbed by the fact that this desire often manifests itself in distorted form, for example in excessive conformity, and neither by the fact that this demand becomes dull in some social groups due to social-historical reasons or may take up clearly pathological forms. Similar distortions may be abundantly found in the sphere of material needs as well.

In fact the humanizing problems of the system of administration can be divided into two groups of issues that can be isolated from each other to some extent. 1. To what extent does the system of administration assist the development of the personality of members of the society, the unfolding of their individual capabilities and abilities as well as their creative energies? 2. To what extent do those members of the society participate in the decision-making processes in the system of management who are indirectly or directly concerned?

The papers dealing with the democracy of administration mostly pay attention to the second issue, assuming that the state of the socialist society automatically meets the requirement described in the first group.

This assumption is very closely related to the discussion about how far the socialist state can be considered as an alienated one. It is hardly doubtful that the socialist state and its apparatus are necessarily separated from the different strata of the society; this separation takes place even if several attempts are made to create direct contacts (councils, committees, forms of direct democracy, etc.). In my view this separation becomes alienation only if by its operation it hinders the development of the personality, the unfolding of individual abilities and capabilities in the various strata of the society, if, in other words, it turns against the different groups or strata of the society in some form, or at least its possibility does exist as a consequence of the specific social conditions.

Naturally, the ultimate aim of the socialist state is just the contrary: to ensure the many-sided development of the personality. At the present level of the forces of production and of the division of labor, however, it is necessary also to carry on a practice that satisfies the criteria of alienation in the interest of social progress. And here one should not only have the suppression of the remnants of the previous ruling classes in mind, or hindering various anti-social activities or only bureaucratic separation and distortions. Practically it happens also when, let us say, the socialist state takes various measures regulating admission to the various educational institutions, and even when insisting on the principle of distribution according to work it creates significant differences of income among the various social groups. Hence the function of alienation should not at all be regarded as bad in some ethical sense.

At the same time the socialist state, when it has no way of abandoning this kind of activity due to the objective conditions, has many opportunities right from the initial stage of its development to directly help the free development of the personality in the broadest social strata as contrasted to the latter tendency. Remember facts related to the broad circle of cultural institutions and the low price of their services, making school education free or at least significantly reducing its fees, the protection of the rights of employees, etc. Today this is almost general in the socialist countries.

The institutions of the state, however, emerged in a way that these two functions are not evenly distributed among them. There are institutions that have tasks primarily belonging to the first group, and there are others that almost exclusively deal with problems of the second one. This division of labor and that, at least up to now, once the one requirement and next the other one was brought to the foreground depending on the specific situation carries in itself the danger that bureaucratic outlook may become dominant in a relatively significant part of the socialist state administration which, usually, by referring to the ultimate aim does not regard the unfolding of the humanizing process as its current task. In addition naturally illusions may also spread and the ardent representatives of which consider the total elimination of elements of alienation already in the present stage of development in the practice of administration, not having in mind the given level of the forces of production and of the division of labor, which objectively determines opportunities within relatively narrow boundaries.

One can always put the question related to the administrative practice of the socialist state and to the decision-making processes whether they adequately consider the needs of individuals and the development of their personality within the framework of the given realities; whether they do not set limits to a larger extent than objectively determined or whether they directly help in comparison to the conditions. It is not difficult to prove that this is a question to be approximated with great difficulty with the help of specific studies of the society, therefore the decisive voice would remain that of 'common sense' and of 'political experience' for a long time to come.

The other group of issues, namely employees' participation in the decision-making processes is an easier topic for empirical research. But here too, a large number of questions are to be clarified. Among others there is the one: what do we understand under employees' participation in the management or control of the society; is it a simple statement of opinion before decisions are taken, or only an active contribution to the decisions which would mean direct participation in selecting from among the possible variants? The former interpretation appears to be too broad, and the latter one too narrow. It seems to be expedient to include those pre-decision views expressed which were considered in some way at making the decision (selecting a certain variant). Incidentally, this is the element that has an enormous role in the humanizing process of the system of administration and its positive solution already means a well negotiable way already in our present situation.

In this sense the involvement of the masses in the decision-making processes and naturally in their control as well requires first of all a well developed system of information which is capable of informing members of the social strata directly or indirectly affected about the different variants of decision, and would transfer opinions without distortion to those who would finally make the decision. The significance of the information system was already mentioned in relation to optimal decision, but now it gains a broader meaning and appears as a means of the humanizing process.

No matter how important the development of this system is it remains the technical side of the issue behind which there is a demand for public democracy and making it a social need and practice. During the past years we could witness a healthy political development in this respect too, as a result of the right policy of the party. We could observe the unfolding of such discussions understood in a broader sense and the

participants of which were not satisfied with stating some facts of the economic development but were seeking answers from many sides to problems that had emerged during the course of social development. In these discussions views that may have greatly differed were presented to the public which had one thing in common: they all wanted to serve the progress of socialist society.

Yet the unfolding of public democracy is facing rather obvious difficulties despite all development. First of all there is the false alternative which is only capable of classifying phenomena of the present society under *the categories of good and bad* in the current journalistic and writers' practice. At one time the call to "dare to write even bad things about our society" had become a norm, and perhaps there are still some who regard it as the supreme command deriving from writers' and journalists' sense of responsibility. On the other hand the call for "let us dare to write even good things about our society" has been repeatedly stated with mechanical monotony and with a derisive touch.

The key to the entire set of problems and hence also a basic issue of the development of public democracy is the manner of protecting the entire socialist social system. Those who consider writing only about the 'good' and 'forward-looking' things as the major task of literature, journalism and science in the socialist society, knowingly or ignorantly stand for the direct apology of socialism. Mostly they consider it unimaginable that the protection of socialism can have other, not so direct forms as well. They do not regard socialism as a specific process of social development but identify it with the already emerged social forms and results achieved. This attitude on the other hand necessarily provokes the trend the representatives of which see only the mistakes, and though their greater part believes firmly in socialist development yet its representatives regard their activities as the only possible form of protecting the system, and in addition to them those also appear who implicitly and indirectly but negate socialism together with its mistakes.

The direct apology and the indirect negation of the socialist society, even though there is a significant difference in the very aspect of approach, methodologically uses the same tool: it distances itself from the exploration of the deeper interrelationships of reality and draws its judgments from a group of voluntarily selected superficial phenomena.

It does not mean that one could personally put a mark of equation between those who, anxious about socialism or its given form, consider direct apology as the only possible form of service, and those who regard the exploration of the mistakes and shortcomings of our society as their sole task and may even reach the indirect negation of socialism. Yet stressing methodological identity has some meaning, because the relationship between these apparently totally contradictory stands can be traced back to a common cause. It is nothing else but the shaken trust in socialism, which in both cases is mostly effective indirectly; yet this or another way it determines views, morality, ideology and the interpretation of good and bad.

It is not only the exploration of facts that can be classified simply under the categories of 'good' or 'bad' that is needed to the development of public democracy but the understanding of the trends of movement of the society. One should seek out what characterizes the movement and changes of our society even behind cases that appear to be the simplest. Naturally, a distinction between good and bad would not

become superfluous even in this case but it obtains a basically different meaning. The question will not be whether, for instance, the production meetings are good or bad in the various companies, but to what extent this institution of our socialist society is capable of performing its function (information of the employees about problems of company management and their involvement into those problems as well as into management and controlling activities) and if not then where does its inefficiency come from, is it from personal mistakes, from the coincidence of accidental elements, or there are more organic reasons to it. It can be decided only on the basis of such analysis in which sphere we should look for the manner of speeding up progress.

Today it is one of the serious hindrances of the development of public democracy that leaders of the different companies, institutions and organs consider it an attack against their person if the press gives an analysis going deeper and raising significant problems in the field of their responsibility.

What is the reason of sensitivity hindering the unfolding of public democracy? Perhaps first of all the way we have set out. In the period of excessive centralization and at the time of the personality cult the criticism of the press was mostly the prognostication of the expectation decided upon much in advance and often it was the forerunner of consequences going much further than that. Whoever was 'attacked' felt any self-defense impossible. This was also a kind of social projection of the 'trials' enveloped into the atmosphere of secrecy. It also derived from all this that the various organs were looking for personal responsibility and even causing damage behind every assessment that seemed to be negative.

This period is over once and forever yet sensitivity remains, towering as a live obstacle to the unfolding of public democracy. One may think that the reason is the survival of reactions developed in the previous situation, something we call in seminars as false consciousness with some simplification. I think, however, that this would be a very simple treatment of the issue. There are some other elements of a different nature that are worth paying attention to.

First of all it is visible on the surface that leaders of social and economic institutions feel that they are in a disadvantageous position in the face of the press. Writing is not their trade hence they feel their opportunity to expound and defend their opinion as a formal one. Many of them also say that the analyses dealing with their institution are not sufficiently professional. A public writer exploring only mistakes and not getting deep into the problems is surely a good example of this.

All this is, however, only on the surface. If we dig a little deeper we find the interpretation of the protection of socialism, being stuck at direct apology as the only solution. Even deeper one would actually recognize particular interests behind this phenomenon. Ultimately this line leads us back to the sphere of the material and economic relations.

Here as a consequence of all this the consciousness has not become general that an obligation to give broad information is a necessary consequence of the social nature of our companies and institutions; information inside the factory or office is also very formal as it was proved convincingly by our sociological surveys, and there is no time and energy to provide non-formal information on an adequate level to interested 'external' society.

The preliminary discussion of proposals with those interested absorbs particularly lot of energy. It is much easier, at least apparently, to make internal decisions enveloped in the mist of secrecy, which 'would not excite moods in advance' and 'would not make waves'. But making an insufficiently considered decision accepted and its later correction often causes much more problems than a broad-based preliminary discussion.

Naturally, the development of public democracy once again means that we have to take into account the specific opinion of different social strata and groups than earlier. In the present phase of our social development it is inevitable to exchange and confront various opinions and to have discussion unfold in practically every field of social life. Many people see some kind of diverging and differentiating force, whereas this is practically the only way to the integration of the socialist society and to the strengthening of the socialist national unity.

The recognition of this process necessary in the interest of social progress is also desirable because without that it is the institutions of the state that would have to take measures against every effort towards individual interests which obviously would make the healthy development of relations between the society and the state institutions more difficult. In this situation people are obviously inclined to look for the causes of the slightest shortcoming in the system itself or in its leading organs.

Therefore, in my view the operation of institutions meant for the realization of representative institutions should be newly examined and not only according to legal norms but also whatever has been implemented.

The development of democracy and the progress of the humanizing process of the administrative system necessarily demands change in the methods of administration as well. Many people regard committee administration as the only form of democracy and mechanically confront it to one-person leadership. Thus a stand may easily emerge that humanization or the development of democracy is equal to committee activity, whereas optimization requires the confirmation of one-person leadership. This view however, does not stand the test of practice.

The socialist state system the initial principles of which go back to Lenin's theory of the state is based on a specific type of committees, on the system of councils elected by the workers. It is *elected* committees that lead the party and social organizations too. In our study we should disregard their internal problems (the manner of election, collectivism of decisions, etc.) and let us be satisfied with the study of appointed committees playing a role in the management of the economy which are playing an increasing role though it is the method of one-person responsible management that dominates this sphere of social administration.

There is hardly anybody somewhat noted in his/her profession who would not be invited to several committee meetings weekly, often to the discussion of issues he/she is not an expert of. And often the very same issue is discussed in three or four committees of different name.

The multiplication of committees, however, produces irresponsibility and goes against the requirements of optimization; it is becoming impersonal or individual opinion does not even appear because the shaping of individual stands requires serious work which is not tolerated by the committee. It is easy to express opinion for the most extreme views in a committee, or simply not to take sides, and it can be taken for

granted that the possible most moderate opinion will ensue, which, even in the best case is a very moderate average of contradictory opinions.

It is also not less wrong to think that committees serve democracy in every case. On the contrary, often they are the source of bureaucracy. In a collective of the workplace the socially active people cannot be embraced by the committee, for their sphere is necessarily broader even if undeveloped conditions of democracy are assumed. In addition it should be remembered that social activity shown towards the various problems will not extend over the same people. Thus committee democracy as an indirect form often conflicts the requirements and real opportunities of direct democracy.

One should put the question why committee bureaucracy is spreading and what squeezes out the already realistic forms of direct democracy and the expert preparation of decisions as well as professional views based on individual responsibility? One should hardly believe that it is simply a false identification of democratic and committee decision that plays a role. It can, at the most, be the ideological appearance of real social causes but it is by no means the starting point. It is caused by a deep-rooted many-sided social phenomenon, an almost traditional fear from the responsibility of forming one's opinion, disinterestedness in shaping one's opinion that has not been eliminated by a series of changes in the wage and bonus system, and a lagging behind of knowledge that would be required by a choice of the right variant which has by far not been solved by the recent revolution of learning.

Therefore the solution cannot be a stereotype either. Besides the committee method kept within reasonable bounds two, apparently contradictory trends should be adjusted and developed: partly forms of direct democracy should be applied in every case where there is a realistic opportunity for it (if it does not violate the requirement of optimization), and partly individual expert opinion based on serious work and knowledge and a professional preparation of decisions on a modern level should acquire an honorable position.

In my opinion therefore it is always the nature of decision that determines the sphere of those who should be involved in the process of selecting the most favorable variant and also whose responsible *individual* expert opinion should be sought for; the organizational system of our institutions should be shaped in keeping with this requirement. Once again we are facing the two extremes that have been the guiding lines of my train of thought; if I stress one-sidedly only the first element I create the hotbed for irresponsible anarchy, but if I only keep the second requirement in mind then I strengthen bureaucratic tendencies. It is life and living social need that demands a dialectic outlook; parallel to the development of the forms of representative and direct democracy the significance of personal responsibility increased and honoring responsibility should be enhanced.

KNOWLEDGE OF LEADERS, MANNER OF CHOICE AND THE LEADER -LED RELATIONSHIP IN SOCIALISM

Those working on the modernization of the administration easily commit the mistake of one-sidedly expecting the solution from organizational measures. In retrospect it has naturally caused grave damages in practice (ill-considered

reorganizations) but even had a distorting effect on putting the question itself. This is how the discussion on centralization and decentralization was brought to the foreground torn away from the specific social conditions.

In this concept of which we had been captives of for a long time such extremely important factors were pushed into the background like the personal conditions of the apparatus of administration, the knowledge, skills and abilities of leaders. In recent years these problems are coming to the foreground in keeping with social need.

Today there is hardly any ministry and central institution which has not yet started to train the leaders belonging to its field. At the present stage of our social development it has become generally accepted that it is not enough if the leaders can comprehend the economic and technical knowledge of their field, it is not enough if they are engineers, economists or agriculturists but they also have to possess special skills, a broad sphere of knowledge directly required to managerial activities. This realization actually makes the previously dominant view that was already a step forward compared to the requirement that a leader should be politically trustworthy, according to which the leaders should come from among the best technical and technological specialists. Nowadays the separation of managers possessing specific management skills from specialists, in other words socialist managers from experts is in progress.

The realization of the new requirement which, in the interest of the previously described two criteria, such as optimizing and humanizing is equally fundamental raises a series of social problems. I wish to call attention only to three of them such as the training of leaders, the manner of their selection and the relationship between leaders and the led.

It hardly needs any verification that our basic forms of education, including university and college education offer little modern knowledge of management. The technical universities prepare their students almost exclusively for expert tasks. It should be added that as a consequence of the socialist social transformation the basic knowledge of people in leading positions is still very different. This situation, namely the recognized social need and actual backwardness facing it explains the importance of manager training.

The curriculum of the mushrooming manager training courses cannot yet be regarded as an elaborated one. It is being increasingly felt that scientific research dealing with the work of man on a theoretically well founded basis and also processing the special problems of the various areas of the people's economy is still missing. Here one should think primarily about the psychology of labor, the economy of labor and the sociology of labor (there is relatively more research and a more systematized set of knowledge available in the physiology of labor and in labor law). If we wish to raise manager training to a modern level then greater energies should be devoted to the development of disciplines dealing with the 'human' side of social production without which every more serious intention of improvement would be illusionary. (In fact this is also needed to manage problems of labor, the economy of labor, etc. in a professional way.)

Even in disciplines where there is a properly systematized set of knowledge manager training is very scholastic. This is perhaps best illustrated by the situation of teaching mathematic. It is hardly doubtful that in our age managers have to have a growing quantity of mathematical knowledge depending on the nature of their

activities. But even the universities have not always imparted mathematical knowledge, and particularly not on the level that is already needed in today's practice. Mathematics is taught the way as it is taught in the secondary school or at the university also in the managerial courses, in other words great energies are devoted to the deduction and verification of formulae, but almost nothing is said about how and in what cases these formulae and mathematical procedures can be used and within what margins of security. Its elimination and the organization of the so-called direct teaching are necessary in every discipline. Its significance goes far beyond the issue of manager training and it is one of the most important preconditions to the broadening of the circle of those who can find their way amidst the complicated conditions of our society, in fact it is also a precondition to the unfolding of public democracy serving social progress.

All this is in the closest relationship with the selection of leaders. With the previous thoughts I wanted to illustrate that the criteria of selection have significantly changed and expanded, in addition to political reliability (the understanding of which has also undergone significant changes) and professional knowledge, but surely not in their place the knowledge, capability and ability of management have also drifted to the two of them.

Naturally, these are normative criteria and there are a number of other factors asserting themselves in addition, diverting actual practice from the socially accepted considerations. In smaller units personal sympathies and antipathies particularly assert themselves in selection which naturally does not always result in a wrong decision, but it is also not rare when a clearly mistaken outlook becomes dominant which is harmful to the society by all means; I consider it a case like this primarily if ability of accommodation and conformity become the only necessary conditions.

It is not the least that at the sight of such phenomena many people expect the solution from some kind of scientific method, a kind of the examination of abilities. This should be regarded, at least now, as a kind of illusion in many respects. Not only the real social conditions make it impossible but also the less developed condition of getting scientifically familiar with the capabilities and abilities of people. The so-called IQ-tests that have extensive literature in the West offer highly simplified and hence often basically wrong results, and accusations against this method are not without foundations saying that they are abstracted from the actual situations and are means of scientific obscurantism.

Therefore the solution, the assertion of criteria standing in the interest of the society cannot be sought elsewhere but in the development of public democracy, in that the broadest possible strata and groups should have an opportunity to convince themselves about the suitability, capability and abilities of individuals, and opinions should be considered in some way at selection too.

For instance, I do not consider it an expedient situation when in companies, as it is proved by sociological surveys very broad strata practically know nothing about who the managers are. Personnel changes are still surrounded by an atmosphere of secrecy. New managers are often transferred to a company and only the most involved know about their previous activities, and often even gossips do not reach the majority.

Naturally, in an underdeveloped social situation 'public opinion' may also encourage wrong selections (misleading the masses by demagoguery), but this condition

can be definitely overcome with the unfolding of a healthy socialist democracy. Its denial would also mean discarding trust in socialist development.

The modernization of the socialist system of administration presupposes also the transformation of relations between the leaders and the led, which once again is not a simply desired connection but it is the function of the development of material and economic conditions to a large extent.

According to a widespread schematic and dogmatic stand one may only talk about technical sub- and super-ordination in socialism, because the existence of socialist ownership excludes all kinds of personal dependencies. In this view, in diametric contrast to Marxism the ownership relations appear as legal relations made independent of their real existence. In the actual social situation it is a consequence of primarily differences in specific work, income and the qualifications and abilities of people, further on as a result of the necessary separation of managerial activity that the reproduction of the possibility of personal subordination does emerge. The socialist state can and does a great deal against it, but it is only capable of limiting these phenomena but not to eliminate them under the given conditions. Moreover, one should also expect that the sense of personal dependency may even be greater due to various reasons (for instance as a consequence of traditionally surviving experience) than it would be justified by the actual conditions.

Apparently personal dependency in the system of administration often makes the solution of tasks easier. There is less contradiction, 'bullying' and formal discipline is greater. We have quite a number of institutions where relations between leaders and the led are characterized by personal dependency, at the same time the institution accomplishes significant results. These successes also result in the mostly implicitly appearing stand which regards personal dependency as a basic condition of good management. It, however, causes grave damages of optimization as well as of humanization in the longer run therefore one has to struggle against the most diverse forms of personal dependency within the framework of realistic opportunities.

The two criteria serving as the basic ideas of the paper, such as efforts towards the optimization of decisions and the humanization of management are closely interrelated; ultimately the one presupposes the other. This interrelationship was illustrated by some specific examples above. But their confrontation, at least temporarily is not impossible either. If the development of the socialist society is seen in the different socialist countries in a historical perspective, periods can be distinguished in which optimization, or humanization had come to the foreground.

Violation of unity always causes damages. If optimization is brought to the forefront and the humanistic considerations are pushed into the background the consequence would be the overbearing dominance of bureaucracy, and ultimately even the interest of optimization would suffer damages. In that situation little attention would be paid to the actual social needs and formal considerations would easily become dominant in the system of administration and inevitably political and ideological theses petrified into dogma would gain the upper hand. When, on the other hand, considerations of humanization come to the foreground inexpedient decisions suited only for narrow particular interests may become dominant and one may witness anarchic phenomena.

In such a case particular interests may obtain a privileged position and may be easily asserted to the detriment of the overall social interest. The process of humanization actually can be imagined only as an overall social process, and placing certain particular interests into a privileged position would result in the maintenance of alienated conditions even if the right of the employees to interfere into the various measures is broadly asserted in smaller units (factories, housing estates, etc.).

It is an alive, by now mature and recognised social need that the socialist society should simultaneously satisfy both requirements, it should at once be a system operating with a high degree of social and economic efficiency and a one creating greatly humanized social conditions.