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YUGOSLAV LAW ON ASSOCIATED LABOR

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No. 1582

YUGOSLAV LAW ON ASSOCIATED LABOR

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Chamber on 25 November 1976

[Text] Part One. Basic Provisions

Article 1

In the attainment and fulfillment of their dominant status in associated labor and in society the workers shall freely, on their own, and on an equal footing, bound together by democratic self-management and by mutual dependence, accountability and solidarity, and in the context of equality of the nationalities and ethnic minorities, manage their own labor and that of the entire society in the basic organization of associated labor and other organizations of associated labor, in other self-managed organizations and communities, and in society as a whole.

The socioeconomic relations of socialist self-management in associated labor ensure that the workers, on the basis of the right to work with assets owned by the society at large and on the basis of equal rights, obligations and responsibilities with regard to the means of production and other elements of social reproduction which are the property of the public at large, will manage their own work, the conditions of their work, and the results of their work in their own interest as separate individuals, in their common interest, and in the interest of society as a whole.

The workers shall also participate in regulating the general conditions of work and in performing the functions of coordination, guidance and social planning in associated labor through their delegations and delegates in the assemblies of sociopolitical communities, where their actions are limited by the rights and duties set forth in constitutions, laws and by-laws.

Article 2

The foundations of associated labor in the system of socialist self-management are as follows:

- i. the rule of the working class and of all the working people;
- ii. the social ownership of the means of production, which precludes any system whatsoever involving subjugation and exploitation of another's work and which, by ending the alienation of the working class and the working people from the means of production and the other conditions of their work and the results of their work, guarantees the self-management of the working people in the production and distribution of the product of labor and the guidance of society's development on self-management foundations, thereby making it possible for everyone to be included in associated labor under equal conditions and to earn income on the basis of his labor so as to satisfy his personal needs and his needs as a member of the community;
- iii. the right to work with assets owned by the society at large, which every worker acquires in associated labor and which is the basis on which he exercises his rights and discharges his obligations and responsibilities in associated labor;
- iv. the worker's status as a self-manager, which ensures that the worker, in exercising his right to work with socially owned assets, equally with other workers in associated labor bound together by mutual dependence, accountability and solidarity, will manage the operation and business of the organization of associated labor in which he works and of organizations in which he pools labor and assets; will freely assume obligations under self-management accords and compacts concerning the basic elements of plans and under other self-management accords and social compacts; will as an individual, as a member of a group and as a member of society will pursue his material and moral benefit and exercise his right to enjoy the results of his current and past labor and the accomplishment of the general material and social progress; will safeguard and promote the relations of socialist self-management; and will perfect his own work skills and other abilities and develop as a well-rounded creative individual;
- v. the social nature of work, which results from the mutual dependence, linkage and responsibility of workers in associated labor in the framework of the social division of labor and of the overall reproduction of society, which are based on the level of productivity attained and the general advance of the material basis of labor, which in turn make it a necessity for labor, the productive assets of society, and other elements of social reproduction to be pooled in the interest of the workers and in the interest of society as a whole;
- vi. democratic decisionmaking through self-management concerning work and social reproduction, which makes it possible for the workers to freely and

equally decide on all matters concerning management of work and of social reproduction, which they do by expressing themselves personally in the basic organization of associated labor and through their delegates in the workers' council and through delegations and delegates in other governing bodies;

vii. the arrangement whereby the assemblies of sociopolitical communities are founded on the system of associated labor, which is democratically organized on the basis of self-management; this arrangement ensures that the workers and other working people will through their delegations and delegates make decisions on issues pertaining to their common interest and to the needs of associated labor and the working people and adopt laws, other regulations and general acts and plans within the limits of the rights and duties of sociopolitical communities as set forth in constitutions and by-laws.

Article 3

Any and every subjugation and exploitation of another's work, any and every form of management of production and other public activities and any and every form of distribution which pervert the social relations of socialist self-management in the form of an appropriation of socially owned assets and the result of work by establishing monopolies on the basis of state ownership, group ownership or private ownership or on the basis of economic or political power, or in the form of bureaucratic despotism, technocratic usurpation or arbitrary decisionmaking, and any and every privilege based on monopoly over management of the means of production and on appropriation of the results of work are unlawful.

Article 4

In the socioeconomic relations of socialist self-management the workers pool their own labor and the socially owned assets which they manage in diverse forms of association and of mutual collaboration for the following purposes:

- i. to develop and promote the socioeconomic relations of socialist self-management;
- ii. to expand and improve the material basis of associated labor, to improve their own material and social position, and to fulfill the needs and interests of themselves as separate individuals, of their groups and of society as a whole;
- iii. to augment their income and the total income of society by increasing the productivity of their own labor and of the labor of the entire society;

- iv. to manage and conduct business on the basis of current and past labor in the manner that is efficacious from the social and economic standpoint;
- v. through joint self-management to align and plan their operations and to develop economic and other social activities;
- vi. to establish the conditions for their operation and for their earning and distribution of income through self-management.

Article 5

The workers bind together the entire labor of society done with socially owned assets into the system of self-managed associated labor in the following ways:

- i. by pooling their work in basic organizations of associated labor and by pooling labor and other elements of social reproduction in work organizations, in complex organizations of associated labor, in business communities, and in other forms of association and business collaboration based on the joint interests of the workers;
- ii. by pooling the labor and assets of organizations of associated labor engaged in production and other activities with organizations of associated labor engaged in commerce and the rendering of services so that the two sectors collaborate;
- iii. by pooling money set aside for reinvestment and by making joint use of those funds to realize common benefits in terms of production and reproduction, to expand the material bases of labor, or to realize other joint benefits in the earning of income;
- iv. by a free exchange of labor within organizations of associated labor or within and through self-managed special-interest communities, as well as in local communities, and by linking together the activities of physical production and the public service activities on that basis;
- v. by adopting social plans and by concluding self-management accords and social compacts;
- vi. by developing the relations of self-management in work and in the earning and distribution of income and by managing and conducting business on the basis of current and past labor;
- vii. by making decisions in organizations of associated labor, other self-managed organizations and communities, and sociopolitical communities concerning issues pertaining to the conditions of their work and life, affecting other needs and interests of theirs as individuals, as members of a group and as members of society as a whole, as well as issues pertaining to the government of society as a whole and the exercise of government power.

Both farmers and self-employed working people are linked to the system of self-managed associated labor by pooling their labor and productive assets to form cooperatives or other forms of association and through collaboration, either direct or through cooperatives, with organizations of associated labor on the basis of common interests and in accordance with the principles of voluntary choice and equality.

Article 6

In the context of this law the term "workers in associated labor" signifies individuals who work with socially owned assets in organizations of associated labor, in a work community, or in some other form whereby labor and assets are pooled together to form an association.

Article 7

Self-employed working people performing an artistic or other cultural, legal or other professional activities have in principle the same socioeconomic status on the basis of their work and basically the same rights and duties as workers in organizations of associated labor.

Article 8

Farmers and other self-employed working people who pool their labor and productive assets to form cooperatives or other forms of association or who establish links in production or commerce, directly or through a cooperative, with an organization of associated labor and establish a long-term working relationship with it have the same socioeconomic status on the basis of their work and the same rights, duties and responsibilities as workers in organizations of associated labor, depending on the extent to which labor and assets are pooled and on their contribution to the earning and augmenting of income.

Farmers and other self-employed working people have in principle the same socioeconomic status on the basis of their work and basically the same rights and obligations as workers using socially owned assets in associated labor.

Article 9

Workers whose labor is used as additional labor by self-employed working people (who independently carry on an activity by virtue of their own work with privately owned productive assets) and workers whose labor is used as additional labor by other persons are entitled to sufficient compensation to meet their personal needs, their joint needs, and their needs as members of society, possess other rights in the domains of social security and welfare, and they bear corresponding obligations in accordance with law and the collective agreement concluded between the trade union and the relevant economic chamber or association in which such persons (employers) are represented.

Article 10

Assets owned by the society at large represent the community's material basis for maintaining and developing socialist society and the socialist relations of self-management, and they are managed by the workers in the basic organization of associated labor and in all forms representing a pooling of labor and assets, by workers in the work community and by other working people in a self-managed special-interest community or other self-managed organization and community, and in a sociopolitical community.

The means of production and other assets of associated labor, funds and facilities for meeting community needs and the needs of the entire society, natural resources and public facilities are the property of the society at large.

Socially owned assets--for example, tangible assets, rights and interests in things, and liquid assets which are owned by the society at large--represent the material basis of the work of workers in basic and other organizations of associated labor and in work communities or the material basis for performance of the functions of self-managed special-interest communities, other self-managed organizations and communities, and sociopolitical communities.

Article 11

With respect to the use, management and disposition of socially owned assets, workers in basic and other organizations of associated labor and in work communities and workers and other working people in self-managed special-interest communities, other self-managed organizations and communities, and sociopolitical communities possess the rights, obligations and responsibilities set forth by constitution and law in accordance with the nature and purpose of those assets.

Article 12

No one may acquire the right of ownership to socially owned assets which represent an element of labor in basic and other organizations of associated labor and in work communities or represent the material basis for performance of the functions of self-managed special-interest communities or other self-managed organizations and communities and sociopolitical communities.

Acts and actions contrary to the provision of Paragraph 1 of this article are null and void.

Article 13

Every worker who works in associated labor with assets owned by the society at large acquires the right to work with socially owned assets as his

inalienable right to work with those assets in order to fulfill his personal and social needs and--as a free and equal partner with other workers in associated labor--to manage his own labor, the conditions of his labor, and the results of his labor.

The basic organization of associated labor is the basic form of associated labor in which the workers, as they carry on their economic or other social activity and work with assets that are owned by the society at large, act on their own and as equals to exercise their socioeconomic rights and other rights of self-management and to make decisions concerning other aspects of their socioeconomic status.

In exercising the right to work with socially owned assets, the workers in the basic organization of associated labor shall be equal partners in the following respects:

- i. as by virtue of their labor they participate in the work process and production process and perform the duties of their jobs;
- ii. as they manage the operation and business of the organization of associated labor;
- iii. as they manage in the aggregate the affairs and funds involved in social reproduction;
- iv. in deciding to pool their labor and assets in a work organization and in other forms of association and linkage involving the pooling of labor and assets;
- v. in making decisions on the entire income which they earn through their joint labor in the basic organization of associated labor and in the diverse forms in which labor and assets are pooled, in accordance with the contribution to the earning of income and with obligations and responsibilities to other workers in associated labor and to the social community as a whole;
- vi. in distributing net income into funds for individual, joint and general consumption, funds for expansion of the material basis of their labor, and reserve funds, in accordance with the bases and standards that have been agreed upon through a self-management procedure;
- vii. in deciding on the distribution of funds for their own personal consumption and community consumption, in accordance with basic principles and standards used to ascertain the contribution which they make to the earning of income by virtue of their current and past labor and which are adopted on a self-management basis with workers of other organizations of associated labor;

viii. in earning their personal income according to the results of their work and the personal contribution they have made by virtue of their current and past labor to augmenting the income of the basic organization of associated labor;

ix. in regulating mutual relations in their work.

In exercising their right to work with socially owned assets, the workers in associated labor have the right, obligation and responsibility to pursue their own joint interests and the general interests of society in using socially owned assets in a manner that is efficacious from the social and economic standpoint and to constantly replenish, augment and improve those assets.

Article 14

If a part of a work organization represents a rounded entity in the work process, if the results of the joint work of workers in it can be expressed separately in value terms within the work organization or on the market and if within that part the workers can exercise their socioeconomic rights and other rights of self-management, those workers have the right and duty to organize that part of the work organization as a basic organization of associated labor (hereafter referred to as "basic organization").

A basic organization may not exist independently outside a work organization.

The basic organization is the basic building block for pooling labor and assets to form work organizations and complex organizations of associated labor, business communities and other forms of association of labor and business collaboration, and self-managed special-interest communities, and it is also the basic unit in social planning.

The basic organization represents as well the basic self-managed community of workers in associated labor, that community in which the workers make up delegations so that they can directly exercise their rights and discharge their obligations and responsibilities and participate in an organized way in performance of the functions of the assemblies of sociopolitical communities.

Income in associated labor, regardless of the form in which labor and assets are pooled to earn that income, is earned exclusively as the income of the basic organization and must unfailingly be recorded and indicated as its income.

In the adoption of regulations, decisions and general self-management acts and in the steps and actions which they take, bodies and agencies of sociopolitical communities and bodies of organizations of associated labor representing all forms whereby labor and assets are pooled must abide by

the principle that workers in basic organizations make the decisions about all the income earned through joint labor in the basic organization and in all other forms whereby labor and assets are pooled.

Workers in a work organization in which the conditions do not obtain for its individual parts to be organized as basic organizations shall in that work organization exercise all the rights and discharge all the obligations of workers in a basic organization.

Article 15

Workers in an organization of associated labor who perform administrative and technical tasks, render auxiliary services, and perform other similar functions of common interest to several organizations within that organization of associated labor, workers who perform such tasks in an agricultural or other cooperative, business community, bank or insurance community, and workers who perform tasks for a self-managed special-interest community, economic chamber or other self-managed organization and community or association of such organizations and communities, sociopolitical organization or other civic organization, citizens' association or body or agency of a sociopolitical community shall establish one or several work communities.

In work communities the workers exercise their right to work with socially owned assets in accordance with the nature of the tasks they perform and with law.

Article 16

In pursuit of their common interest in work and in the earning of income the workers in separate and mutually dependent parts of associated labor and in the totality of relations involved in social reproduction freely pool their labor and the assets of the social reproduction in basic organizations so as to form work organizations and other forms of association of labor and assets.

The work organization is an independent self-managed organization of workers bound together by common interests arising out of their work and organized into basic organizations within that work organization or directly related by a unified work process in which the workers jointly plan development and pool their labor and assets accordingly, regulate their mutual relations in joint business, income and achievement of other goals and tasks which they have jointly adopted in their work, production and commerce, adopt joint basic principles and standards governing the assignment of income and the distribution of funds for worker earnings, make decisions on other common interests, organize joint staff services, and safeguard their economic stability and social security in accordance with the principles of reciprocity and solidarity.

The complex organization of associated labor is an independent self-managed organization of workers in which work organizations have entered into association. Work organizations may enter into association to form diverse forms of complex organizations of associated labor depending on the links among them in their work, production and commerce and depending on how lasting their business relations are in the process of reproduction; in complex organizations of associated labor the workers jointly plan development, regulate mutual relations in the joint conduct of business and the earning and distribution of income, improve the conditions of their labor and the development of self-management in the constituent basic organizations and work organizations, organize the performance of credit and banking functions, develop scientific research, personnel training, health care and other joint activities, and perform other tasks of common benefit.

Organizations of associated labor may enter into association to form business communities in order to achieve certain common benefits in their operation and business.

Organizations of associated labor, self-managed special-interest communities and other public juridical persons may conclude a self-management accord to establish a bank or other financial organization as their own self-managed community to perform credit and other banking functions and so that in it, together with private individuals and other persons, they may pool their assets in order to derive joint benefits with respect to furnishing money to perform, expand and improve the activity of the organizations of associated labor and other self-managed organizations and communities and to achieve other benefits which they have in common. Workers of organizations and communities which have pooled their assets and workers of organizations and communities using those assets make the decisions on the purpose and use of the pooled assets and on the business of the bank or other financial organization.

Organizations of associated labor, self-managed special-interest communities, sociopolitical communities and other public juridical persons may conclude a self-management accord to establish an insurance community to protect property and persons against the same or related types of perils or losses or against several different types of perils or losses, pooling their assets in it, together with private individuals and other persons, in conformity with the principles of reciprocity and solidarity in order to insure property and persons and to eliminate or reduce the adverse effects of the relevant hazards.

Workers in organizations of associated labor and other forms representing a pooling of labor and assets may come together in broader forms of collaboration in which they conclude self-management accords to regulate useful relations with respect to business, useful adjustment of production, and performance of other activities according to the needs of the market and the social division of labor as agreed upon in a self-management accord, with respect to overcoming the vagaries of the market, inclusion in

the international division of labor and adoption of other conditions of their operation and business; in which they establish and regulate relations between organizations of associated labor engaged in production and organizations of associated labor rendering public services in which the production sector has an interest; and in which they can organize credit and banking transactions and realize other common benefits. On that basis the workers in organizations of associated labor and other forms representing a pool of labor and assets jointly adopt the basic elements of plans.

In order to provide the conditions for joint and coordinated action in creating new value in physical production, in raising national productivity of labor and in developing the society as a whole, or to satisfy certain personal and common needs and derive certain personal and common benefits in the domain of public services and certain activities in the production sector, the workers in organizations of associated labor and other working people, directly and through their self-managed organizations or communities, enter into association freely or on the basis of law to form self-managed special-interest communities with workers in organizations of associated labor performing those activities.

Workers and other working people also enter into association to form self-managed special-interest communities in which they ensure their social security and in which they pool assets in order to achieve the aims of those communities.

Workers may also link their basic organizations and work organizations to other forms of association in order to derive certain common benefits as set forth in a self-management accord in conformity with law.

Article 17

Organizations of associated labor engaged in economic activity, their business communities, banking organizations, and communities for insurance of property and persons enter into association to form economic chambers or other general associations in order to jointly improve their operation and business, to align their separate and common interests and the interests of the society at large, to offer initiative for the passage of laws and adoption of economic policy, for conclusion of self-management accords and social compacts, and to extend aid when development policy is being formulated, when plans are being prepared, when socioeconomic relations are being regulated on the basis of self-management, and when other issues of common interest are being resolved.

Agricultural cooperatives, organizations of cooperative members and other forms of association and their alliances enter into association to form economic chambers in accordance with law.

In order to achieve the aims referred to in Paragraph 1 of this article organizations of associated labor rendering public services may also enter into association to form associations for particular services or domains and also other general associations.

Article 18

The entire new value which workers in associated labor create by their aggregate labor is the property of the society at large and under the conditions of the socialist socioeconomic relations of self-management it is realized exclusively in monetary form as the income of basic organizations on the basis of the operation of the laws of the market and public policy governing the earning of income as adopted on a self-management basis.

On the basis of their right to work with socially owned assets, and in performance of their social function in the reproduction of society, the workers earn income as a basic organization depending on the levels of their own labor productivity and national productivity, their results in managing the means of production which are owned by the society at large and by conducting business with those assets, and on their success in adapting their production or other activities to the needs of the market or conditions governing their operation which have been adopted in a self-management accord, and depending on natural conditions.

The workers in the basic organization, who are bound together and dependent on one another and who have established self-management associations with workers in other organizations of associated labor in conformity with the principles of solidarity and mutual responsibility, shall dispose of the basic organization's earnings in accordance with their rights, obligations and responsibilities as set forth in the constitution and this law, and without their consent no one may use or dispose of the income which they earn unless he is so authorized by law or a decision of the assembly of a sociopolitical community acting within the limits of its rights and duties as set forth in the constitution.

The basic organization's income is both an expression of and the material basis for achievement of socialist socioeconomic relations and of those individual and joint interests and those interests of the society at large which are the fundament of the workers' self-management right and social responsibility to manage their labor and the conditions, means and results of that labor so as to guarantee unity in the totality of the relations that comprise social reproduction, to secure their power and control over the money flow and the movement of other physical and financial assets in the process of social reproduction, to guarantee the development of the production relations of socialist self-management, and to safeguard achievement of their own interests in the domains of public affairs, work, social welfare, education, culture, and other fields of life and creativity.

In distributing the total earnings in the basic organization, the workers make provisions for physical and other factors in the work and development of all parts of associated labor and for those conditions requisite for the performance of public functions which contribute to a steady rise in the levels of their own productivity and of national productivity and which tend to augment income or contribute to the development of society.

The net income earned by basic organizations in the production sector is also an expression of the result of work done by workers in the sectors of education, science, culture, health, social welfare and other public services, and on the basis of those results which they have achieved in their work, the workers in those activities--through a free exchange of labor, commensurate with the contribution which they have made by their work to creation of the new value in the production sector, to raising the national productivity of labor and to social development as a whole, and in line with needs for development of those activities as agreed upon through self-management procedures--obtain their own income from the total income that has been earned, and on that basis they achieve an equal socioeconomic status with workers and organizations of associated labor in the production sector.

Through free exchange of labor workers in the fields of education, science, culture, health, social welfare and other public services also obtain income from the personal earnings of workers or from net income for other earnings of working people on the basis of work whereby they satisfy their personal and joint needs for those activities and interests in them.

Article 19

In exercising the right to work with socially owned assets the workers in associated labor are accountable to one another and to the socialist self-managed society as a whole for socially and economically efficacious use of those assets in their own joint interests and the interests of the society at large, and they have a duty to constantly replenish, augment and improve them, constituting as they do the material basis of their work and the work of the entire society, to perform the duties of their jobs conscientiously, and to ensure a steady rise in the levels of their own and national labor productivity.

The workers in the basic organization bear the financial and other risks should the basic organization fall into difficulties because of socially and economically unefficacious management of assets, failure to adapt business to the needs of the market or to the social division of labor as agreed upon through self-management procedures, because of poor operation and poor conduct of business, or because of negligent behavior causing low labor productivity so that they do not earn sufficient income to perform their social function in social reproduction.

Article 20

On the unified Yugoslav market organizations of associated labor are free in the performance of their economic and other activities and are equals in the earning of income and disposition of the results of their labor, equals with respect to the laws of the market, and equal participants in public guidance of economic and social development and regulation of relations on the market.

Relations between organizations of associated labor and other participants on the unified Yugoslav market shall be established in conformity with the principles of indivisibility of the socioeconomic relations of self-management, of free movement and pooling of labor and assets, of free exchange of goods and services, of scientific, technical and technological achievements and specialized know-how, and of freedom in the organization and association of organizations of associated labor.

The workers shall regulate useful relations in the operation and business of organizations of associated labor in conformity with the uniform foundations of the system of self-management social planning, the uniform foundations of the price system, the unified monetary, foreign exchange and tariff system, joint monetary, foreign exchange and tariff policy, the uniform foundations of the credit system and the joint basic elements of credit policy, and the unified system of foreign economic relations and the joint policy governing those relations.

Article 21

Organizations of associated labor and other participants on the market shall act in accordance with law and good business usages, with the ethical principles of a socialist self-managed society, and with the socioeconomic relations inherent in associated labor, and they shall be accountable for their acts on the market to one another and to the social community as a whole.

It is prohibited for organizations of associated labor to enter into association or establish links or for organizations of associated labor and government agencies to engage in any other activity or action aimed at impeding the free movement and pooling of labor and assets in the free exchange of goods and services or at creating a monopoly position on the unified Yugoslav market whereby they derive financial and other advantages not based on work, create business relations in which the parties do not stand on an equal footing, or violate other economic relations and self-management relations as set forth in the constitution.

Organizations of associated labor and other participants on the market shall act in conformity with the economic policy that has been adopted and must refrain from upsetting stability on the market and from inflicting damage on other participants on the market, consumers or the social community as a whole.

Organizations of associated labor which do business on the foreign market must behave in accordance with the economic policy that has been adopted and must abide by the conditions of mutual collaboration and organized representation on the foreign market as set forth in federal law.

Article 22

Workers in basic organizations in certain activities in which the laws of the market are not the sole basis for coordination of work, adjustment of needs and evaluation of the results of work shall earn income on the principles of free exchange of labor.

The conditions governing the earning of income on the basis of free exchange of labor are set forth in self-management accords.

In a free exchange of labor the results of work done by workers in the activities referred to in Paragraph 1 of this article are assessed according to their contribution to creating the new value in the production sector, to raising the national productivity of labor and to social development as a whole, and to the satisfaction of joint needs and interests in their respective domains, within the limits of the financial capabilities of basic organizations in the production sector and on the basis of plans and standards which have been adopted jointly.

Workers in one basic organization may earn income on the basis of free exchange of labor with workers in another basic organization whose needs they directly satisfy within an organization of associated labor or within or through self-managed special-interest communities.

The workers in a work community performing administrative and technical tasks, rendering auxiliary services, and performing other similar functions or other tasks of joint interest within an organization of associated labor, agricultural cooperative, business community, or other communities, bank or community for insurance of property and persons shall earn income by free exchange of labor with workers in those organizations and communities, banks and associations, or with cooperative members in a cooperative--for whom they perform those services, in accordance with a self-management accord and with law.

The workers in a work community rendering services to self-managed special-interest communities and other self-managed organizations and communities and their associations, sociopolitical organizations and other civic organizations, or associations of private citizens, shall spend their income on the basis of free exchange of labor in accordance with their bylaws and self-management accords or contracts, in accordance with law.

The manner in which workers in work communities of bodies and agencies of sociopolitical communities shall earn income is regulated by law, but if the nature of the activity performed by the body or agency allows, it may

also be regulated by a self-management accord or contract concluded between that work community and those bodies or agencies, in accordance with law.

Article 23

Private individuals have the right of consumers of goods and services to organize on a self-management basis in local and sociopolitical communities or in some other manner in order to exert an influence on those production and service activities serving to meet their needs, in order to prevent a monopoly or abuse of a monopoly position, and to protect other interests they may have.

Organizations of associated labor producing or selling goods or rendering services for direct consumption by individuals must create the conditions and promote the organization of consumers of goods and services so that they can investigate and ascertain their needs and interests and plan and adjust the relation between production and consumption on a more enduring basis.

When a request is made by the consumers' organization, the bodies of workers' management in organizations of associated labor manufacturing products directly for consumers or selling goods and rendering services directly to consumers must in accordance with law undertake to conclude self-management accords whereby they establish their mutual relations, rights and obligations with regard to regular and reliable supply of particular products, orderly performance of services, the setting of prices for products and services and the consumers' share in the income, consideration being given to the development of those activities, to the needs of consumers, to the creation of necessary reserves, and to other matters of common interest.

Article 24

Workers in basic and other organizations of associated labor, in self-managed special-interest communities and other self-managed organizations and communities have the right and duty to plan the social and material development of their organizations and communities. Through planning the workers adjust relations in social reproduction, in particular relations in the earning of income, the disposition of income and the use of funds, and they also set forth the conditions for developing the material base of their labor and for satisfying their needs as individuals, as members of a group, and as members of the society at large.

The workers exercise their right and discharge their duty as planners by independently adopting plans in the basic organization and by concluding self-management accords concerning the basic elements of the plans of self-managed organizations and communities, whereby they define the basic interests and goals in social reproduction and adjust mutual rights, obligations and responsibilities, by adopting joint plans in the work

organization and other self-managed organizations and communities, in accordance with obligations assumed, and by taking steps to fulfill those plans.

The workers also exercise their rights and discharge their duties as planners by sharing in the conclusion of agreements concerning the basic elements of the plans of the sociopolitical communities.

In adopting the plans of organizations of associated labor the workers have a duty to abide by commitments assumed in self-management accords and social compacts which have been concluded concerning the basic elements of plans and to take appropriate steps to fulfill those commitments. If in enacting a plan or carrying out a measure to fulfill a plan organizations of associated labor do not abide by commitments assumed in self-management accords and compacts concerning the basic elements of plans and thereby essentially jeopardize realization of the joint interests and goals that have been established, the stability of the economy, or the equality of workers in their work and in the earning of income, the assembly of the sociopolitical communities must take the measures prescribed by law against such organizations of associated labor.

Article 25

The nationalities and ethnic minorities in the republics or autonomous provinces, organized in associated labor and in sociopolitical communities, freely manage their own labor, the results of their labor and natural resources in accordance with the rights and duties set forth in their own constitution, acting on the principle that the equality of the nationalities and ethnic minorities and therefore of the republics and autonomous provinces, their collaboration with one another, their manifold mutual aid and solidarity in pursuing common interests and overcoming difficulties represent a condition for their own free and comprehensive development.

Workers in associated labor and other working people in the republic or autonomous province shall establish the policy governing social development, shall orient and align material and social development through social planning, shall establish social obligations related to the fulfillment of plans, shall regulate socioeconomic relations in accordance with the individual system of the socioeconomic relations of socialist self-management, and shall participate with equal responsibility in making decisions concerning joint interests in the Federation and concerning the way in which those interests are to be realized.

Article 26

The workers exercise self-management in organizations of associated labor and other self-managed organizations and communities on the principles of equality, mutual responsibility and solidarity, in the manner set forth in general self-management acts and law, as follows:

- i. by making decisions in worker caucuses, referenda and other forms of personal expression;
- ii. by making decisions through delegates in workers' councils of organizations of associated labor and through delegations and delegates in governing bodies in self-managed special-interest communities and other self-managed organizations and communities, and in assemblies of sociopolitical communities;
- iii. by following up on the execution of decisions which the workers or their bodies make in exercise of their right to manage the operation and business of the organization of associated labor or other self-managed organization or community, and by monitoring the work of official bodies and staff services of organizations, communities and other forms of associated labor, self-managed special-interest communities and local communities, and the proceedings of bodies and agencies of sociopolitical communities.

The official bodies of the basic organization and of other self-managed organizations and communities, in accordance with the guidelines set forth by the workers, must see that the workers are informed about the business of the basic organization or other self-managed organization and community, about its assets and financial condition, about the earning and distribution of income, about the use of funds, and about other matters which have a bearing on decisions and performance of the followup and monitoring aspect of control.

Bodies and agencies of a sociopolitical community must inform the workers in basic organizations and other self-managed organizations and communities about matters which are important to the exercise of self-management rights and the discharge of obligations and responsibilities in self-management and about other matters significant to work and decisionmaking in those organizations and communities and sociopolitical communities.

Offices and official bodies of the basic organization of other self-managed organizations and communities and bodies and agencies of sociopolitical communities must ensure that the workers are furnished regular, timely, truthful, complete and comprehensible information.

Article 27

Workers and other working people in organizations of associated labor and other self-managed organizations and communities shall on the basis of self-management coordinate and arrange their socioeconomic and other self-management relations by concluding self-management accords and by adopting bylaws and other general self-management acts.

In the self-management accord the workers and other working people and their self-managed organizations and communities shall coordinate and arrange their socioeconomic and other self-management relations and interests

in social reproduction and shall on that basis pool their labor and assets and establish their mutual rights and obligations and responsibilities in the relations that result from the pooling of labor and assets.

In the compact bodies and agencies of sociopolitical communities, organizations of associated labor and other self-managed organizations and communities shall provide for and adjust the self-management regulation of socioeconomic and other relations of broader common interest to participants in the compact or of general public interest.

Article 28

Workers are responsible for their work and decisions in discharging their public functions as self-managers to other workers in associated labor and to the public community, particularly with respect to achieving the joint goals and tasks of organizations of associated labor that have been adopted, to protecting socially owned property and to developing self-management and the socialist social system of self-management as set forth in the constitution.

If by failing to fulfill commitments he has assumed in a self-management accord or other general self-management act a worker prevents or infringes upon the exercise of rights of other workers or achievement of joint benefits as established in the basic organization, the authorized body must institute proceedings to protect those rights and interests and--within the limits of its rights and duties--take the measures prescribed by law or based on law.

Article 29

Economic and other activities in associated labor are performed with socially owned assets in organizations of associated labor and other forms representing the pooling of labor and assets. Under the conditions defined by law these activities may also be performed in sociopolitical and other civic organizations specified by another law and in associations of individual citizens if this is beneficial to performance of the public functions and tasks of those organizations.

Economic and other activities important to national defense may also be performed within the framework of the Yugoslav People's Army, in accordance with federal law.

Economic and other activities may also be performed by self-employed citizens working independently with their own productive assets under the conditions prescribed by law, unless the performance of those activities has been prohibited by law.

The conditions for self-employment in professions and occupations of particular public interest shall be regulated by law.

Article 30

Those organizations of associated labor whose activities or transactions have been declared by law or by decision of the assembly of a sociopolitical community based on law to be of particular public interest must perform those activities and conduct those transactions under the conditions and in the manner which safeguard that particular public interest.

Article 31

Farmers may pool their labor, land, productive assets or other assets which they own to form agricultural cooperatives or other forms of farmers' association or may pool them with the labor of workers and socially owned assets in organizations of associated labor on the basis of lasting mutual relations or lasting business cooperation--in order to improve agricultural production, to become involved in commerce in an organized way, to create conditions to obtain and improve health, old-age and disability insurance and other forms of social security, and to realize other interests and in order to jointly achieve their status as self-managers in socialist socioeconomic relations. The private farmer and the member of his household who engages in farming have in principle the same status on the basis of their work and basically the same rights and obligations as workers in associated labor working with socially owned assets.

Farmers freely decide on joining agricultural cooperatives and other forms of association of farmers.

The farmer retains the right of ownership to land or implements which he pools in joining the agricultural cooperative unless the self-management accord concerning formation of the association or a special contract specifies otherwise.

Socially owned assets which are pooled in the agricultural cooperative and which the agricultural cooperative obtains on some other basis remain public property.

Article 32

Self-employed working people, that is, people who independently perform an activity with their own labor, using productive assets which are privately owned, freely decide whether to pool their labor and productive assets in a craft cooperative or other cooperative or other form of association. In relations of that nature these working people have in principle the same status and basically the same rights and obligations as workers in associated labor using socially owned assets.

When a self-employed man independently performing his activity with his own labor and using privately owned productive assets pools his labor and productive assets, on the principles of voluntary choice and equality, in

accordance with law, assuming or not assuming joint liability, directly or through his cooperative or other form of association, with workers in organizations of associated labor through the diverse forms of business cooperation, concludes with those workers a contract or self-management accord concerning cooperation, that contract or accord regulating the questions of equality in management of joint ventures and joint decisionmaking concerning income jointly earned and shares in its distribution proportional to the share of each in the earning of that income.

Article 33

A self-employed workingman may pool his work and productive assets with the work of other workers and with socially owned assets on a self-management basis within the framework of a contract organization of associated labor, whereby he retains the right of ownership to the assets he has placed in that organization, and he has the right to serve as manager in conducting the business of that organization and to make decisions concerning its operation and development together with the workers.

Workers in a contract organization of associated labor, including the manager, are entitled by virtue of their labor to receive funds from net income to satisfy their individual and joint needs on a par with workers in other organizations of associated labor, and the manager is also entitled to a share of income on the basis of the assets which he has placed in the organization. Aside from the part set aside for his manager on the basis of the assets which he has placed in the organization, the income is the property of the society at large. Assets owned by the society at large which have been placed in a contract organization of associated labor and assets which that organization acquires on some other basis remain socially owned property.

The workers in a contract organization of associated labor--by virtue of their labor--and the manager--by virtue of his labor and his right of ownership to the assets which he has placed in that organization--make decisions as equals concerning the use and management of the assets the manager owns and has placed in the organization, in accordance with the contract concerning establishment of the contract organization of associated labor.

Article 34

A self-employed workingman in activities specified by law and in conformity with the nature of those activities and the needs of society, may in exceptional cases and up to a limit fixed by law use the additional labor of other persons whom he employs as workers.

Article 35

Bodies and agencies of the sociopolitical community have rights and obligations as established by constitution and law vis-a-vis organizations of associated labor or other self-managed organizations and communities.

If the relations of self-management are essentially disrupted within an organization of associated labor or other self-managed organization or community or if the interests of the public are seriously harmed, or if the organization or community fails to discharge its obligations as established by law, the assembly of the sociopolitical community, within the confines of its rights and duties, under legally prescribed conditions, and according to legally prescribed procedure, may dissolve the workers' council or other corresponding body of workers' management in the organization of associated labor or take steps as set forth in law.

If in the division of net income or distribution of funds for worker earnings there is a violation of those proportions which correspond to the principle of distribution according to work, or if the process of social reproduction is disrupted, measures may be taken to ensure the equality of workers in enforcement of the principle of distribution according to work or to prevent or correct the disruptions in social reproduction, in accordance with law.

Article 36

In the exercise of its rights and discharge of its obligations as set forth in the constitution, the trade union offers initiative for the taking of steps and itself takes steps to ensure that the workers exercise their socioeconomic and other rights of self-management and makes the decisions concerning other matters pertaining to their socioeconomic status.

The trade union has the right to offer the initiative and present a proposal for conclusion of a self-management accord and to initiate proceedings for reexamination of self-management accords that had been concluded if it feels that they infringe upon the self-management rights of workers and socioeconomic relations as set forth by the constitution.

The trade union shall participate in proceedings leading to conclusion of a self-management accord which regulates the mutual relations of workers in their work or establishes the basic principles and standards governing the division of net income and the distribution of funds for worker earnings, and shall sign that accord.

If a decision is being made in an organization of associated labor concerning matters pertaining to the self-management rights of workers and the financial position and interests of the workers and the organization of associated labor, and if in the decisionmaking process the interests

and views of one group of workers must be reconciled with the interests of the majority of the workers in associated labor, the bodies of workers' management and offices in organizations of associated labor must allow the trade union to participate in consideration of these matters, must give consideration to every request it makes, must take a position concerning that request, and, should it reject the request, must give it the reasons for the refusal.

If in an organization of associated labor a dispute arises between the workers of certain parts of the organization or certain workers and the official bodies or offices of the organization or between the workers of the organization and bodies or agencies of a sociopolitical community, and if it has not been possible to resolve this dispute in the normal way, the trade union has the right, in response to a request from the workers or on its own initiative, to initiate proceedings for resolution of the dispute.

Article 37

Basic organizations, other organizations of associated labor, business communities, work communities, banks, communities for insurance of property and persons and other financial organizations, agricultural and other cooperatives, chambers and other general associations, self-managed special-interest communities, and other self-managed organizations and communities, are public juridical persons with the rights, obligations and responsibilities which they have on the basis of constitution, law and the self-management accord establishing the association or on the basis of the official documents establishing them.

Article 38

The liability of the organization of associated labor and of other public juridical persons for their obligations extends to the socially owned assets in their possession.

Liability for the obligations of an organization of associated labor shall also be borne by other organizations with which it has entered into association under the conditions and in the manner established in the self-management accord concerning the entry into association to form the work organization or other organization of associated labor in which they are associated, in accordance with law.

Conditions and procedure of execution to collect obligations of organizations of associated labor and other public juridical persons and the socially owned assets which are exempted from execution are specified by law.

If an organization of associated labor is unable to discharge its obligations, the competent body of the sociopolitical community, in conformity with its rights and duties as established in its bylaws or constitution,

must offer that organization economic and other assistance and take steps toward its financial recovery and other economic and administrative measures whereby conditions are created for correction of the difficulties wherefore it was unable to discharge its obligations.

Article 39

Laws and other regulations valid at the place where they do business shall apply to organizations of associated labor and other forms representing a pooling of labor and assets and to parts of them (stores, shops, branch offices, warehouses, agencies, and so on).

The procedure for settling conflicts of laws and other regulations governing business relations of organizations of associated labor and conflicts of jurisdiction between the agencies of different sociopolitical communities shall be regulated by law.

Article 40

Discrepancies affecting socioeconomic and other self-management relations within organizations of associated labor and other forms representing a pooling of labor and assets and disputes which arise out of those relations shall be resolved by mutual adjustment, intermediation, and arbitration by commission, selected courts, courts of associated labor and other self-management courts.

Article 41

The self-management rights of workers and socially owned property shall be given public protection by assemblies of sociopolitical communities and equivalent bodies, courts of associated labor and other courts, constitutional courts, the public prosecutor, the public defender of self-management law, and the Social Accounting Service, each within its rights and duties as established by constitution and law.

The public defender of self-management law, as an independent public officer, shall take steps and legal action and shall exercise other rights and discharge other duties as set forth in law in order to ensure public protection of the self-management rights of the working people and of socially owned property, and government bodies, offices and agencies and the bodies and offices of self-managed organizations and communities are required, at the request of the public defender of self-management law, to provide him data and information that have a bearing on performance of his function.

Article 42

Workers in organizations of associated labor and other self-managed organizations and communities have the right and duty, as part of their regular

activity, to organize, achieve and improve nationwide defense and social self-protection.

In organizing, achieving and improving nationwide defense and social self-protection the workers and other working people in basic and other organizations of associated labor and other self-managed organizations and communities shall adopt programs of such measures and activities, shall provide the necessary materials and financial funds for such purposes, and shall adopt the relevant self-management acts and take other necessary measures.

Article 43

Workers in an organization of associated labor and its official bodies and offices must organize performance of that organization's activity in a manner which guarantees job safety and to take the necessary measures to make jobs and the workplace safe.

Article 44

In performance of their activity organizations of associated labor must preserve the quality of the environment and provide for the conditions necessary to protect and improve the environment and to prevent causes and correct harmful consequences threatening the valuable natural and man-made attributes of the environment.

Part Two. Socioeconomic Relations of Workers in Associated Labor

Chapter I. Relations in the Earning of Income

Section 1. Income as a Socioeconomic Category

Article 45

Income is that part of society's gross product which the workers in the basic organization earn in the form of money by virtue of social recognition of the results of their labor and the total labor of society under the conditions of socialist production of goods for the market and which the workers in the basic organization manage on the basis of their right to work with socially owned assets.

The workers in the basic organization earn income depending on the productivity of current labor and the effectiveness of management and conduct of business with socially owned assets by virtue of both their own and society's past labor in the basic organization and in other forms representing a pooling of labor and assets and also on constant adaptation of production and performance of other activities to the conditions of the market, the needs of society, and the relations which the workers independently regulate and make decisions on in the framework of sociopolitical communities.

The income which the workers earn in the basic organization has the following attributes:

- 1) it represents the material basis of the workers' right to decide on the conditions and results of their work, the principal work incentives, a standard of measurement of the basic organization's effectiveness in production and performance of other activities and of the workers' responsibility for effective operation and effective disposition of the socially owned assets which they manage;
- 2) it represents the basis and the source of funds, within the confines of the value newly created in the production sector, to satisfy their joint needs and the needs of the society at large so that provision is made for the joint conditions of their labor and the general conditions of the labor and development of society as a whole, and also of funds for worker earnings and their joint or community consumption, for improvement and expansion of the material basis of work, and for creation and replenishment of reserves;
- 3) it represents the basis and substance of social planning in the basic organization and in other organizations of associated labor, in other self-managed organizations and communities, and in sociopolitical communities, and also of the realization of common benefits and the development of the socioeconomic relations of self-management in associated labor.

The income of the basic organization in the production sector, representing as it does the newly created value, is the basis and source for free exchange of labor with workers in basic organizations in the public services who earn income on that basis according to the contribution they make through their work to creation of the new value in the production sector, to raising the national productivity of labor and to development of the society as a whole, and to satisfying the individual and joint needs and interests of the workers and other working people.

Article 46

In the context of a socialist market economy the workers in the basic organization constantly augment income in the following way:

- 1) by developing their own work skills and knowledge, by improving the organization of work, by applying scientific, technical and technological achievements, by more efficacious and rational utilization of natural production factors, by developing initiative in the workplace, by using work time more fully, by discharging work duties conscientiously, and consequently by raising labor productivity;
- 2) by economically and socially rational use of the funds invested, specifically by making fuller use of production and other operating facilities, by economies in consumption of supplies, raw materials and energy,

by more effective use and economic application of assets in the basic organization, and by pooling labor and assets with workers in other basic organizations;

3) by adapting the volume, type and quality of products and services to the requirements of the domestic and foreign markets, that is, by adapting to the social division of labor agreed upon through self-management procedure, and by mutual adjustment of plans on that basis.

The workers have a duty to bring the basic organization's conduct of its business on the market and in the social division of labor agreed upon through self-management procedure--in accordance with their responsibility to other workers in associated labor--into conformity with the joint interests and goals established by self-management accords and agreements concerning the basic elements of plans and which the economic policy sets forth in the plans of sociopolitical communities.

Article 47

In their disposition of income the workers in the basic organization shall in pursuit of their common interests and the general interests of society secure conditions for steady augmentation of income.

In performing this public function the workers in the basic organization--in the general self-management acts they adopt in the basic organization, in a self-management accord whereby they enter into association to form a work organization, and in other self-management accords--must provide basic standards and principles governing the distribution of net income and clear income and the distribution of funds for remuneration and joint consumption which will tend to operate as follows:

- 1) to motivate every worker in the basic organization and all workers together to achieve maximum labor productivity on the basis of consistent application of the principle of distribution according to the results of work;
- 2) to motivate every worker in the basic organization and all workers together to achieve the most purposive use and steady improvement and augmentation of investment funds because personal income is appropriately linked to the results in the pooling of labor and assets with workers in other basic organizations;
- 3) to motivate every worker in the basic organization and all of them together to achieve maximum effectiveness in adaptation of the basic organization's activities to the demands of the market and to the interests and needs of the working people and the society as a whole because personal income has been made appropriately dependent on the overall results of the basic organization's operation and business;

4) to encourage the development of the workers' creativity and industry at every job, at every assignment, and in every part of the work process in the basic organization thanks to appropriate internal organization of work and appropriate relations in distribution and division of income in the basic organization, the result being that the workers measure their contribution to the success of the work they do together and the income they earn.

Article 48

The basic organization's income is obtained as part of the gross income which the basic organization obtains through the conduct of its business when reimbursement has been made for the value of materials entirely consumed in the production process (material cost) and when provision has been made for replacement of fixed means of production and other productive assets (depreciation or amortization expenses).

Article 49

Workers in the basic organization in the public services obtain the basic organization's income as part of the gross income which basic organizations obtain through free exchange of labor from the income of other basic organizations and from the personal income of workers and from the earnings and other income of working people.

The income referred to in Paragraph 1 of this article is determined after material costs and depreciation and amortization expenses have been reimbursed from gross income.

The bases and standards to be used in determining material costs and depreciation to be reimbursed from the basic organization's gross income as referred to in Paragraph 1 of this article may be arranged by the workers in that basic organization in a self-management accord which they either conclude directly or through a self-managed special-interest community with workers in other basic organizations or with other working people with whom they carry on a free exchange of labor.

Article 50

Workers in a work community realize gross income or directly obtain the work community's income by virtue of free exchange of labor from the income of basic organizations for which they perform services of joint interest or from revenues and other public funds in the possession of self-managed organizations and communities and the bodies and agencies of sociopolitical communities for which they perform those services.

A self-management accord or law shall state when workers in the work community shall obtain the work community's income directly by free exchange of labor.

Article 51

The workers divide the basic organization's income into two parts:

- 1) the portion which goes for the personal incomes and community consumption of the workers, for improvement and expansion of the material basis of their work, and for creation and replenishment of reserves in the basic organization;
- 2) the portion which goes to provide for community and general conditions of labor and social development.

The portion of the basic organization's income which is assigned to the purposes referred to under Point 1 of Paragraph 1 of this article represents the basic organization's net or retained income.

Article 52

The workers freely dispose of the basic organization's net income in a context of responsibility to one another and to society as a whole and on the basis of other relations as set forth in this law.

In their disposition of the basic organization's net income the workers create conditions for improvement of production and for raising their own and the national productivity and for augmenting the income of the basic organization, and on that basis, in their own joint interests and the general social interests, they make provisions on an ever larger scale for their own individual and joint needs and the general needs of society and for augmenting and improving the material basis of their own labor and the labor of society as a whole, and in so doing they are performing their dominant role in social reproduction.

Article 53

In deciding on community and general conditions of labor and social development the workers in the basic organization, in conformity with the principles of reciprocity and solidarity and the capabilities of the basic organization and its own development needs, create lasting and stable conditions for improvement of operation and production and for improvement of their individual and social standard of living, in line with the growth of the total national income and the need for general and social advancement.

The portion of the basic organization's income referred to as the portion for community and general conditions of labor and social development consists of the following elements:

- 1) funds to meet community needs in the fields of education, science, culture, health, social welfare and other public services performed on the basis of a free exchange of labor and to meet community needs in the domain of social security;

2) funds to meet the general social needs through the framework of sociopolitical communities;

3) funds to meet other needs as specified on the basis of law.

The workers in the basic organization make decisions on community and general conditions of labor and social development together and as equals with other workers in associated labor, in accordance with the commitments which they have assumed in self-management accords concerning the basic elements of plans and other self-management accords and social compacts, and those which they have assumed through their delegations and delegates by virtue of the enactment of laws or adoption of decisions in assemblies of sociopolitical communities.

Article 54

Funds from the basic organization's income to meet community needs in the fields of education, science, culture, health care, social welfare and other public services, which are provided for on the basis of the free exchange of labor, and funds to meet community needs in the domain of social security, go for the following purposes:

i. to meet the community needs of society on principles of reciprocity and solidarity in the fields that have been mentioned and which are designated by law as activities of particular public interest and in the domain of social security, through the framework of self-managed special-interest communities, in accordance with the rise of labor productivity achieved in the basic organizations which are supplying the funds and according to the scope of such services as set forth in self-management accords or agreements concerning the basic elements of plans;

ii. to meet community or individual needs of organizations of associated labor whereby a contribution is made to the raising of labor productivity and other improvement of production and business, thereby bringing about an augmentation of income, in accordance with that contribution, either directly in relations between the interested organizations or through the framework of self-managed special-interest communities.

Funds to meet general social needs provided for in sociopolitical communities on the basis of taxes and other charges are set at the level established by the assemblies of sociopolitical communities in conformity with social plans.

Article 55

The worker's personal income is used to meet his own personal needs and also to meet community needs and general social needs.

Article 56

Workers in the basic organization shall regulate the conditions for earning income in the self-management accords which they conclude with workers in other basic organizations with whom they have bonds based on common interests in the earning of income.

In the self-management accords referred to in Paragraph 1 of this article the workers in the basic organization shall in particular set forth criteria to be used in setting prices and other sales conditions for products and services, bases and standards to be used in determining the share in income earned jointly, that is, in determining contributions in free exchange of labor and other mutual relations in the earning of income, in accordance with general conditions and commitments assumed as set forth in self-management accords concerning the basic elements of plans of self-managed organizations and communities or in agreements concerning the basic elements of plans of sociopolitical communities and in those plans themselves, other self-management accords, and law.

Article 57

Workers in the basic organization plan their income in order to achieve the following:

- 1) the basis and conditions for augmenting the income of the basic organization;
- 2) distribution of the basic organization's income and net income and division of funds for worker earnings and for services provided on a joint basis whereby they improve and coordinate their own production and that of society as a whole and development of socioeconomic relations with self-management and create conditions for stability in the basic organization's operation and business, conditions for their own financial and social security and stability, and conditions for equality in exercising the right to work with socially owned assets and to dispose of income at all levels and in all forms representing a pooling of labor and assets.

By planning income as referred to in Paragraph 1 of this article the workers in basic organizations are also creating conditions for overcoming the erratic behavior of the market.

Article 58

The basic organization's income is both the basis and incentive for pooling labor and assets with workers in other basic organizations, in banks and other financial organizations, and in other forms representing a pooling of labor and assets.

Article 59

Workers in the basic organization have the following rights on the basis of results in their management and economic application of society's productive potential and of their own and society's past labor in the basic organization and within the framework of its share in income jointly earned on the basis of a pooling of labor and assets:

- 1) to obtain a portion of their own individual income;
- 2) to achieve broader opportunities--in accordance with the principles of reciprocity and solidarity--for technical training, retraining, improvement of technical knowledge and work skills, and the employment and welfare of mothers, as well as for insurance in cases of illness, childbirth, total or partial disability, unemployment and old age, and also for child welfare and other forms of social welfare;
- 3) to acquire other personal rights and interests in things as established by law or by general self-management acts based on law.

Section 2. Bases for the Earning of Income

Article 60

Workers earn the basic organization's net income from the gross income which it obtains in the following ways:

- 1) by selling products and services on the domestic and foreign markets or within the framework of an organization of associated labor;
- 2) by sharing in income jointly earned on the basis of a pooling of labor and assets;
- 3) by free exchange of labor;
- 4) on the basis of compensation, subsidies, premiums, subventions and other types of income as established by law or self-management accord or by contract conformant with law.

1. The Earning of Income Through the Sale of Products and Services

Article 61

In a basic organization which markets its own products and services the workers obtain the basic organization's income from the gross income which the basic organization obtains by selling those products and services at market prices.

Article 62

Workers in basic organizations, together with working people in local communities and other self-managed organizations and communities, establish price parity within the limits of their rights and responsibilities under self-management by concluding self-management accords and social compacts.

In a context of interdependence, interrelatedness and mutual responsibility, workers in basic organizations themselves set the prices of products and services on the unified Yugoslav market on the basis of the operation of the laws of the market, but in accordance with conditions for earning income set forth in a self-management accord, social compact and law.

Article 63

A basic organization selling products and services to another basic organization within the same work organization or complex organization of associated labor, which in turn uses them in subsequent production or final consumption, shall by agreement with that basic organization set the prices at which those products and services are sold, bearing in mind long-range relations in the movement of prices and other conditions on the market and the standards provided for in the self-management accord, this entire procedure being conducted in conformity with the self-management accord whereby they entered into association.

2. The Earning of Income by Sharing in Income Earned Jointly

Article 64

In their mutual relations concerning income that has been earned jointly on the basis of a pooling of labor and assets, workers in basic organizations have the following attributes:

- 1) they are equals in earning income commensurate with the contribution which they have made to creation of the income;
- 2) by agreement they set the goals, purposes, conditions and manner of the pooling of labor and assets and mutual rights, obligations and responsibilities in the earning of income;
- 3) they exert a two-way influence on business policy and development policy, assume a joint risk in the venture, jointly discharge responsibility for expansion of the material basis of operation and for higher labor productivity, in accordance with the self-management accord;
- 4) by agreement they reconcile their views, through the joint body or in some other manner, concerning the joint ventures which arise out of the pooling of labor and assets, in accordance with the self-management accord.

Article 65

Workers in a basic organization pooling their labor and assets with workers in other basic organizations are entitled to a share in the income which they earn jointly in conformity with the self-management accord whereby the association was created.

The right to share in income from a joint venture as referred to in Paragraph 1 of this article is exercised when workers in a basic organization pool their labor and assets with workers in other basic organizations either directly or through a work organization of which they are part or through another organization of associated labor it is a member of, through the framework of a bank or other financial organization, or within the framework of a self-managed special-interest community in the production sector or in some other form representing a pooling of labor and assets.

Article 66

Workers in basic organizations which are pooling labor and assets earn a share in income from a joint venture according to the contribution they have made by their present and past labor to the earning of that income, that income to be measured according to the bases and standards set forth in self-management accords concerning the pooling of labor and assets.

Article 67

Workers in basic organizations which are pooling their labor and assets obtain their share in income from the joint venture as follows:

- 1) share in joint sales revenue;
- 2) share in joint income.

The term "joint sales revenue" as used in Point 1, Paragraph 1, of this article refers to the following:

i) receipts from the sale of products or services which are the result of the joint work of workers in two or more basic organizations belonging to the same or different work organizations (performing different phases in the processing of a single material or by production of products which become components of a single finished product);

ii) revenue from the sale of products and services on the basis of cooperation between manufacturing and other organizations of associated labor with organizations of associated labor concerned with commercial transactions involving goods and services, whether or not they belong to the same organization of associated labor, that is, are associated with the same organization of associated labor.

The term "joint income" as used in Point 2, Paragraph 1, of this article refers to the income jointly earned by a basic organization using in the conduct of its business the assets of other basic organizations and by the basic organizations which pooled those assets and which on that basis are entitled to share in the joint income.

Article 68

Workers in basic organizations shall regulate their mutual relations in the earning of joint sales revenue in a self-management accord.

The self-management accord referred to in Paragraph 1 of this article shall specifically regulate the following:

- 1) relations in joint production of the product or in joint rendering of services, for example, mutual adjustment of production plans, standard allowances governing material operating costs, criteria to be used in determining amortization rates, quotas and deadlines for mutual deliveries, research and development, and other elements of labor and production whereby they ensure higher labor productivity, lower production costs and improvement of the joint product or joint service;
- 2) the manner in which two-way influence is to be exerted on business policy and development policy;
- 3) mutual relations in making provision for current assets required in the production and distribution of the joint product or joint service;
- 4) the conditions of representation on the domestic and foreign markets in connection with the sale of the joint product or joint service, for example, standards to be used in setting prices and other sales terms;
- 5) the manner in which they will reconcile their views concerning joint ventures;
- 6) the membership and competence of their joint body and the manner in which its members are to be elected if such a body is established;
- 7) the manner in which risks are to be borne and the forms of mutual liability and liability and legal transactions with third persons in the process of obtaining the joint sales revenue;
- 8) the manner in which disputes shall be settled and the conditions and manner of dissolving the self-management accord.

The self-management accord referred to in Paragraph 1 of this article shall also regulate the distribution of the joint sales revenue, specifically the following:

- 1) the prices or other bases and standards to be used in distributing the joint sales revenue;
- 2) the intervals at which the joint sales revenue is to be computed;
- 3) the conditions and manner of use of that portion of joint sales revenue which is the result of exceptionally favorable market conditions; and
- 4) the conditions and manner in which they will display solidarity in order to guarantee the job safety and social security of workers, to correct disruptions in the conduct of business or to take emergency financial measures to rescue basic organizations which have been participating in the earning of joint sales revenue.

Article 69

The bases and standards governing the distribution of joint sales revenue must be such as to ensure conditions for higher labor productivity, more efficient and effective use of socially owned assets in operation and business, and lower material operating costs and other business expenses of the basic organizations which have had a share in earning that revenue.

The bases and standards referred to in Paragraph 1 of this article shall be set down for a lengthy period of time, as a rule for the period covered by the medium-term plan.

If joint sales revenue is distributed on the basis of prices set forth in a self-management accord, long-range relations in the movement of prices on the market for those same or similar products or services must be borne in mind when those prices are set.

Article 70

Joint sales revenue shall be distributed in its entirety among the basic organizations which participated in earning it.

Joint sales revenue is provisionally distributed among the basic organizations immediately after it is obtained, and this distribution shall be to all basic organizations simultaneously.

Joint sales revenue is computed at the intervals set forth in the self-management accord, which may not be longer than the intervals in which the gross income of basic organizations is computed as required by law.

Article 71

Organizations of associated labor concerned with wholesale commercial transactions involving goods and services, export and import transactions or other transactions in foreign trade, and manufacturing and other

organizations of associated labor with which they have a lasting business relationship must regulate mutual relations in that collaboration in a self-management accord concerning their entry into association or in some other self-management accord.

A manufacturing or other organization of associated labor which does occasional business with an organization of associated labor concerned with wholesale commercial transactions involving goods and services or export and import transactions or other transactions in foreign trade shall regulate its relations with that other organization in a compact, or the relationship shall be governed by the conditions and procedures set forth in a self-management accord as referred to in Paragraph 1 of this article.

Article 72

Organizations of associated labor engaged in wholesale trade in goods and services or export and import transactions or other transactions in foreign trade shall earn and distribute joint sales revenue with manufacturing and other organizations of associated labor with which they have a lasting business relationship unless federal law specifies that they shall earn and distribute joint income.

Organizations of associated labor as referred to in Paragraph 1 of this article shall specifically regulate the following in a self-management accord:

- 1) procedure to be followed in adopting joint policy governing production, performance of some other economic activity, or the rendering of a public service and for adoption of joint policy governing the wholesale marketing of goods and services or export and import transactions or the handling of other transactions in foreign trade;
- 2) the manner in which risks arising out of their joint conduct of business shall be borne;
- 3) procedure in discharging mutual responsibility for improvement of production, performance of some other economic activity or the rendering of a public service and for improving the wholesale marketing of goods and services or export and import transactions or the handling of other transactions in foreign trade;
- 4) procedure for reconciling views concerning issues that arise out of the joint conduct of business;
- 5) the bases and standards which shall govern distribution of joint sales revenue, procedure to be followed in that division, and the intervals at which joint sales revenue shall be computed;

6) procedure to be followed in resolving disputes that arise out of the joint business venture; and

7) the conditions and manner of dissolving the self-management accord.

The self-management accord referred to in Paragraph 2 of this article may also be entered into by other organizations of associated labor under the same conditions as the original parties to it.

The self-management accord referred to in Paragraph 2 of this article shall be registered in the manner specified by federal law.

The organizations of associated labor referred to in Paragraph 1 of this article may not engage in the wholesale marketing of goods and services, export and import transactions or other transactions in foreign trade unless they have concluded a self-management accord with manufacturing and other organizations of associated labor with which they do business, in conformity with federal law.

Article 73

The joint conduct of business by organizations of associated labor engaged in the wholesale marketing of goods and services, export and import transactions, or other transactions in foreign trade with manufacturing and other organizations of associated labor with which they do business shall be based on mutual division of labor, and in that framework those organizations of associated labor shall:

i. independently conduct transactions arising out of the joint venture which pertain to their activity, within the confines of the goals and tasks adopted in their plan, and in accordance with the commitments they assumed in the self-management accord concerning the joint basic elements of that plan;

ii. mutually adjust their handling of business within that joint venture which pertains to their activity and bear mutual responsibility for timely performance of those assignments, at the same time meeting the volume quotas and quality standards that have been adopted by agreement.

In a self-management accord concerning the basic elements of their plan the organizations of associated labor referred to in Paragraph 1 of this article shall specifically state the growth of production and commercial capacity, improvement and refinement of the product or service and its quality, the potential for marketing the product or service on individual markets, standard allowances for material operating costs and criteria to be used in establishing depreciation and amortization rates, the price structure and procedure to be followed in setting prices and other general sales terms in the marketing of the products and services that are involved in their joint venture.

Article 74

The risk involved in the joint venture shall be borne by the organizations of associated labor engaged in wholesale marketing of goods and services, export and import transactions, or other transactions in foreign trade and by manufacturing and other organizations of associated labor with which they do business in the cases specified by the self-management accord and specifically in the following cases:

- i. failure to meet the planned volume of production and sales of the products and services in physical and value terms;
- ii. bad debts, partial collection or tardy collection of accounts receivable from their joint venture;
- iii. underutilization of production and sales capacity which represent their share in the joint venture.

Concerning the cases referred to in Paragraph 1 of this article the self-management accord shall state the risks which are to be jointly borne by the organizations of associated labor and the conditions, manner, bases and standards to be honored in bearing the risks that arise out of their joint venture.

The organizations of associated labor referred to in Paragraph 1 of this article shall pledge funds for bearing the risks that arise out of their joint venture by setting up a special risk fund or in some other manner as specified by the self-management accord.

Article 75

The bases and standards which are to govern distribution of joint sales revenue earned by the organizations of associated labor engaged in the wholesale marketing of goods and services, export and import transactions or other transactions in foreign trade and by the manufacturing and other organizations of associated labor with which they do business shall be set forth in accordance with the provisions of Article 69 of this law, and they shall specifically take into account the contribution they have made in the joint venture to earning the joint sales revenue by virtue of their labor and the assets they have pooled so that production and trade can be conducted and improved.

Article 76

The revenue of organizations of associated labor acting as importers, representatives and agents shall be treated as joint sales revenue which is to be distributed by those organizations and the organizations of associated labor which they do business with according to the bases and standards set forth in a self-management accord, in conformity with federal law.

Article 77

Organizations of associated labor engaged in retail marketing of goods and services and the manufacturing and other organizations of associated labor with which they do business shall earn and distribute joint sales revenue under the conditions and in the manner established by a self-management accord, in accordance with this law.

Organizations of associated labor as referred to in Paragraph 1 of this article which do not conclude a self-management accord concerning their collaboration shall earn and distribute joint sales revenue under the conditions and in the manner set forth in a self-management accord concerning such collaboration which they have concluded with other organizations of associated labor in line with the scope, type and nature of that mutual collaboration.

Article 78

Organizations of associated labor engaged in retail marketing of goods and services must establish cooperation in the manner specified by law with consumers organized in local communities and with other self-managed consumers' communities and organizations.

In carrying on the cooperation referred to in Paragraph 1 of this article organizations of associated labor engaged in the retail marketing of goods and services must reach agreement in the manner specified by law with consumers organized in local communities and other self-managed consumers' communities and organizations concerning matters of common interest and specifically concerning the assortment and quality of goods which they sell and services which they render, concerning the conditions and manner of the marketing of goods and rendering of services and the share of consumers in the revenues earned in the sale of goods and rendering of services in the form of a refund of a part of those revenues or in some other form as established in accordance with law.

To the end of creating conditions that will bring the retail marketing of goods into line with consumers' needs and to the end of ensuring equality for the producers of those goods, organizations of associated labor engaged in the retail marketing of goods must reach agreement with consumers organized in local communities and other self-managed consumers' communities and organizations in adoption of criteria that will be used in choosing the retail goods to be marketed and of the manner of determining which goods meet those criteria; the agreement shall also make provision for making those criteria accessible to the public.

Article 79

An organization of associated labor which sells the goods of a particular organization of associated labor with which it is associated may also sell

in its stores the goods of other organizations of associated labor if those other organizations of associated labor have concluded a self-management accord with the organization of associated labor whose goods are being sold by the commercial organization of associated labor.

Article 80

In order to create conditions for a constant augmentation of income workers in the basic organization pool their labor and assets with the labor and assets of workers in other basic organizations, ensuring on that basis--in their own joint interests and the general interests of society--a mutual adjustment of operation and production, a mutual division of labor, a more stable supply of raw materials, energy and other physical elements of operation and production, a rise in the level of their own and the national productivity, and joint planning.

Article 81

Workers in basic organizations shall regulate their mutual relations in the earning of joint income in a self-management accord.

The self-management accord referred to in Paragraph 1 of this article shall specifically regulate the following:

- 1) the aims pursued in the pooling of assets and the purposes, conditions and manner pertaining to the use of those assets;
- 2) the manner in which joint income shall be ascertained;
- 3) the bases and standards to be used in determining shares in joint income;
- 4) conditions, manner and intervals relevant to sharing in joint income;
- 5) conditions, manner and intervals pertaining to return of the value of the assets that have been pooled, that is, physical things, money and rights which constitute the pooled assets;
- 6) mutual obligations and responsibilities should their joint business show a loss and other obligations and responsibilities with regard to the bearing of risks;
- 7) the manner in which their views shall be reconciled concerning joint ventures;
- 8) the membership and competence of their joint body and the manner of election of its members, should such a body be established;

9) procedure to be followed in resolving disputes and the conditions and manner of dissolving the self-management accord.

The self-management accord referred to in Paragraph 1 of this article may also establish joint standard allowances pertaining to material operating costs, criteria to be followed in setting depreciation and amortization rates, those conditions which are to be regarded as exceptionally favorable, and the conditions and manner of use of that portion of income which is the result of those exceptionally favorable conditions.

The self-management accord referred to in Paragraph 1 of this article may also set forth mutual obligations concerning delivery of products and services and the conditions under which assets shall again be pooled in order to achieve the aims pursued in concluding the self-management accord.

Article 82

Joint income shall be distributed in its entirety among the basic organizations which shared in creating it.

The share in joint income shall be determined according to the contribution which workers in basic organizations have made to the earning of that income by their present labor (share based on present labor) and by their management and economic application of the assets which have been pooled (share based on past labor).

The share in joint income on the basis of present labor and on the basis of past labor shall depend on the results which have been achieved in achieving the aims of pooling labor and assets according to the same bases and standards and in conformity with the conditions as established by agreement under which the business risk is jointly borne by workers in basic organizations which are pooling their labor and assets.

Workers in a basic organization which uses in the conduct of its business the assets of other basic organizations shall be ensured from the joint income funds for their personal income and for their community consumption in accordance with the joint bases and standards governing distribution of those funds which are in effect in the organizations of associated labor, and they shall also obtain funds for expansion of the material basis of their labor in accordance with their contribution to the earning of the joint income.

The share in joint income based on past labor is obtained from the portion of that income which remains after funds have been set aside for the personal income and community consumption of the workers in the basic organization using the pooled assets in the conduct of its business, in accordance with the joint bases and standards which are in effect in the organizations of associated labor.

Article 83

A fixed share in joint income may not be envisaged by a self-management accord as referred to in Article 81 of this law.

Article 84

A basic organization which has pooled its assets is entitled to a share in joint income on the basis of past labor, that share to consist of the following elements:

- 1) recovery of the value of the assets pooled in the amounts of those assets or in an amount that has been adjusted in accordance with law on the basis of coefficients and in the form set forth in a self-management accord;
- 2) reimbursement for use of the pooled assets, which is either set at a specified amount in advance or is determined according to bases and standards contained in the self-management accord and in the form stated in that self-management accord.

The value of pooled assets is recovered and reimbursement made for their use in proportion to the income earned, such proportion to be agreed on.

Article 85

The pooled assets are returned and the reimbursement is made for their use as a function of the augmentation of the income of the basic organization which has been using the pooled assets in the form of an annual share in the joint income. This share ceases upon return of the value of the pooled assets along with reimbursement or upon expiration of the period specified in the self-management accord regardless of the extent to which the value of the pooled assets have been recovered.

The reimbursement for use of pooled assets is determined according to the bases and standards envisaged by the self-management accord, which have been established to assure accomplishment of the goals and interests of the basic organizations which pooled their labor and assets.

The self-management accord may also provide for the pooled assets to be returned to the basic organizations which supplied them from other funds at the independent disposition of the basic organization which has been using the pooled assets in the conduct of its business, or this recovery may be made in other forms or in another manner within the framework of their cooperation.

When returned, pooled assets become the operating and business assets of the organization of associated labor which pooled them, while the reimbursement for use of the pooled assets goes into its gross income.

A basic organization which has supplied assets may renounce the right to the return of the assets it has pooled or the right to reimbursement for use of those pooled assets. This decision shall be made by the workers in the basic organization by direct personal expression.

If in a self-management accord a basic organization has renounced the right to recovery of pooled assets or the right to reimbursement for use of the pooled assets, the self-management accord may provide that that basic organization will not bear risks in the earning of joint income.

Any and every self-management accord is illegal unless it specifies that the share in joint income shall terminate once the payment of that share has covered the return of the pooled assets and the relevant reimbursement for their use.

Article 86

If a self-management accord provides that the basic organization using pooled assets in the conduct of its business shall deliver raw materials, intermediate products or finished goods or shall perform certain services to or for the basic organizations which supplied the assets, or if it envisages other mutual obligations with regard to delivery of certain products or rendering of certain services, that self-management accord may provide for that cooperation to continue or to terminate once the share in joint income has terminated.

The self-management accord referred to in Paragraph 1 of this article may not envisage prices or other financial conditions in mutual cooperation which would place either or any of the basic organizations in that cooperation in an unequal position vis-a-vis other organizations of associated labor on the market and in other mutual relations or with respect to equality in making decisions concerning their development.

Article 87

Workers in basic organizations who pool their labor and assets may provide, in accordance with the plans of their own basic organizations, that the funds which they obtain by virtue of their share in joint income shall again be pooled, either entirely or partially, so as to achieve the goals set forth in those plans.

The provisions of this law pertaining to the earning of joint income shall apply to mutual relations of basic organizations as referred to in Paragraph 1 of this article.

Article 88

In their joint earning of income basic organizations may establish mutual credit relations without an intermediary, under the conditions and in the manner prescribed by law.

Article 89

After deduction of operating costs and funds for the work community [labor force--translator's note] of the bank as a whole, revenue which a bank earns through the conduct of its business shall be distributed as joint income among the basic organizations and other self-managed organizations and communities which pooled their cash assets in that bank and the self-managed organizations and communities using those assets, according to the contribution which those basic organizations have made to the earning of that income.

The bases and standards to be used in determining the contribution to the earning of joint income shall be set forth in a self-management accord concluded in the manner set forth in the self-management accord whereby the bank was established, in accordance with law.

The joint income earned in a bank must be distributed within the period of time set forth in the self-management accord or prescribed by law among the basic organizations and other self-managed organizations and communities which placed their cash assets in the bank and which are using those assets.

Article 90

Workers in a basic organization which is required by law to pool a portion of its productive assets have the right to recovery of that portion of assets, and also the legally prescribed right to an adequate reimbursement for their use.

Article 91

An organization of associated labor may attract the cash assets of individuals in order to expand the material basis of its operation.

Individuals are entitled to recovery of the assets referred to in Paragraph 1 of this article, and they are also entitled to reimbursement for use of those assets in the form of interest or other valuable consideration established on the basis of law.

When the assets referred to in Paragraph 1 of this article are used to open new jobs, the basic organization may assume a commitment, in accordance with a social compact and law, to employ an individual who gives his assets to the basic organization if opportunities are created thereby for his employment or if possibilities are expanded for employment in general.

3. The Earning of Income Through Free Exchange of Labor

Article 92

Workers in a basic organization performing a service in the fields of education, science, culture, health care and social welfare or some other public service shall earn the income of their basic organization from the gross income which the basic organization obtains through free exchange of labor either directly or through (in the framework of) a self-managed special-interest community, from the income of other basic organizations, according to the contribution which they have made by their work to the creation of new value in the production sector, to the raising of national labor productivity, and to the development of society as a whole.

Workers in a basic organization performing a service as referred to in Paragraph 1 of this article earn the income of the basic organization from the gross income which the basic organization obtains on the basis of free exchange of labor either directly or through (in the framework of) a local community or self-managed special-interest community and also from the personal income of workers or the income or proceeds of other working people, depending on the contribution which they have made by their labor to meeting the individual and joint needs and interests of those working people.

Workers in a basic organization which performs a service as referred to in Paragraph 1 of this article shall earn the income of the basic organization from the gross income which the basic organization obtains on the basis of reimbursement as agreed upon in a self-management accord for performance of an activity or for services rendered (hereafter referred to as the "charge for services") or on some other basis in accordance with a self-management accord.

Article 93

A basic organization performing a public service shall obtain funds to expand the material basis of its labor in the following ways:

- 1) as part of its charge for services;
- 2) from earmarked funds supplied on the basis of a self-management accord in the form of voluntary self-taxation by citizens or on the basis of a law or decision of the assembly of a sociopolitical community in accordance with law.

The basic organization shall obtain the funds referred to in Paragraph 1 of this article in accordance with the development of public services as projected in the plans of basic organizations, self-managed special-interest communities and other self-managed organizations and communities, the plans of sociopolitical communities, and the commitments which

it has assumed in a self-management accord or in agreements concerning the basic elements of those plans.

Article 94

If in self-managed special-interest communities in the domains of municipal services and utilities, the fuel and power industry, water management, transportation and other activities in the sector of material production mutual relations are regulated in pursuit of joint interests on principles of free exchange of labor, the workers in basic organizations performing those activities shall earn the income of the basic organization from the gross income which the basic organization obtains in that exchange, according to the bases and standards set forth in the self-management accord.

Article 95

Workers in a work community which perform administrative and technical tasks, renders auxiliary service, or performs other similar functions in a work organization or other organization of associated labor, such functions being of joint interest to several basic organizations within that work organization or other organization of associated labor and workers in a work community performing such functions in an agricultural or other cooperative, bank or mutual insurance company shall earn the income of the work community from the gross income which the work community obtains by virtue of free exchange of labor with workers in the organizations or communities for which they perform functions of joint interest.

Workers in a work community as referred to in Paragraph 1 of this article shall earn the income of the work community as a function of their contribution to business success and to satisfaction of the needs and interests of the organizations or communities for which the work community performs tasks, as a function of the type and volume of such tasks and the quality of their work, and also as a function of the income or revenue earned by those organizations or communities.

Workers in a work community as referred to in Paragraph 1 of this article are entitled to funds for their personal incomes and for community consumption in accordance with the principle of distribution according to work and with the bases and standards established in the self-management accord which the organization or community for which the work community performs functions of common interest concludes with the workers in the work community, and also in conformity with the bases and standards governing the formation of those funds in the basic organizations.

The self-management accord which workers in a work community conclude with an organization or community for which that work community performs functions of common interest may also make provision, up to the limits of revenues or income, for funds to be used to expand the material basis of

the work community's work, in accordance with the nature of the tasks which it performs and the joint interests the work community was established to satisfy.

Article 96

Workers in a work community performing tasks for a self-managed special-interest community or other self-managed organization or community or for their association, or a sociopolitical organization, or for another public organization or association of citizens, shall earn the income of the work community from the gross income which the work community obtains by free exchange of labor.

As an exception, should the bylaws of the organization or community as referred to in Paragraph 1 of this article specify that the work community shall not obtain gross income, the workers shall directly earn the income of the work community through free exchange of labor.

Out of the gross income or income of the work community the workers in the work community referred to in Paragraph 1 of this article shall obtain funds for personal income and for community consumption in accordance with the principle of distribution according to work and the bases and standards governing distribution that have been publicly adopted and which apply to organizations of associated labor.

Article 97

Workers in a work community performing tasks for bodies or agencies of a sociopolitical community shall earn the income of the work community according to the principle of free exchange of labor in conformity with law or decision of the assembly of the sociopolitical community based on law; and when the nature of the activities of those bodies or agencies allows, they shall earn income on the basis of a self-management accord or contract concluded between the work community and those bodies or agencies.

The workers in a work community as referred to in Paragraph 1 of this article shall earn funds for their personal income and for community consumption from the net income of the work community; and when the self-management accord or contract so provides, and in accordance with law, they shall also obtain funds for expansion of the material basis of the work community's work.

Article 98

The productive assets the workers in the work community use in their work shall be productive assets managed by the organization or community or by the body or agency of the sociopolitical community for which the work community performs tasks. With regard to the use and disposition of the productive assets, these workers have the rights, duties and responsibilities set forth in the self-management accord regulating mutual relations

between the work community and the organization or community or agency or body for which the work community performs tasks, in conformity with law.

The productive assets used by the workers in a work community as referred to in Article 403 of this law shall be productive assets managed by the workers in that work community if the results of their work can be expressed in value terms, but other conditions do not obtain for their organizing themselves as a basic organization.

4. The Earning of Income on Some Other Basis

Article 99

Workers earn the income of the basic organization from the gross income which the basic organization realizes from compensation, premiums, subsidies, tax and other refunds, subventions and gifts or on some other basis as prescribed by law.

The basic organization shall use earmarked subventions and gifts up to their full amount for those purposes and solely for those purposes, in accordance with law.

Section 3. Socioeconomic Status of Working People Who Independently Perform Professional Activity by Their Own Work (Self-Employed Professionals)

Article 100

Self-employed working people in the fields of science, literature, the pictorial arts, music, the theater, the film or other artistic or cultural activity or who carry on a legal practice or perform other professional activity (hereafter referred to as "professional activity") have in principle the same socioeconomic status and basically the same rights and obligations as workers in organizations of associated labor.

The working people referred to in Paragraph 1 of this article earn income and meet their obligations from income in accordance with law.

Article 101

Self-employed working people carrying on professional activity may pool their labor and establish temporary or permanent work communities.

The work community referred to in Paragraph 1 of this article shall have basically the same status as organizations of associated labor.

Working people in work communities as referred to in Paragraph 1 of this article shall independently regulate their work relations and relations in the earning and distribution of the income from their joint labor, in accordance with the principles governing arrangement of those relations

in organizations of associated labor, to be based on a self-management accord in accordance with law.

Working people in a work community as referred to in Paragraph 1 of this article shall manage the income they earn and the assets used in their joint labor as socially owned assets, in accordance with the self-management accord and law.

Article 102

Self-employed working people carrying on professional activity and their temporary or permanent work communities shall have the right to use socially owned assets and to manage them under the same conditions that govern use and management of socially owned assets by workers in organizations of associated labor, but in conformity with law.

Article 103

Self-employed working people professionally engaged as professionals in the fields of science, literature, the pictorial arts, music, the theater, the film or other artistic or cultural activity, or having a legal practice or performing other professional activity under conditions specified by law, shall carry on cooperation with workers in organizations of associated labor either directly or through their organizations or associations in accordance with a self-management accord which they conclude with workers in those organizations of associated labor and with law.

Chapter II. Relations in the Distribution of Income and Net Income

Section 1. Determination of Income

Article 104

When material operating costs and depreciation and amortization expenses at the minimum rate prescribed by law are reimbursed from gross income, the income of the basic organization is obtained.

The gross income of the basic organization is made up of revenue and receipts on the bases enumerated in Article 60 of this law.

Article 105

The basic organization's material operating costs consist of expenditures for subjects of labor consumed, for current maintenance of fixed productive assets, for services necessary to performance of the basic organization's activity, for current needs in the fields of workplace health and safety, for current needs in the fields of vocational training and scientific research performed as part of the work process, and for other current needs in material production or performance of other activity which

represent an immediate condition for work and for production, in accordance with law.

Material operating costs of the basic organization also include business expenses and expenditures made to pay the turnover tax, customs duties, and customs charges on the products and services referred to in Paragraph 1 of this article.

The basic organization's material operating expenses do not include expenditures for personal income or for community consumption, nor outlays for investment and transfers to reserves, nor contributions, taxes and other charges except for the expenditures enumerated in Paragraph 2 of this article.

In deciding on expenditures that come under the head of material operating costs, the workers in the basic organization shall use technical standards pertaining to the normal levels of the various cost items, and in the case of cost items for which these technical standards do not exist, their decision shall set a limit on those material operating costs.

When the self-management accord so specifies, the workers in the basic organization, together with workers in other basic organizations with whom they are pooling their labor and assets, shall examine and monitor those expenditures which come under the head of material operating costs and shall exert pressure concerning the level of those expenditures.

Article 106

Depreciation and amortization shall be used to reimburse the charged or diminished value of the things or rights and interest in things which constitute fixed assets in accordance with the wear or obsolescence of those things and rights and interests.

The depreciation and amortization referred to in Paragraph 1 of this article shall also be used to reimburse the value of funds for innovation and other lasting improvements of the elements of operation and production (studies, analyses, designs, etc.).

Workers in the basic organization shall independently fix the rate of depreciation and amortization in accordance with their responsibility to restore the value of socially owned assets with which they work and as a function of the conditions under which those assets are used and the levels of scientific and technical development and technological progress which have been achieved.

In setting rates of depreciation and amortization the workers in the basic organization may not thereby set aside funds for investment over and above the value of fixed assets as charged or diminished in the context of Paragraph 1 of this article.

By agreement with workers in other basic organizations with whom they pool their labor and assets, the workers in the basic organization may adopt a criterion governing the setting of a single rate or more than one rate of depreciation and amortization, in accordance with self-management accords concerning the basic elements of plans and with those plans themselves.

For the sake of uniformity in the determination of income and in order to guarantee that the basic organization maintains at least the minimum level of soundness in its operation, the law sets minimum rates of depreciation and amortization and the dates and procedure for computing that depreciation or amortization.

Depreciation or amortization set aside at rates higher than the legal minimum rates shall not be included in the tax base for computation of the income tax on basic organizations when the republics or autonomous provinces so establish either independently or by mutual agreement.

Article 107

Material operating costs and depreciation and amortization shall be determined in basic organizations performing public services in accordance with the nature of those activities and under the conditions and in the manner established by self-management accord and law.

Article 108

A work community which obtains gross income shall determine its income in accordance with the provisions of this law concerning determination of the basic organization's income.

A work community which does not obtain gross income shall determine its income in the manner provided for in the self-management accord or contract and by law.

Article 109

Basic organizations which realize joint sales revenue on the basis of a self-management accord as referred to in Article 68 of this law shall determine joint sales revenue in the manner envisaged by that self-management accord.

Basic organizations which realize joint income on the basis of a self-management accord as referred to in Article 81 of this law shall determine that joint income in the manner envisaged by that self-management accord.

The receipts which shall constitute joint sales revenue or the proceeds from which joint income is realized must be indicated separately in business records, and workers in basic organizations which have a share in

realization of joint sales revenue or joint income have the right to examine the figures on that revenue in the manner envisaged by the self-management accord and by law.

Section 2. Distribution of Income

Article 110

The basic organization's income shall be distributed as follows:

- a. to meet obligations to basic organizations performing services in the fields of education, science, culture, health care, social welfare and other public services, which earn income or realize gross income through a free exchange of labor, and which are by law supported from the basic organization's income;
- b. to those obligations which guarantee the workers' social security and which by law are to be funded from the basic organization's income;
- c. to obligations to meet general social needs as set forth in law;
- d. to obligations toward work communities performing tasks of common interest for basic organizations within the work organization or in another organization of associated labor;
- e. for expenditures made to preserve, improve and protect the health and safety of the workplace and the environment unless law states that they should be charged to material operating costs;
- f. to membership dues or contributions to economic chambers and other general associations of organizations of associated labor;
- g. to expenditures for nationwide defense and social self-protection;
- h. to expenditures for amortization and depreciation over and above the amounts computed at the minimum rate;
- i. for fines imposed for economic violations and misdemeanors, administrative fees and court costs;
- j. to premiums to insure socially owned assets;
- k. for other expenditures made to carry out obligations required by law, undertaken by self-management accord or contract, and other legally prescribed obligations;
- l. to the basic organization's net income.

Article 111

Within the basic organization's income separate indications shall be made of that portion which is the result of work under exceptionally favorable natural conditions, which is the result of exceptionally favorable market conditions, or which is the result of other exceptionally favorable conditions for the earning of income (hereafter referred to as the "portion of income resulting from exceptionally favorable circumstances") so that it can be assigned as determined by law or the self-management accord concerning the entry into association.

The portion of income resulting from exceptionally favorable circumstances shall be determined according to the bases and standards envisaged by the self-management accord or by law.

Within the basic organization's income separate indications shall also be made of those funds which the basic organization received on the basis of a development premium or other basis prescribed by law for certain purposes.

Article 112

Obligations to meet joint needs which are funded from the income of the basic organization and are adopted in a self-management accord or in a law or decision of an assembly of a sociopolitical community based on law and obligations to meet general public needs which are funded from the income of the basic organization and are established by law shall be determined in accordance with the trend of the social product of the entire economy and the national level of labor productivity, within the limits established in the plans of sociopolitical communities.

Obligations to meet joint needs may be met from the income of the basic organization in accordance with its contribution to augmenting the social product of the entire economy and the national level of labor productivity as a function of the ability of the organization of associated labor to meet those needs and its particular interest in developing certain public services.

Obligations to meet general public needs which are funded from the income of the basic organization shall be established as a function of the ability of the economy to [clause apparently omitted in original--translator's note] in accordance with the level of national productivity of labor attained and needs for material and social development which correspond to its capabilities and long-range interests in developing the productive forces of society, and as a function of the ability of the individual organization of associated labor to satisfy the individual and joint needs of its workers and its needs for reinvestment in line with the general obligations of the economy and the operating results and success which it has achieved.

Article 113

In order to create conditions under which the workers, when making decisions on obligations to satisfy joint needs and general public needs, can obtain an insight into the basic organization's capability and its development needs, proposals projecting the level of those obligations shall ordinarily be submitted annually and simultaneously for deliberation by workers in the basic organization and for their adoption.

The manner in which the principle referred to in Paragraph 1 of this article is to be implemented shall be regulated by law, provided the workers in the basic organization are given at least 30 days to take their position concerning the obligations which are to be met from the income of that basic organization.

Section 3. Distribution of Net Income

Article 114

Workers in the basic organization shall distribute the basic organization's net income into funds for worker earnings and joint consumption, funds for improvement and expansion of the material basis of their labor, and funds for creation and replenishment of reserves, in accordance with law.

Article 115

Workers in the basic organization shall adopt a general self-management act setting forth the bases and standards governing the distribution of the basic organization's net income.

The general self-management act referred to in Paragraph 1 of this article shall be adopted in accordance with the self-management accord concerning joint bases and standards which workers in the basic organization have concluded with workers in other basic organizations within the same work organization, and it may not contradict the self-management accord concerning joint bases and standards which workers in the basic organization have concluded with workers in other basic organizations outside that work organization.

The general self-management act referred to in Paragraph 1 of this article and the self-management accord referred to in Paragraph 2 of this article may not contradict a social compact which the basic organization has concluded or entered into.

If the general self-management act referred to in Paragraph 1 of this article is not in conformity with a self-management accord concerning joint bases and standards which workers in the basic organization have concluded with workers in other basic organizations within the same work organization, the competent body or agency of the sociopolitical community may

order the steps to be taken in a case of social protection of the right to self-management and social ownership, under the conditions and in the manner set forth in law.

If the general self-management act referred to in Paragraph 1 of this article should contradict a self-management accord which the workers in the basic organization have concluded with workers in other basic organizations outside the work organization or with a social compact which they have concluded or entered into, a dispute may be initiated before a court of associated labor.

Article 116

Workers in the basic organization shall distribute that portion of the basic organization's income which goes for worker earnings and joint income and in proportion to the contribution which they have made to earning the income of the basic organization by virtue of their current labor and their management and economic application of socially owned assets.

In distributing net income the workers in the basic organization must set aside funds for personal income and for joint consumption as a function of the productivity of their labor which has been achieved and the labor productivity of workers in other basic organizations with which they have pooled their labor and assets, as a function of the effectiveness in the management and economic application of assets in the basic organization and of assets which they have pooled with workers in other basic organizations and other forms representing a pooling of labor and assets, as a function of application of scientific achievements in production and in the organization of work, and also as a function of adaptation of the basic organization's activity to the demands of the market or to the division of labor adopted in a social compact, and they shall do so in accordance with the bases and standards set forth in general self-management acts within the basic organization and joint bases and standards set forth in self-management accords and social compacts.

In distributing net income the workers in the basic organization must set aside funds for improvement and expansion of the material base of their labor and for creation and replenishment of reserves in accordance with the nature of the activity which the basic organization performs and the role which it has in social reproduction, in order to expand reproduction within the basic organization and in society as a whole, safeguarding the goals of development as set forth in self-management accords and agreements concerning the basic elements of plans and other self-management accords and social compacts.

Article 117

Funds for joint consumption which are set aside from the basic organization's net income shall be transferred to the community consumption fund within that organization.

The funds which are set aside from the basic organization's net income for joint or community consumption shall be treated in the same way as the personal income of workers with regard to the payment of taxes and contributions unless law states otherwise.

The workers in the basic organization shall also place in the community consumption fund referred to in Paragraph 1 of this article funds for community consumption which they set aside from their own personal income.

Article 118

Funds for community consumption shall be used for actual consumption or for investment in facilities and equipment providing joint services to meet the needs for housing, food service, vacation, recreation, culture, creative pursuits, and other services which come under the head of community consumption.

The workers may pool funds for community consumption within the basic organization with funds for community consumption managed by workers in other basic organizations and with funds managed by working people in local communities and other self-managed organizations and communities in order to satisfy their needs for the services that come under the head of community consumption.

Article 119

The workers in the basic organization shall distribute the portion of the basic organization's net income for improvement and expansion of the material basis of their labor and for creation and replenishment of reserves on the basis of their rights, obligations and duties to pursue their own joint interests and the general interests of society by steadily replenishing, augmenting and improving the material basis of their own labor and of the labor of society as a whole and by setting aside the necessary reserves.

Article 120

Funds for improvement and expansion of the material basis of work in the basic organization are used for modernization and improvement of the means of production or other productive assets, for expansion of production capacity and other operating capacity, for construction of new production facilities or other business facilities, for advancement of scientific research, for investment in "own" current assets, and for other elements that come under the head of improvement and expansion of the material basis of labor.

Workers in the basic organization may join with workers in other basic organizations--either directly or through (in the framework of) the work

organization to which the basic organization belongs, to pool funds for improvement and expansion of the material basis of their labor to pursue the purposes referred to in Paragraph 1 of this article through various forms of association, in accordance with the obligations which they have assumed in self-management accords concerning the basic elements of plans of self-managed organizations and communities or in agreements concerning basic elements of plans of sociopolitical communities.

Article 121

The workers in the basic organization must set aside reserves.

Reserves are set aside in an amount which is set as a function of the nature of the activity which the basic organization performs and depending on the possible risks in the conduct of its business, the purpose being to achieve and maintain business stability and the financial and social security of the workers, in accordance with obligations set forth in the self-management accord concerning the basic elements of the the plan and other self-management accords which the workers in the basic organization have concluded with workers in other basic organizations with which they have pooled their labor and assets.

Reserves must be maintained at at least the level prescribed by law.

Article 122

Reserves in the basic organization are used to cover business losses, cover expenditures for retraining and job placement of workers when the basic organization no longer needs the labor of a certain number of workers, when the basic organization falls into exceptional economic difficulties or when emergency financial measures are taken to rescue the basic organization, to cover damage resulting from natural disasters and to meet the basic organization's obligations on the basis of surety or other form of guaranty, and for other purposes as adopted in accordance with law.

Reserves may be used in such a way that they are available at any moment for the purposes referred to in Paragraph 1 of this article.

Article 123

Workers in the basic organization may place their reserve funds in the joint reserve fund of the work organization of which the basic organization is a part or of another organization of associated labor with which the basic organization is associated, but if law or a decision of an assembly of a sociopolitical community based on law so specifies, they must place those funds in joint reserve funds established on the territory of the sociopolitical community.

Joint reserve funds referred to in Paragraph 1 of this article shall be managed by workers in basic organizations who have pooled their reserve funds in the manner established in a self-management accord or by law or by decision of the assembly of a sociopolitical community based on law.

Workers in the basic organization may also pool their reserves with the funds of self-managed special-interest communities in the field of employment security.

Article 124

The portion of income resulting from exceptionally favorable circumstances shall be used for development of a basic or other organization of associated labor in which it was realized unless the law requires that it be used for development of the material basis of associated labor in the opstina and republic or autonomous province.

Workers in basic organizations who have pooled their labor and assets in a work organization or complex organization may provide in the self-management accord concerning the basic elements of the plan or other self-management accord that the portion of income resulting from exceptionally favorable circumstances which is freely at their disposition shall be wholly or partially transferred to the joint reserve fund or used jointly in some other manner for development of those organizations.

Section 4. Distribution of Funds for Personal Income of Workers

Article 125

The worker in the basic organization is entitled to a personal income which is used to meet his personal needs and to meet joint and general public needs which on the basis of a self-management accord or law are funded from his personal income.

Article 126

The worker's personal income is determined according to the results of his work and according to the personal contribution which he has made by his current labor, by management and economic application of socially owned assets, and by his own and society's past labor to augmentation of the basic organization's income, in accordance with the principle of distribution according to work and in proportion to the rise in the productivity of his own labor, of the labor of workers in other basic organizations with which he has pooled his labor and assets, and of the labor of the entire society.

In addition to the principle of distribution according to work, workers in the basic organization also apply the principle of solidarity, above all by using funds for their common consumption to cover a part of certain

welfare and other needs of workers with low income and members of his family.

Article 127

Workers in the basic organization are required to adopt bases and standards governing distribution of funds for personal income.

If the workers in the basic organization do not adopt bases and standards as referred to in Paragraph 1 of this article, they shall receive only the personal income guaranteed by law.

In a case as referred to in Paragraph 2 of this article, the competent body or agency of the sociopolitical community may order the steps to be taken by way of public protection of the right to self-management and social ownership, under the conditions and in the manner established by law.

Article 128

The general self-management act establishing the bases and standards governing distribution of funds for personal income shall be adopted in accordance with the self-management accord concerning joint bases and standards which the workers in the basic organization have concluded with workers in other basic organizations within the same work organization, and it may not contradict a self-management accord concerning joint bases and standards which the workers in the basic organization have concluded with workers in other basic organizations outside that work organization.

The bases and standards referred to in Paragraph 1 of this law shall specifically include bases and standards governing distribution of funds for personal income based on past labor.

The self-management accords and other general self-management acts as referred to in Paragraph 1 of this article may not contradict a social compact which the basic organization has concluded or entered into.

The provisions of Article 115, Paragraphs 4 and 5, of this law shall apply in a case as referred to in Paragraphs 1 and 3 of this article.

Article 129

Funds for personal income shall be distributed into the personal incomes of workers in the basic organization, and shall also be used to compensate for the personal income of workers in cases established by law and by a general self-management act in conformity with law.

By virtue of the bases and standards governing distribution of funds for personal income the workers in the basic organization guarantee that their personal incomes are determined on the basis of the contribution they have

made in their work and as a function of the results of the basic organization's operation and business.

The contribution a worker makes in his work is determined as a function of the quantity and quality of his work, specifically taking into account the range and complexity of his work, the quality of the results, effectiveness in use of productive assets, economies achieved, use of work time, responsibility assumed in work, and the conditions under which the worker works.

The contribution the worker makes in his work is also determined as a function of the augmentation of the basic organization's income achieved specifically through management and economic application of productive assets in the basic organization and in various forms representing a pooling of those assets, through his past labor and the past labor of society, and through decisions made concerning the business of the basic organization and of the work organization or other organization of associated labor the basic organization is a part of or associated with, on the organization of work, on reconstruction, on modernization and other technical betterments, on production schedules and division of labor, on investments, and on application of scientific, technical and technological achievements and specialized know-how in the work process within the basic organization.

The worker is entitled to compensation for personal income for holidays which are not worked and for the period of his annual vacation, sick leave, time spent in vocational and professional training for which he is sent, and in other cases of leave as established by law and general self-management acts in conformity with law.

Article 130

The worker who contributes to augmentation of the basic organization's income through innovation, rationalization or other form of creativity in work with socially owned assets is entitled to special remuneration in that basic organization under the conditions established in a general self-management act in conformity with law.

Article 131

Every worker is guaranteed a personal income on the basis of his work that shall be at least high enough to ensure his material and social security.

The level of the guaranteed personal income shall be fixed by the workers in the basic organization in a general self-management act, in conformity with the self-management accord they have concluded with workers in other basic organizations, with a social compact which the basic organization has concluded or entered into, and with law.

The level of the guaranteed personal income shall be fixed as a function of the general level of national labor productivity and the general conditions of the community in which the worker is satisfying his personal and community needs.

Article 132

Guaranteed personal income as fixed in the general self-management act in the basic or other organization of associated labor may be higher than the guaranteed personal income prescribed by law or envisaged by social compact.

The guaranteed personal income fixed by the general self-management act in the basic organization or other organization of associated labor may be set by the workers in that organization in an amount higher than the guaranteed personal income prescribed by law or envisaged by social compact, reserve funds which they manage to be used for this purpose.

Article 133

From the basic organization's net income the workers in the basic organization must first provide funds for personal income up to the level of guaranteed personal income.

If the basic organization's net income is not sufficient to cover the guaranteed personal income, the difference up to the level of the guaranteed personal income shall be made up from the reserve funds of the basic organization or from the joint reserve fund in the work organization or other organization of associated labor with which the basic organization is associated, in conformity with the self-management accord concerning the entry into association.

The resources of the joint reserve fund formed for the territory of the sociopolitical community shall also be used to pay the prescribed guaranteed personal income, in conformity with a self-management accord and law.

Article 134

During the year the workers shall also provisionally establish and pay a personal income as an advance for periods fixed in a general self-management act. Those periods may not be longer than 1 month.

In the periods referred to in Paragraph 1 of this article the worker's personal income shall be determined in accordance with the bases and standards set forth in a general self-management act, and according to the results of the worker's work and his contribution to achieving the results of joint work in those periods (provisional computation of personal income).

Whenever the advance of personal income is paid, the worker must be given a written accounting of the advance he has been paid against his personal income in a breakdown by all the bases and standards used in its computation.

Article 135

The final account of each worker's personal income in the basic organization shall be drawn up when the basic organization's year-end financial statement is drawn up.

A final account for the personal income of each worker shall be drawn up regardless of the time he worked in the basic organization during that year.

Article 136

Every worker must be given in writing the final account of his personal income, which shall contain the following:

- 1) the amount of personal income indicated according to the bases and standards used in distributing funds for personal income;
- 2) the amount of funds from his personal income which was pooled to meet joint needs, that amount to be broken down by purposes for which the assignments were made;
- 3) the amount of funds set aside from his personal income for general public needs;
- 4) the amount of funds for community consumption set aside from the basic organization's net income, divided by the number of workers;
- 5) the amount of net personal income.

Article 137

No more than one-half of the worker's net personal income may be withheld on the basis of a legal garnishment, and the maximum for other obligations is one-third.

Article 138

The provisions of Articles 125 through 137 of this law shall be appropriately applied to distribution of funds for worker earnings in work communities as well.

Workers in work communities performing tasks for agencies and bodies of sociopolitical communities shall distribute funds for personal income in accordance with Paragraph 1 of this article unless law states otherwise.

Section 5. Income Indicators

Article 139

To the end of efficacious and rational management of the basic organization's net income, in their own joint interests and in the general interests of society the workers have the right and obligation to constantly monitor the results of their work and the results of the basic organization's business on the basis of indicators which they adopt independently or together with workers in other basic organizations with whom they have concluded a self-management accord concerning a pooling of labor and assets or a self-management accord concerning the basic elements of the plan, in conformity with the basic indicators established by law or on the basis of law.

The workers shall use the indicators referred to in Paragraph 1 of this article to represent the results of their work and of the basic organization's business in the following ways:

- 1) by comparing actual results in the current period with results achieved in a corresponding period of previous years and with the goals and tasks adopted in the basic organization's plan;
- 2) by comparing actual results with the results achieved by basic organizations with which they have pooled their labor and assets, with basic organizations which have been performing the same or related activities, or with self-managed organizations and communities with which they have concluded a self-management accord or agreement concerning basic elements of the plan of self-managed organizations and communities or sociopolitical communities.

The workers shall also use the indicators referred to in Paragraph 1 of this article to represent the results of the operation and business of the work organization or other organization which the basic organization is part of or associated with.

Article 140

The indicators which are compulsory in representation of the results of the workers' work and of the basic organization's business are as follows:

- 1) income per worker;
- 2) ratio of income to average assets used;
- 3) net income per worker;
- 4) ratio of capital formation to income;

- 5) ratio of capital formation to net income;
- 6) ratio of capital formation to average assets used;
- 7) personal income and funds for community consumption per worker;
- 8) net personal income per worker.

The provision of Paragraph 1 of this article shall also be appropriately applied in indicating the results of the workers' work and the basic organization's business when it performs a public service.

Article 141

Income per worker shall be computed by dividing income by the average number of workers over the period for which the income has been determined.

The ratio of income to average assets used is computed by dividing income by average assets used over the period for which income has been determined.

Net income per worker is computed by dividing net income by the average number of workers over the period for which net income has been determined.

The ratio of capital formation to income is computed by dividing assets set aside for improvement and expansion of the material basis of labor and for creation and replenishment of reserves by net income for the period for which capital formation has been determined.

The ratio of capital formation to net income is computed by dividing funds set aside for improvement and expansion of the material basis of labor and for creation and replenishment of reserves by the net income for the period for which capital formation has been determined.

The ratio of capital formation to average assets used is computed by dividing assets set aside for improvement and expansion of the material basis of labor and for creation and replenishment of reserves by average assets used over the period for which capital formation has been determined.

Personal income and funds for community consumption per worker is computed by dividing net income minus funds for improvement and expansion of the material basis of labor and for creation and replenishment of reserves by the average number of workers over the period for which net income has been determined.

Net personal income per worker is computed by dividing total funds paid as earnings to workers by the average number of workers.

Article 142

The indicators enumerated in Article 141 of this law may also be computed by converting the average number of workers to the average number of standard workers, which is an analytical category, in the manner set forth in the regulations referred to in Article 143 of this law.

Article 143

In cooperation with the competent bodies and agencies of the republics or autonomous provinces and after first obtaining the opinions of the League of Yugoslav Trade Unions and the Yugoslav Economic Chamber, the Federal Executive Council may also prescribe--in addition to the indicators enumerated in Article 140 of this law--other indicators for purposes of analysis, planning and statistical monitoring, such indicators being used to represent the results of workers' work and the business of the basic organization and other relations in management of income and economic application of socially owned assets.

The Social Accounting Service, in cooperation with the Federal Bureau of Social Planning, having first obtained the opinions of the League of Yugoslav Trade Unions and the Yugoslav Economic Chamber, shall define in more detail the procedure for ascertaining the indicators referred to in Article 140 of this law and the indicators referred to in Paragraph 1 of this article, which in methodology and content must be consistent with one another.

Article 144

The results of the workers' work and of the basic organization's business must be indicated in a manner and at intervals which ensure that the workers and bodies of workers' management in the basic organization and other organizations of associated labor with which they have pooled their labor and assets and the competent agencies and bodies of the sociopolitical community can ascertain, examine and evaluate the results of the workers' work and the basic organization's business and take appropriate measures on that basis.

The results of the workers' work and of the basic organization's business, which are represented by the established indicators, shall specifically be examined and evaluated on the following occasions:

- 1) at times of preparation and conclusion of self-management accords concerning basic elements of plans of self-managed organizations and communities and of agreements concerning basic elements of plans of sociopolitical communities, and when those plans are being prepared, adopted and carried out;

2) at times of preparation and conclusion of self-management accords and social compacts concerning prices and the earning and distribution of the basic organization's income and net income;

3) when decisions and measures are being adopted to achieve the goals and tasks set forth in self-management accords or agreements concerning basic elements of plans, in those plans and in other self-management accords or social compacts;

4) when decisions are being made concerning distribution of the basic organization's income and net income;

5) during debate of other issues important to the economic application of socially owned assets and to realization of the basic organization's income.

Data obtained on the basis of the indicators referred to in Article 140 and Article 143, Paragraph 1, of this law must be submitted to the Social Accounting Service by the deadlines and in the manner prescribed by that service. These data shall be accessible to the public under the conditions prescribed by law.

Article 145

Organizations of associated labor and other self-managed organizations and communities using assets which workers in basic organizations, on the basis of a self-management accord or on the basis of a law requiring them to pool socially owned assets, have pooled in banks or other financial organizations or in other self-managed organizations and communities must as a rule inform the workers in those basic organizations at least once every 6 months about the results of work in use of those pooled assets.

The obligations referred to in Paragraph 1 of this article shall be discharged by the date and in the manner set forth in the self-management accord concerning the pooling of labor and assets, the self-management accord establishing the bank or other financial organization, or other general self-management acts adopted by the authorized body of the bank or other financial organization or prescribed by law.

Article 146

The workers in the basic organization shall realize the gross income of the basic organization through the basic organization's clearing account in the bank, and they shall have the assets which they manage at their disposition.

Article 147

Books of account and records important to operations and decisionmaking in the basic organization shall be kept for every basic organization, in conformity with law.

As a rule the basic organization will turn over the keeping of books of account and records as referred to in Paragraph 1 of this article to a joint staff service in the work organization and other organizations of associated labor it is a part of or associated with, but it may also entrust this function to an authorized specialized organization by agreement with that organization.

A basic organization may entrust computation of indicators used to ascertain the results of the workers' work and the basic organization's business to a joint staff service and to an authorized specialized organization by agreement with that organization.

Article 148

The gross income and income of basic organizations within a work organization or other organization shall be represented in a summary or consolidated balance sheet compiled in the manner set forth in the self-management accord concerning entry into association, in conformity with law.

The aggregate gross income and income of basic organizations as referred to in Paragraph 1 of this article shall be indicated on the summary balance sheet.

The gross income and income of basic organizations as referred to in Paragraph 1 of this article, minus amounts which recur because of internal transactions, shall be indicated on a consolidated balance sheet.

Article 149

A quarterly statement of the basic organization shall be compiled at the end of each quarter.

The year-end statement of the basic organization shall be drawn up at the end of the organization's fiscal year.

Article 150

Before approval of the quarterly statement or year-end statement the workers in the basic organization shall examine and evaluate the results of their work and of the basic organization's business on the basis of information and a report submitted by the basic organization's professional management.

The workers' council of the basic organization may entrust preparation of the information or report referred to in Paragraph 1 of this article to an authorized specialized organization.

The professional management of the basic organization or appropriate staff service or authorized specialized organization so commissioned shall be accountable for the accuracy of the data and for the professional assessment used as the basis for the proposal contained in the information and report referred to in Paragraph 1 of this article and also for the timely submittal of that information and that report.

Article 151

On the basis of the information and report referred to in Article 150 of this law, which state the results of workers' work and the basic organization's business at the end of the quarter, the workers shall adopt a decision by personal declaration of opinion concerning provisional distribution of the income earned.

On the basis of the information and report referred to in Article 150 of this law, which state the results of the workers' work and the basic organization's business at the end of the fiscal year, the workers shall by personal declaration adopt a decision concerning the final distribution of income earned.

The workers' council shall approve the quarterly statement and year-end statement of the basic organization.

The quarterly statement and the year-end statement of the basic organization are subject to evaluation by the Social Accounting Service in accordance with law.

Article 152

If the workers in the basic organization are unable to furnish funds for personal income to meet the bases and standards adopted in the general self-management act and are unable to furnish funds for improvement and expansion of the material basis of their work at the level envisaged by the self-management accord (minimum capital formation), or if they find that the results they are achieving in their work and in the business of the basic organization are not ensuring continuity in production and normal conduct of the basic organization's business, they are required to adopt a program of measures to correct those shortcomings.

The body of workers' management in the work organization or other organization of associated labor the basic organization belongs to or is associated with and the competent agency or body of the sociopolitical community have the right and duty to propose to the workers in a basic organization experiencing difficulties the enactment of a program as referred to in Paragraph 1 of this article or that they take the measures set

forth in a program that has been adopted, and if they have not adopted a program, that they take steps to correct the difficulties.

If within 30 days from the date when the recommendation was made as referred to in Paragraph 2 of this article the workers in the basic organization have not adopted a program or have not taken steps to correct the difficulties, the assembly of the sociopolitical community, under the conditions and in the procedure established by law, may take the steps which are taken in a case of public protection of the rights of self-management and social property.

The workers in the basic organization are also required to take the steps referred to in Paragraph 1 of this article when at the end of an accounting period, on the date specified by law, the basic organization has unpaid obligations which have come due.

Article 153

If the basic organization is unable to discharge its obligations to the sociopolitical community and to a self-managed special-interest community funded from the basic organization's income, the competent bodies and agencies of the sociopolitical community and self-managed special-interest community, in accordance with a program adopted jointly with the basic organization, must take steps to create conditions to correct the reasons why the basic organization is unable to discharge its obligations, specifically measures which establish lower rates, defer payments, or create other more favorable conditions for the discharge of obligations so long as those circumstances persist.

The competent body or agency of the self-managed special-interest community shall take the steps referred to in Paragraph 1 of this article in the manner set forth in the self-management accord.

If a basic organization does not earn sufficient income to pay the personal income guaranteed by law, it is not required to discharge its obligations to the sociopolitical community and self-managed special-interest community funded from its income.

Article 154

A basic organization shows a loss in its business (hereafter referred to as "is operating at a loss") if its year-end statement does not show income sufficient to cover personal income as provisionally computed and paid or if it does not cover legally guaranteed personal income for the accounting period of its business for which personal income was not provisionally computed and paid or for which legally guaranteed personal income was not covered.

Workers in a basic organization which has been operating at a loss must take steps in accordance with the self-management accord governing the

entry into association to restore the basic organization to a sound financial footing, under the conditions and according to the procedure established by law.

Article 155

A work organization or other organization of associated labor which includes the basic organization in which business difficulties (Article 152) have arisen or which is operating at a loss (Article 154) and the sociopolitical community, consistent with the principles of reciprocity and solidarity, have a duty to extend economic and other assistance to that basic organization, if this is in their joint interest or in the public interest.

In a case as referred to in Paragraph 1 of this article the basic organization, on its own or by agreement with other basic organizations belonging to the same work organization or associated with the same organization of associated labor, shall provide, either directly or through the self-managed special-interest community for employment security, consistent with the principles of reciprocity and solidarity, for retraining and job placement if workers in that basic organization are no longer needed or if it is certain that the basic organization will cease to operate.

Chapter III. Rights, Obligations and Responsibilities of the Bodies and Agencies of Sociopolitical Communities in Cooperation and in the Distribution of Income

Article 156

The bodies and agencies of sociopolitical communities, within the limits of their competence, have a duty, in conformity with their rights and duties as set forth in the constitution and law, to create conditions for the most secure and stable development of relations in the earning of income in associated labor on the foundations of self-management and for the most complete possible alignment between the separate interests and independent activity of basic organizations and organizations of associated labor in which they are associated with their joint interests as expressed in self-management accords, agreements concerning basic elements of plans and in social compacts, and with the development goals as set forth in those plans.

Article 157

In the regulations which it issues and the measures which it takes to implement plans the competent agency or body of the sociopolitical community must ensure conditions for development of relations in the earning of income in associated labor so as to facilitate the following:

- 1) equality of the workers in basic organizations with respect to the earning of income in associated labor and with respect to exercise of the rights which they have on the basis of their current and past labor;
- 2) free movement and pooling of labor and productive assets in associated labor over the entire territory of the Socialist Federal Republic of Yugoslavia;
- 3) expansion of the opportunities for employment and for a lasting rise in labor productivity in associated labor and thereby for a rise in the national productivity of labor;
- 4) maximum intensity, economic efficiency and social effectiveness in the use of the means of production and other productive assets in associated labor.

Article 158

Should the acts of a federal body or agency related to formulation or implementation of joint economic policy violate the equality of organizations of associated labor with respect to the earning of income and disposition of the results of their work, or should they violate the equality of the republics or autonomous provinces on the unified Yugoslav market, simultaneously with adoption of that joint economic policy or with enactment of the measures to implement it, a corresponding form of compensation shall be established and furnished as an integral part of the measures of that joint economic policy for the relevant planning period.

Article 159

If a law, under conditions set forth in the constitution, temporarily places a restriction on the right of the workers in the basic organization to dispose of a portion of productive assets, that same law, in accordance with the rights and duties of the sociopolitical community as set forth in the constitution, shall specifically state the following: cases in which a temporary restriction may be placed on the right to dispose of a portion of productive assets, the volume of those assets to which the restriction applies, the period of validity of that restriction, and a prohibition against the use of the assets contrary to the purposes for which the restriction has been placed on the right to dispose of those assets.

If a law, under conditions set forth in the constitution, orders a mandatory pooling of a portion of productive assets to finance certain urgent productive purposes, that same law, in accordance with the rights and duties of the sociopolitical community as set forth in the constitution, shall specifically state the following: the obligation to pool a portion of those assets, the volume of those assets to which the obligation applies, the period of validity of that obligation, a prohibition against

the use of the assets contrary to the purposes for which the obligation to pool them has been prescribed, and the share in joint income on the basis of the pooling of those assets.

Article 160

If an organization of associated labor falls into exceptional economic difficulties and has been unable to correct them by the emergency financial measures or other measures which it has undertaken, or which have been taken by another organization of associated labor in accordance with law, the competent body or agency of the sociopolitical community, consistent with its rights and duties as set forth in the constitution, has a duty to take steps to provide economic and other assistance to that organization; to provide it emergency financial aid, if this is in the public interest, and specifically to exempt it from payment of certain or all taxes and charges which it has established, or to apply toward it lower rates or other more favorable conditions for payment of taxes and charges so long as its exceptional economic difficulties persist, to initiate proceedings for its financial recovery, or to take other economic and administrative steps consistent with law.

If the steps referred to in Paragraph 1 of this article are not taken, or if the steps taken do not correct the exceptional economic difficulties the organization of associated labor has encountered, the competent agency or body of the sociopolitical community must institute proceedings for liquidation or bankruptcy of that organization, if the requisite conditions prescribed by law have been fulfilled.

Chapter IV. Mutual Employment Relations Among Workers in Associated Labor

Section 1. General Provisions

Article 161

In the context of this law the term "employment relation of workers in associated labor" refers to mutual relations among workers in the basic organization or in the work community which the workers, exercising their right to work with socially owned assets, establish in their joint work with socially owned assets and regulate in general self-management acts which state their individual and joint rights, duties and responsibilities in accordance with law.

The term "employment relation" referred to in Paragraph 1 of this article, also refers, in accordance with law, to mutual relations among workers in a contract organization of associated labor, agricultural cooperative or other cooperative, and other forms representing a pooling of labor and assets.

Article 162

The provisions of this law concerning the employment relation shall apply to workers in organizations of associated labor performing activities of particular public interest unless otherwise specified by law with respect to the establishment and termination of the employment relation or the exercise of certain rights and discharge of certain duties in those organizations.

Article 163

The provisions of this law concerning the employment relation of workers in basic organizations shall apply to workers in work communities unless otherwise specified by law.

Article 164

The employment relation of workers in work communities of bodies and agencies of sociopolitical communities shall be regulated by law, and when the nature of the activity of that agency or body so allows, it shall also be regulated by the self-management accord or contract between the work community and those agencies or bodies and by the general self-management acts of the work community.

Article 165

The employment relation which comes into being between working people who independently perform an activity with their own labor and privately owned productive assets, on the one hand, and workers whose labor they use as additional labor in performance of that activity shall be regulated in accordance with law.

Article 166

In the employment relation workers are entitled to the legally prescribed health care and other rights in case of illness, partial or total disability, and old age, and they shall also have rights to other forms of social security.

Working women are entitled in the employment relation to special protection concerning pregnancy, childbirth and motherhood.

Workers whose employment relation terminates temporarily shall have the legally prescribed right to health care in case of illness or disability and the right to support and other rights related to temporary unemployment.

In the employment relation workers shall have specific obligations toward self-managed special-interest communities in which they exercise the rights

referred to in Paragraphs 1, 2 and 4 of this article and toward the public community.

Section 2. Establishment of the Employment Relation

Article 167

Anyone may establish an employment relation with workers in a basic organization freely, as an equal and under equal conditions, in the manner specified by law and a general self-management act.

Article 168

The employment relation may be established by anyone who fulfills the conditions which the workers in the basic organization lay down in view of the needs of the work process, operating conditions, business transactions and production tasks in that organization, consistent with the general self-management act and law.

The employment relation may be established by a person who has reached age 15 and has normal physical fitness.

Disabled persons equipped to perform certain jobs or certain tasks are regarded as physically fit to perform those jobs or tasks.

Foreign nationals and stateless persons may establish the employment relation under the conditions referred to in Paragraphs 1 and 2 of this article and conditions set forth in a federal law.

Article 169

No one may begin to work in a basic organization before having established the employment relation in the manner and under the conditions specified by the general self-management act and law, unless he is performing temporary or occasional work (Article 175) in accordance with law.

Article 170

When the competent body in the basic organization, on the basis of the plan and general self-management act, finds that in the work process or production process there is a need to increase the number of workers to perform certain jobs or work assignments, it shall adopt a decision to establish the employment relation with other workers and shall fix the number of workers needed.

On the basis of the decision referred to in Paragraph 1 of this article the basic organization must advertise in the legally prescribed manner the conditions which a worker must fulfill to qualify for performance of

the jobs or work duties whose performance is the purpose of establishing the employment relation (advertisement or competition).

If the decision pertains to the jobs or work duties of persons who have special authority and responsibility, the qualifying conditions referred to in Paragraph 2 of this article shall be publicized in the form of a public competition, and the date for filling the vacancy shall be indicated.

In the exceptional cases prescribed by law the employment relation may be established without public announcement either in the form of an advertisement or competition.

Article 171

If a worker as referred to in Article 170, Paragraph 3, of this law should not be reappointed in the competition after expiration of the term to which he was appointed, his employment relation does not terminate, and he has the right to work at other jobs or perform other duties which correspond to his professional training or skill acquired through his work, such work to be provided in the same or another basic organization belonging to the same or another work organization associated with the same complex organization of associated labor, or in their work communities, in accordance with the self-management accord.

The provision of Paragraph 1 of this article also applies to an officer in professional management or the chairman of the professional management collegium, should he fail to be reappointed, or should his tenure of that position cease before the end of his term.

Article 172

The choice among the candidates who have responded to the advertisement or competition shall be made by the workers' council or commission which it appoints according to the procedure established by the general self-management act in accordance with law.

If none of the candidates is chosen, a new competition shall be announced, or a new advertisement published.

Article 173

The date taken as the date of commencement of a worker's employment relation is the date on which he makes a written declaration that he is familiar with the self-management accord whereby the workers pool their labor in the basic organization, the general self-management act which regulates the employment relation and other general self-management acts regulating his rights, duties and responsibilities, and with the bylaws of the basic organization, stating also that he assents to their provisions.

Before the signing of the written declaration the worker must be given the self-management accord whereby the workers pool their labor in the work organization, the general self-management act regulating the employment relation and the bylaws of the basic organization.

If a worker does not commence his work in the basic organization on the day when he issued the written declaration referred to in Paragraph 1 of this article, he shall exercise the rights and discharge the duties and responsibilities arising out of his employment relation as of the day when he commences to work, that day to be fixed in accordance with the general self-management act regulating the employment relation.

If a worker does not begin to work on the date appointed and does not show good cause, it shall be as if he did not establish the employment relation.

Article 174

The employment relation shall be established for a time whose duration has not been fixed in advance (employment relation for an indefinite time).

In exceptional cases and under the conditions prescribed by law, the employment relation may be established for a time whose duration is fixed in advance (employment relation for a specified period).

In the general self-management act regulating the employment relation the workers in the basic organization shall specify those jobs or work duties and those cases when a worker shall establish an employment relation for a specified period (jobs which by their nature last only a certain time--seasonal jobs, an increase in the volume of work which lasts a short time, replacement of a worker on leave of absence to do required military service, to hold public office or discharge public responsibilities, on a long vacation, etc.).

In the cases referred to in Paragraph 2 of this article the worker shall possess all the rights and be liable to all the duties and responsibilities as workers who have established the employment relation for an indefinite time, including rights whose extent is ascertained according to the contribution through work or length of service--those rights to be commensurate with that contribution or length of service.

Article 175

A worker who performs temporary or occasional jobs for a basic organization is not regarded as being in the employment relation for the purposes of this law.

In the context of Paragraph 1 of this article a temporary or occasional job is defined as a job which is performed in the basic organization on the basis of a contract and which, in view of the work process involved

in it, is not done on a continuing and steady basis, but lasts a definite short period of time, or is a job whose performance is required from time to time. Law shall state the conditions under which contracts may be concluded for performance of these jobs and shall state their duration.

A worker may assume an obligation under contract that he and the members of his family will sell certain products of a particular kind or perform certain seasonal jobs (sale of periodicals, foodstuffs, etc.) under the conditions and in the manner prescribed by law.

Article 176

A trainee shall establish an employment relation for an indefinite time if the general self-management act states that after completing his training period and passing his specialized tests he will be assigned to jobs or work duties as specified by that act or if law prescribes the obligations of organizations of associated labor to accept trainees for an indefinite period under certain conditions.

A trainee shall establish the employment relation for a specified period if conditions do not obtain in the basic organization for him to be assigned to appropriate jobs or work duties after he completes his period of training and passes the specialized tests. Consistent with law the general self-management act shall specify in which cases the trainee shall establish the employment relation for a specified period.

The conditions under which a trainee will be accepted must be made public in an advertisement or competition for acceptance of trainees.

Article 177

A worker has the right and duty to perform the jobs or work duties whose performance was the purpose of establishing the employment relation.

During the time of the employment relation a worker may be assigned, in accordance with the general self-management act and law, to any job or work assignment in the basic organization where he works if it corresponds to his professional training or experience on the basis of operational requirements, in accordance with the criteria envisaged in that general self-management act.

In exceptional cases and with his consent a worker may be assigned temporarily or permanently to perform jobs or work assignments requiring less specialized training than he has.

The self-management accord concerning entry into association to form the work organization or complex organization of associated labor shall state which cases and under what conditions a worker may be transferred from one basic organization to another basic organization within the same work

organization or complex organization of associated labor to perform jobs or work duties which correspond to his professional training or experience.

The self-management accord concerning entry into association to form the work organization or complex organization of associated labor shall establish the right of the worker, when he is no longer needed in the basic organization because of the economic difficulties the basic organization has encountered, because of technological and technical improvements, or because the basic organization has entered into association, to move to work in another basic organization within the same or another work organization or work community in accordance with his professional training or experience.

In the cases referred to in Paragraphs 4 and 5 of this article the employment relation is established without advertisement or competition.

A worker as referred to in Paragraphs 4 and 5 of this article establishes the employment relation with workers in that other basic organization in accordance with the provisions of Article 173 of this law.

When a work organization or complex organization of associated labor ceases to exist, the workers in the work community [labor force--translator's note] of that organization shall be reassigned in accordance with the provisions of Paragraphs 1 through 7 of this article.

Article 178

A worker enjoys the right and bears the duty to perform the jobs and tasks given him conscientiously and carefully and to constantly improve his knowledge, abilities and skills so as to perform the particular jobs and discharge his work assignments as effectively as possible, and he also has a duty to abide by the prescribed work discipline.

The worker shall be accountable in accordance with the provisions of this law for failure to discharge his duties as referred to in Paragraph 1 of this article.

Section 3. Establishment of the Rights, Obligations and Responsibilities of Workers in the Employment Relation

Article 179

In accordance with the self-management accord whereby the workers pool their labor in the basic organization, the workers shall freely and as equals establish their mutual rights, obligations and responsibilities in their work by adopting a general self-management act regulating the employment relation.

The general self-management act referred to in Paragraph 1 of this article must be consistent with law and any outstanding self-management accords, bylaws and social compacts.

In the general self-management act referred to in Paragraph 1 of this article the workers are specifically required to regulate the following:

- 1) the conditions a worker should fulfill to perform certain jobs or work duties performed in the basic organization in view of its activity, nature, technology and other conditions of its operation; the jobs or work duties in whose performance workers shall have special authority and responsibility; obligations with regard to making it possible for disabled victims of industrial accidents and other disabled persons to be retrained and the jobs and work duties for which they may be employed; procedure for adoption of a decision concerning jobs or work duties for which the employment relation is established; cases and conditions under which workers may or must temporarily or permanently perform other jobs or work duties (assignment of workers; the length and schedule of working hours; and the grounds and conditions for termination of the employment relation;
- 2) bases and standards governing distribution of net income in the basic organization;
- 3) bases and standards to be used in evaluating work for purposes of distribution of funds for worker earnings and the manner in which worker earnings shall be represented in bookkeeping, computed and paid;
- 4) the obligations of workers arising out of their work, their accountability for violation of work duties and liability for damage they have caused; violations of work duties regarded as minor or serious violations of work duties; institution and conduct of proceedings and pronouncement of measures which may be taken toward workers because of violation of work duties; statutes of limitations for institution and conduct of proceedings and statutes of limitations for execution of penalties;
- 5) obligations with regard to national defense and social self-protection;
- 6) the safety of workers in their jobs and measures taken to preserve, safeguard and improve the workplace environment; special welfare rights of women, young people, victims of industrial accidents and other disabled persons; workers' rights and duties concerning education and advanced training to meet the needs of the organization; the conditions and manner of use of vacation time and leave, and other rights and obligations which workers enjoy or discharge in the basic organization or through it or in a manner prescribed by law; the rights which workers are entitled to on the basis of their past labor after termination of the employment relation.

The workers may regulate rights, obligations and duties arising out of work in one or several general self-management acts.

Article 180

Workers in basic organizations within the same work organization shall set forth in the self-management accord whereby they enter into association to form the work organization the joint bases and standards to be followed in regulating the specific rights, obligations and responsibilities which arise out of joint interests.

Workers in basic organizations belonging to different work organizations which have established mutual relations in the framework of a complex organization of associated labor in order to accomplish joint tasks and pursue joint interests may adopt a self-management accord to set forth the joint bases and standards to be applied in regulating certain rights, obligations and responsibilities.

Workers are required to bring the general self-management act regulating the employment relation into conformity with the joint bases and standards adopted under Paragraphs 1 and 2 of this article.

If the workers in the basic organization fail to bring the general self-management act regulating the employment relation into conformity, the workers of that basic organization and the workers of other basic organizations with whom they have concluded a self-management accord, the public defender of self-management law, the trade union, the body responsible for self-management workers' control, and the assembly of the sociopolitical community may initiate a dispute before a court of associated labor so as to bring that general self-management act into conformity with the bases and standards jointly established.

Article 181

Workers shall exercise the rights and discharge the duties and obligations which they have in the basic organization and in all other forms representing a pooling of labor and assets within the basic organization unless otherwise specified by the self-management accord, in accordance with law.

The workers' council shall decide on the exercise of individual rights and the discharge of individual obligations and responsibilities of the workers. The workers' council may establish a commission to make decisions concerning the exercise of individual rights and the discharge of individual duties.

In a basic organization in which a workers' council has not been established all workers shall decide concerning the rights and obligations of the workers, unless commissions are established to make decisions concerning those rights and obligations.

A special commission (disciplinary commission) shall be established to make decisions concerning culpability because of a workers' violation of work duties.

A decision whereby a ruling is made on the right, obligation or duty of a worker must be delivered to the worker in writing.

Article 182

Workers in the basic organization must organize and perform their jobs and work duties so as to achieve in their joint work maximum effectiveness in discharging the obligations they have assumed in the self-management accord concerning the basic elements of the plan and the tasks which follow from that plan.

Article 183

In order to achieve the most favorable possible results in performing their joint jobs and work tasks in the basic organization the worker, in accordance with the nature of the work process and the conditions of labor and taking scientific methods and contemporary achievements into account, may organize work by work units, groups, work or production departments, shifts and other organizational units.

In the organizational units referred to in Paragraph 1 of this article the workers may not exercise their rights and discharge their duties and responsibilities which they possess in the basic organization unless otherwise specified by this law.

Article 184

The workweek of workers in the basic organization may not be longer than 42 hours.

The workers shall establish their working hours in a general self-management act in accordance with law (full work time).

In certain activities and in certain cases, when the nature of the job or work assignment or exceptional circumstances so require, the law may prescribe that the workday of workers in a particular period of time during the year shall be more than 7 hours daily, while in the remainder of the year it shall be shorter than 7 hours daily, total work time not to average longer than 42 hours weekly.

As an exception the workweek of workers may be longer than 42 hours for a limited period of time under conditions set forth in the general self-management act in certain activities and in certain cases prescribed by law.

If the law states that the workweek of workers will be shorter than 42 hours, that shorter workweek shall be taken as full work time.

The workweek shall last at least 5 workdays.

The workers shall set working hours and schedule that time in the basic organization so as to ensure the most complete and rational use of the productive assets and the most effective and productive use of the labor of the workers and so as to ensure alignment between their joint work in the basic organization and their joint work with workers in other basic organizations with which they are related in the pursuit of common interests.

In fixing and scheduling work time, the workers shall also make provision for rest periods during working hours.

A rest period during working hours must be so organized as not to interrupt hours set aside to receive the public.

Working women may establish an employment relation with shorter working hours than the prescribed full work time under the conditions and in the manner prescribed by law.

Article 185

The scheduling, beginning and end of working hours in the fields of transportation and communications, retail commodity trade, hostelry, tourism, crafts and trades and other service activities, as well as health care and other public services shall be adjusted to the needs of workers and other working people, the starting time of work in the organizations where they work and their location, and to the living and other conditions of the place or environment in which they live.

In the activities referred to in Paragraph 1 of this article the scheduling, beginning and end of working hours shall be established in a self-management accord concluded by organizations of associated labor, self-managed special-interest communities, consumers' organizations and other interested organizations.

In the cases specified by law the assembly of the sociopolitical community may also adopt a decision fixing the schedule, commencement and end of work time in the activities referred to in Paragraph 1 of this article.

Article 186

Working hours recognized as nighttime work in accordance with law shall be regarded as a special working condition when workers' rights in work and based on work are being determined.

Article 187

An employed worker who works on jobs or work duties for which less than full work time has been envisaged (Article 184, Paragraph 2), has the right, under the conditions and in the manner set forth in law, to establish an employment relation in more than one basic organization or work community and thereby work a full workweek.

An employed worker who works a full workweek on jobs and work duties he performs in one basic organization or work community may also work in another basic organization or work community under the conditions and in the manner set forth in law.

Article 188

Workers in the basic organization, either jointly with workers in other basic organizations in the same work organization or other work organizations, with self-managed special-interest communities, other self-managed organizations and communities, and sociopolitical communities, in accordance with law and a self-management accord, shall pool funds from the income or net income of the basic organization and from their personal income in order to mutually provide for their own social and material security when because of technical and technological improvements, economic difficulties, the entry of the basic organization into another association, or for other reasons as set forth in law, their work is no longer needed in the basic organization where they are employed, or when proceedings have been conducted for termination of the operation of their basic organization or work organization of which it is a part, or for purposes of specialized training (additional training, retraining, and the like) for the work required by technological and other improvements, or to guarantee their material and social security until they establish the employment relation with workers in another basic organization.

Article 189

The workers in the basic organization have the right and duty, in accordance with the self-management accord whereby the workers pool their labor in the basic organization, law, social compacts and self-management accords to provide for the following:

- i. the right of workers to rest during the day, rest between 2 workdays, a weekly rest, an annual vacation and other holidays regardless of whether a longer or shorter workweek has been fixed under Article 184, Paragraphs 3 and 4, of this law and the right to leave;
- ii. special protection of pregnant women from heavy work, injurious effects in the workplace, and overtime and nighttime work, leave for childbirth, shorter working hours after childbirth and for care of a small infant, and other rights established to protect the function of motherhood;

iii. protection of young people from work at heavy jobs and from night-time and overtime work;

iv. protection of victims of industrial accidents and other disabled persons by providing for their retraining or additional training and by furnishing jobs or work assignments at which they can work in accordance with their retraining or additional training.

The weekly rest a worker is granted must last at least 24 hours continuously.

Article 190

Workers in the basic organization have the right and duty to create working conditions and to take health and safety measures so as to guarantee their physical integrity, health and personal safety in the workplace, to abide by the prescribed safety regulations and standards, and to provide protection against other hazardous and injurious influences on their health and ability to work.

Workers in the basic organization shall share in the adoption, undertaking and conduct of measures to preserve and improve and protect the environment, and within the basic organization they must organize their work in accordance with general self-management acts and regulations concerning environmental protection.

A worker has the right to refuse to work if he is threatened by an immediate danger to his life or health because the prescribed safety measures have not been taken.

In a case as referred to in Paragraph 3 of this article steps must immediately be taken to eliminate the immediate hazard to the worker's life or health, and the worker may be assigned for that period to perform jobs or work duties in accordance with his training and other skills.

Article 191

Workers who take a leave of absence from the basic organization or work community to do their period of required military service or to go to reserve training camp have the right within 30 days of completion of this military service to return to employment in the same basic organization or work community and to be given jobs or work duties which they previously performed or other jobs or work duties which correspond to their professional training or experience.

The right to return to employment in the same basic organization is also retained, under the conditions and in the manner set forth in the general self-management act or law, by a worker whom the basic organization has sent to work abroad or has sent abroad as part of international technical

cooperation or educational and cultural cooperation, if the employment relation was not interrupted before the departure, and by a worker who was sent for advanced specialized training or education with the consent of his basic organization or work community.

Rights and obligations acquired in work and on the basis of work in the basic organization or work community lie dormant during a leave of absence as referred to in Paragraphs 1 and 2 of this article, except for those rights and obligations for which the law states otherwise.

Article 192

A worker elected or appointed to an official position in self-management, a public office, or other civic post whose tenure requires that he temporarily seek to work in the basic organization has the right, in accordance with law, upon termination of the function he has performed, to return to work in the same basic organization and to the same jobs which he did or other jobs corresponding to his professional training and experience.

Section 4. Responsibility for Performance of Work Duties

Article 193

Workers are responsible to one another and personally accountable for conscientious performance of job duties in the employment relation.

A worker shall be held accountable for failure to abide by decisions adopted in the organization where he works, for violation of work duties, and for other violations of work discipline, when he commits the violation through his own fault.

The worker in the basic organization shall bear both disciplinary accountability and financial liability for damage and the like.

Article 194

The general self-management act regulating the employment relation shall enumerate the violations of work duties.

The general self-management act regulating the employment relation may list the following as serious violations of work duties: nonperformance of work duties and other obligations or negligent, tardy and careless performance; violation of provisions to protect against fire, explosions or other hazards; illegal handling of socially owned property and other illegal actions; the furnishing of erroneous information if this has had an essential effect on decisions made in the basic organization; the furnishing of erroneous information by responsible authorities whereby a worker is deceived with regard to the exercise of a right in associated labor; failure to perform an action, thereby hindering or halting the work

process or management in the basic organization; abuse of position or overstepping of granted authority; preventing a worker from looking at documents and examining the business of the organization of associated labor if such examination is required for the exercise of his rights; failure to take measures or inadequate taking of measures to protect workers in the workplace or to protect socially owned property; the hiring of workers contrary to the provisions of this law; refusal to perform jobs or work duties or job orders without showing good cause; unauthorized use of funds or materials issued to workers for performance of their jobs or work duties; reporting to work in an inebriated condition or the taking of alcohol or other substance during working hours so as to reduce work ability; the causing of disorder or fighting in a basic organization; unjustified absence; nonperformance, irregular performance, or tardy performance of jobs or work duties which pertain to nationwide defense and social self-protection; negligent performance of jobs or work duties which could lead to a violation of trade secrecy, military secrecy, or other secrecy as established by law or general self-management act; failure to furnish official documents and data at the request of authorized agencies or organizations; any other violation of work duties and other duties which under the general self-management act is a serious violation of work duties.

Article 195

One of the following disciplinary measures may be pronounced against a worker for violations of work duties and other violations of work discipline:

- i. reprimand,
- ii. public reprimand,
- iii. assignment to other jobs or work duties for a specified period of time in accordance with law,
- iv. fine,
- v. termination of the employment relation.

The penalties referred to in Paragraph 1 of this article may be pronounced against any worker regardless of the special authority and responsibility which that worker has.

Article 196

A fine may be imposed only for the following serious violations of work duties or other violations of work discipline: nonperformance or negligent, unreliable or late performance of jobs or work duties, thereby threatening human life or safety or property of high value; starting a

fight or disorder in the basic organization; negligent performance of jobs or work duties which might result in a violation of trade, military or other secrecy as established by law or self-management accords; nonperformance or undependable or tardy performance of jobs or work assignments of particular public importance; failure to take measures or inadequate taking of measures to protect a worker in the workplace or a violation of his right to self-management; abuse of position or overstepping granted authority; the furnishing of erroneous information which deceives a worker concerning his rights.

The fine may be imposed on a worker as a penalty up to the amount established by law, which shall also state the purposes for which the money collected in fines can be used.

Article 197

The measure of termination of the employment relation may be pronounced for serious violations of work duties so as to disrupt relations in the performance of jobs or execution of work assignments, so as to prevent or obstruct the work of other workers, or so as in some other manner to cause disturbances in the work process.

The penalty of termination of the employment relation shall be pronounced because of a serious violation of work duties consisting of unjustified absence for at least 5 successive workdays.

A general self-management act, in accordance with law, shall fix the number of workdays of unjustified absence, shall make the worker liable for the penalty of termination of the employment relation as well as the other serious violations of work duties for which that measure may be pronounced.

Article 198

Execution of the penalties of a fine or termination of the employment relation may be postponed for the time set forth in the general self-management act in accordance with law.

If during the period of time for which execution of the punishment was postponed, the worker does not commit a new serious violation of work duties, it shall be as if the measure was not pronounced.

Article 199

A disciplinary commission shall be established in the basic organization to ascertain violations of work duties or other violations of work discipline, to determine responsibility, and to pronounce measures for those violations.

Several basic organizations in the same work organization may establish a joint disciplinary commission.

If a violation of work duties or other violation of work discipline has caused damage, the disciplinary commission may adopt a decision concerning reimbursement of that damage or may provide the initiative for institution of proceedings for reimbursement of damage.

Article 200

The disciplinary commission shall have an uneven number of members, including its chairman.

The chairman and other members of the disciplinary commission shall be elected by the workers in the same manner as the workers' council is elected, their term of office to be set forth in the general self-management act.

A certain number, but not more than one-fourth, of the total number of the members of the disciplinary commission must be individuals from outside the basic organization, and they shall be elected by the workers from a list of candidates nominated by the trade union and approved by the chamber of associated labor of the assembly of the opstina where the basic organization is located, in accordance with the procedure set forth in Paragraph 2 of this article.

The chairman of the disciplinary commission shall make up its membership for each individual case, ensuring that one member of the disciplinary commission is from the same basic organization as the worker who has been charged.

Article 201

The chairman and members of a joint disciplinary commission shall be elected in the manner set forth in Article 200, Paragraphs 2 and 3, of this law.

The chairman shall be elected in all basic organizations for which the joint disciplinary commission is being established, and each of these organizations shall elect the same number of members of the commission.

Article 202

Proceedings shall be instituted at the request of the workers' council, an officer or the chairman of the official body representing professional management, the body of self-management workers' control, the public defender of self-management law, the trade union, or the competent body or agency of the sociopolitical community.

Article 203

The request for institution of proceedings for the disciplinary commission must be delivered to the worker.

The worker must be interrogated before the disciplinary commission and must be allowed a defense.

The trade union must be informed when proceedings are instituted before the disciplinary commission.

Article 204

Proceedings before the disciplinary commission shall be public. But the commission may exclude the public in order to safeguard military, trade or other legally prescribed secrecy.

The opinion of the trade union must be heard during proceedings before a disciplinary commission if the trade union has submitted its opinion.

The trade union may represent the worker at his request or with his consent in proceedings before the disciplinary commission.

Minutes must be kept on the interrogation of the worker and on presentation of other evidence in preliminary proceedings and on the hearing before the disciplinary commission. The commission must keep a record of cases before it and the penalties imposed.

The defendant (worker) or plaintiff (whoever submitted the request for institution of proceedings) may submit an appeal against the decision of the disciplinary commission to the workers' council of the basic organization in which the worker is employed or to the commission designated in the by-laws, within a period which may not be less than 8 days from the date when the decision was delivered.

An appeal against the decision of a joint disciplinary commission (Article 199, Paragraph 2) is submitted to the workers' council of the basic organization in which the worker is employed.

The workers' council or commission referred to in Paragraph 5 of this article may uphold, correct or reverse the decision.

The worker (defendant) may institute proceedings before a court of associated labor against the decision of the workers' council or commission as referred to in Paragraph 5 of this article within 30 days from the date when the decision was delivered.

If the workers' council or commission referred to in Paragraph 5 of this article does not render a decision on the appeal within 30 days, proceedings may be instituted before the court of associated labor within 30 days

after expiration of the period in which the ruling on the appeal should have been rendered.

Article 205

A worker who in his work or in some relation to his work has intentionally or out of extreme negligence caused damage to the basic organization has the duty to compensate for that damage.

If the damage has been caused by more than one worker, each worker is responsible for that portion of the damage which he caused.

If the share of the damage caused by each worker cannot be established, it shall be assumed that all the workers are equally liable, and they shall make compensation for the damage in equal parts.

If damage has been caused by more than one worker in committing a premeditated crime, they shall bear joint and several liability.

Article 206

The general self-management act regulating the employment relation may set a fixed amount of compensation for damage caused by a worker which has affected the work process and performance of duties by other workers, when the precise amount cannot be established, or when determination of the amount would be disproportionately expensive.

The general self-management act referred to in Paragraph 1 of this article shall state those actions for which compensation of damage may be ordered in the fixed amount.

The general self-management act referred to in Paragraph 1 of this article shall establish a commission to render a decision concerning compensation for damage in the fixed amount and shall name the body or officer responsible for instituting proceedings before that commission.

Should the damage be considerably greater than the fixed amount of compensation, the basic organization may demand compensation of damage under the provisions of Article 205 of this law.

Article 207

The existence of damage as referred to in Articles 205 and 206 of this law and the circumstances under which it occurred, its amount and the person responsible for the damage shall be established within the basic organization.

If the worker does not make compensation for the damage, the basic organization shall institute proceedings before a court of associated labor to obtain compensation for the damage.

Article 208

If a worker suffers damage in his work or in relation to his work, he is entitled to seek compensation for damage from the basic organization under the general principles governing liability for damage.

If the basic organization does not make compensation for the damage within the prescribed period of time, the worker has the right to seek compensation for damage before a court of associated labor.

Article 209

The basic organization which has made compensation for damage to a third party which a worker in his work or in relation to his work has damaged intentionally or through extreme negligence has the right to demand that the worker reimburse the amount paid in accordance with the provisions of Article 205 of this law.

The basic organization's demand as referred to in Paragraph 1 of this article shall lapse at the end of 6 months from the date when the compensation for damages was paid.

Article 210

The provisions of this law concerning the worker's accountability for non-performance of work duties and concerning liability for damage in the basic organization shall also apply to workers in the work community.

Section 5. Termination of the Employment Relation

Article 211

A worker's employment relation in the basic organization shall terminate as follows:

- 1) if he states in writing that he does not wish to work in the basic organization and declares that he is terminating the employment relation;
- 2) if he has entered into a written agreement with the authorized officer or body to the effect that his employment relation in the basic organization is terminating;
- 3) if he refuses to work at a job which is offered him and which corresponds to his technical training and other skills acquired by experience or if in the cases referred to in Article 213 of this law he refuses to undergo additional training or retraining to perform other appropriate jobs.

A worker's employment relation in the basic organization may terminate in the following cases:

- 1) if upon entering the employment relation he has withheld information or furnished false information in connection with the conditions of his employment, if this information is essential to performance of the jobs or work duties for which the employment relation was established;
- 2) if he does not discharge his work duties satisfactorily and thereby seriously injures the joint interests of the other workers or the basic organization (serious violation of work duties--Article 197).

The employment relation in the basic organization of a trainee who has established an employment relation for an indefinite time shall terminate if he does not pass the specialized test at the end of the period of training.

In the general self-management act regulating the employment relation the workers, in conformity with law, shall fix the amount of time the worker has the right and duty to remain in employment in the cases referred to in Points 1 and 3 of Paragraph 1 of this article, provided that he does not remain longer than 6 months in employment.

Article 212

Should it be found that the need for a worker's work has ceased because of economic difficulties the basic organization has encountered because of the irresponsible attitude of individual workers toward their work, the workers may decide to terminate the employment relation of those workers whose irresponsible attitude has placed the basic organization in that position, in accordance with the general self-management act regulating the employment relation.

The procedure for ascertaining responsibility of workers as referred to in Paragraph 1 of this article shall be set forth in the general self-management act.

Article 213

A worker's employment relation may not terminate if the need for his work in the organization has ceased because basic organizations have entered into association or because of technological and other improvements tending to raise labor productivity and improve the results of the basic organization.

In planning technological and other improvements in the basic organization the workers have a duty at the same time to foresee the work force that would be needed when these improvements are introduced; to ascertain whether the technical training of workers will be in line with the new

technological and other improvements and whether it is possible for them to obtain the technical training required by those improvements; to provide funds from the basic organization's net income to organize new jobs or new work assignments for those workers in the same or other organizations of associated labor or for their technical training; and to foresee, in accordance with Article 177 of this law, the reassignment of workers whose work is no longer required by the basic organization.

Self-managed special-interest communities for employment security shall also share with their funds in accomplishing the goals referred to in Paragraph 2 of this article, in accordance with law.

Article 214

In the cases and under the conditions set forth in a self-management accord that is consistent with law a worker whose employment relation in one basic organization terminates because of his moving to another basic organization shall establish the employment relation with the workers in that other basic organization as of the date when he submits the written statement that he is familiar with the general self-management act regulating the employment relation, other general self-management acts regulating his rights, duties and responsibilities, and the bylaws, and also stating that he assents to them.

As of the date when the written declaration referred to in Paragraph 1 of this article is submitted, the worker's employment relation terminates with the workers in the basic organization where he worked up until that time.

Article 215

If it is found that a worker lost the ability to perform the jobs or work assignments which have been made his responsibility or should it be found that over a long period of time he has not been achieving the results which are normal in that job, his employment relation may be terminated if he refuses to work on jobs or work assignments that correspond to his ability.

The facts pertinent to Paragraph 1 of this article shall be established by a commission appointed by the workers' council from among workers who have at least the same schooling and training as the worker whose ability is being judged.

On the basis of its findings the commission shall render a decision as referred to in Paragraph 1 of this article.

Article 216

Termination of a worker's employment relation is required by law in the following cases:

- 1) if he refuses to make a written declaration concerning his assent to the self-management accord whereby the workers pool their labor in the basic organization--as of the date when he refused to give the written declaration or at the end of the last day of the period granted for submitting that declaration;
- 2) if in the manner prescribed by law it is found that he is completely unfit for work--as of the date when a solid ruling is rendered declaring him completely unfit for work in the basic organization;
- 3) if he qualifies for an old-age pension--unless the law states otherwise--as of the date when the ruling terminating the employment relation becomes final;
- 4) if under the provisions of the law or a valid court decision or decision of another body he has been prohibited from performing certain jobs or work assignments, and he cannot be given other jobs or work assignments to perform--as of the date when the valid decision is delivered to the basic organization;
- 5) if he must be absent longer than 6 months to serve a prison sentence--as of the date when he begins to serve his sentence;
- 6) if a preventive measure, security measure, or juvenile disciplinary measure has been pronounced against him for a period longer than 6 months, requiring him to be absent from work--as of the date when that measure first takes effect.

The employment relation which a trainee has established for a specified period solely to do his period of training shall terminate by force of law at the end of the period specified for training.

Article 217

A worker in a basic organization must or may be temporarily suspended in the cases and under the conditions set forth in law.

Article 218

Under the conditions and in the manner set forth in the general self-management act regulating the employment relation and in law the employment relation of a worker may be terminated when proceedings are instituted to dissolve his basic organization or to dissolve the work organization of which it is a part, and there is no possibility of continuing

to work in another basic organization in accordance with the provisions of this law.

Article 219

The decision terminating his employment relation in the basic organization and the reasons for rendering that decision must be delivered to the worker in writing, including instructions as to his right to an appeal.

Chapter V. Protection of the Worker's Rights

Article 220

The worker in associated labor has the right to demand protection of his rights before the bodies of self-management, courts of associated labor and other courts, as well as before other competent bodies and agencies in accordance with law.

Article 221

The worker shall file a petition for protection of his rights with the body designated in the bylaws of the basic organization within 30 days from the date when he became aware of the infringement on his rights or from the date when he was delivered the decision which infringed upon his rights.

The filing of a petition as referred to in Paragraph 1 of this article shall not stay execution of a decision representing a determination of the worker's earnings, but it shall stay execution of a decision concerning the worker's other inalienable rights and in other cases as specified by law.

Article 222

The competent body in the basic organization must rule on the worker's petition within 30 days from the date it was submitted.

If a written agreement is reached concerning the petition, that agreement shall be legally binding.

The worker has the right to attend the hearing concerning his petition and to state his position concerning facts relevant to rendering a decision.

Article 223

The competent body in the basic organization must seek the trade union's opinion before rendering a decision concerning a worker's opinion.

At the worker's request or with his consent the trade union may represent the worker in obtaining his rights.

If the worker does not institute proceedings for protection of his rights or refuses to allow the trade union to represent him, and if a self-management right has been altogether violated, the trade union may institute proceedings to protect the self-management rights.

The trade union may participate in proceedings before the competent body in the basic organization.

Article 224

If he is not satisfied with the decision, or if the competent body in the basic organization does not render a decision within 30 days from the date when the decision was submitted, the worker has the right within 30 days to seek protection of his rights before a court of associated labor.

A worker may not seek protection of his rights before a court if he has not previously sought protection of that right before the competent body in the basic organization, except in a case of a monetary claim.

Article 225

The officer or body of professional management or the authorized worker in the basic organization must carry out a valid court decision rendered in proceedings for protection of a worker's rights within 15 days from the date when the court decision was delivered, unless the court decision itself specified a different period of time.

If the officer or body of professional management or authorized worker in the basic organization does not carry out the court decision within the period referred to in Paragraph 1 of this article, it shall constitute a serious violation of work duties.

Article 226

With regard to protection of the rights of applicants who have responded to an advertisement or announcement of a competition, if a candidate is chosen who does not meet the qualifying conditions as published or if the candidate chosen does not apply within the period specified, or if procedure for selection of candidates was violated in some other manner, the provisions of this law pertaining to protection of the rights of workers shall apply.

Chapter VI. Management of Socially Owned Assets

Section 1. Rights, Duties and Responsibilities of Workers and Other Working People With Regard to the Use, Management and Disposition of Socially Owned Assets

Article 227

In the context of this law means of production and other productive assets are material objects, rights and interest in things and liquid assets which the workers in basic and other organizations of associated labor and in work communities use in their work and which, representing the products of associated labor and income earned in associated labor, are produced or realized through that labor and business (hereafter referred to as "productive and business assets").

Article 228

In the context of this law fixed assets are physical things constituting productive and business assets whose service life is longer than 1 year and whose value is partially charged to the products of associated labor and reimbursed from gross income in the form of depreciation or amortization.

Fixed assets shall also include physical things as referred to in Paragraph 1 of this article which are under construction or which have been built, but have not been put to use, and rights and interest in things which represent a factor in operation and business, if their value is amortized from gross income.

Other productive and business assets represent current assets.

Article 229

In the context of this law funds to meet joint or community needs are funds which the workers appropriate from the income of the basic organization or work organization in which they work and from their own personal earnings or which other working people appropriate from their income or other proceeds and pool to satisfy their personal and common needs and interests.

In the context of this law funds to meet general public needs are funds which are provided to finance the operation of the bodies and agencies of sociopolitical communities and to satisfy other general public needs in sociopolitical communities.

Article 230

In exercising their right to work with socially owned assets, with respect to the use, management and disposition of socially owned assets workers in associated labor have the rights, duties and responsibilities set forth in law and general self-management acts consistent with law.

Article 231

Workers in associated labor have the right and duty to use socially owned assets and dispose of them in accordance with the nature and purpose of those assets.

Article 232

Workers in associated labor have the right and duty to preserve socially owned assets, to protect them from destruction and damage, and to handle those assets conscientiously and carefully.

Workers in associated labor have the right and duty to ensure socially owned assets under the conditions and in the manner specified by law.

Article 233

Workers in associated labor have the right to write off fixed assets if they are physically worn out or obsolete (write-off of fixed assets).

If a fixed assets has been damaged or destroyed by a force majeure or in some other manner as set forth in law, the workers in associated labor have the right to write off the value of that fixed asset at the amount of damage incurred, in the manner and under the conditions set forth in law (write-off of the value of fixed assets).

Workers in associated labor shall adjust the value at which fixed assets are carried on the record of socially owned assets to their market value in accordance with law (reassessment of fixed assets).

Article 234

Workers in basic organizations shall state in a general self-management act the conditions under which fixed assets shall be leased, specifically stating the manner of their use, the period of time for which they may be leased, and other conditions of joint interest.

The basic organization has the right to compensation for fixed assets which it has leased, such compensation to be set according to principles concerning the pooling of labor and assets, but consistent with law.

Article 235

Funds for joint or community consumption shall be managed by the workers in associated labor who have pooled those funds from the net income of their basic organization or work community in which they work and from their own personal earnings, in the manner set forth in a general self-management act.

The funds referred to in Paragraph 1 of this article shall not be regarded as assets representing a material condition of the labor of workers in basic and other organizations of associated labor and in work communities nor assets which represent the material basis for performance of the function of self-managed special-interest communities and other self-managed organizations and communities and sociopolitical communities, nor may they be attached to meet obligations of those organizations and communities.

Article 236

Workers in associated labor have a duty to use land or other natural resources under the general conditions prescribed by law and under the special conditions under which it was given to them for their use.

Workers in associated labor using land or other natural resources have a duty, in their own common interest and in the general public interest and in the interest of its own environment, to use that land or other natural resource in a manner whereby they preserve, protect and improve the environment.

Article 237

Workers and other working people in a self-managed special-interest community have the right to manage the assets which they have pooled in that community as socially owned assets, in accordance with the self-management accord establishing the self-managed special-interest communities, its by-laws, and law.

Article 238

Working people in a local community in which they satisfy their personal and common needs and interests on a basis of solidarity have the right to manage socially owned assets in that local community and in the management of those assets to make decisions concerning their use and disposition and also concerning the pooling of those assets with assets managed by workers in basic organizations or workers and other working people in self-managed special-interest communities and in other self-managed organizations and communities, in conformity with bylaws and other general acts adopted by the authorized bodies of the local community.

Article 239

Workers and other working people have the right, through their delegations and delegates in the assembly of the sociopolitical community, to manage assets assigned to meet general public needs in that sociopolitical community and in the management of those assets to create and safeguard conditions for their life and work and to meet general public needs.

Article 240

Working people who are organized in a sociopolitical organization or other public organization as specified by law have the right as members of that organization to manage the assets which that organization realizes through contributions or on any other basis and in managing those assets as socially owned assets to make decisions concerning the use and disposition of those assets, in accordance with the bylaws and other general acts adopted by the authorized bodies of that organization.

Buildings and other real estate managed by working people in organizations referred to in Paragraph 1 of this article and which are not used for production and performance of any other economic activity and are not used to earn income, may not taken away from those organizations.

As an exception, if the needs of spatial planning as established on the basis of law or other interests as stated in law so require, the real estate referred to in Paragraph 2 of this article may be taken away from the organizations referred to in Paragraph 1 of this article. In that case they must be furnished real estate or other conditions affording unhindered pursuit of the same purpose served by the confiscated real estate and of equivalent value.

Article 241

With regard to the use of socially owned assets individuals, civic associations and other civil juridical persons shall have the rights, duties and responsibilities specified in law.

Section 2. Rights, Duties and Responsibilities of Public Juridical Persons in Legal Transactions Involving Socially Owned Assets

1. Disposition of Socially Owned Assets

Article 242

Socially owned assets may be involved in legal transactions.

The right to involve socially owned assets in legal transactions may be restricted or denied as stated in law.

Article 243

Public juridical persons have the right in conducting legal transactions involving socially owned assets to conclude self-management accords and contracts and to conduct other legal transactions and take other legal steps within their legal capacity (hereafter referred to as the "right of disposition").

In exercising the right to disposition public juridical persons shall convey socially owned assets to other public juridical persons, shall acquire assets from holders of the right of ownership so that such assets pass into social ownership, shall alienate socially owned assets so that they cease to be socially owned, shall lease socially owned assets, shall replace socially owned assets, and shall dispose of socially owned assets on some other basis.

Article 244

The basic organization has the right to dispose of those socially owned assets which the workers in that basic organization manage in exercising their right to work with socially owned assets.

The self-management accord concerning the entry into association may provide that the right to dispose of socially owned assets as referred to in Paragraph 1 of this article shall also be held by the work organization or other organization of associated labor within the limits of authority granted them by the basic organizations making them up or as established by law.

A work community has the right to dispose of socially owned assets which are managed by workers in that work community in exercising their right to work with socially owned assets.

Article 245

A self-managed special-interest community, local community, sociopolitical organization, sociopolitical community, or other public juridical person has the right to dispose of socially owned assets which are managed by workers and other working people in that public juridical person, within the limits of authority set forth in self-management accords, by-laws or law.

Article 246

A self-management accord or contract conveying a socially owned asset without compensation, alienating a socially owned asset so that it passes out of social ownership, leasing a socially owned asset to another public juridical person, or replacing a socially owned asset by another socially owned asset or by an asset covered by a right of ownership shall be concluded in writing.

The provision of Paragraph 1 of this article does not apply to socially owned assets which a public juridical person puts up for sale as part of the conduct of his regular business and in other cases specified by law.

Self-management accords or contracts which are concluded contrary to the provision of Paragraph 1 of this article are null and void.

Article 247

Things which represent means of production and other productive assets and assets for joint or community consumption may not be alienated from social ownership without compensation, except in the cases specified by law.

Article 248

Farmland and building sites, forest, forest land or other natural resource, including property in general public use, may not be alienated from social ownership unless otherwise specified by law with respect to farmland, forest and forest land.

Farmland and building sites, forest and forest land which are socially owned may be conveyed to another public juridical person without compensation, or may be conveyed for compensation not to exceed the level of the value of investment in that land or forest.

Farmland and construction sites, forest and forest land which are not managed by workers or other working people in a particular public juridical person or which is not affected by any right of ownership or other natural resource or property which is in general public use shall be managed by the opstina in which that real estate is located.

Article 249

The provisions of a self-management accord or contract which are contrary to the provisions of Articles 247 and 248 of this law are null and void.

Article 250

A basic organization which intends to alienate a socially owned asset from social ownership or to convey it so that it becomes a socially owned asset managed by the workers or other working people in another public juridical person, when it does not place that asset on sale within the ordinary conduct of its business, must, in the cases specified by the self-management accord, offer that socially owned asset in writing to other basic organizations within the same work organization and notify them of the conditions of the conveyance.

If the basic organizations to which the offer has been made under Paragraph 1 of this article do not declare their acceptance of the offer within 30 days from the date when the offer was received, the basic organization submitting the offer may alienate the socially owned asset from social ownership or convey it so that it becomes a socially owned asset managed by the workers or other working people in another public juridical person.

If the terms of the conveyance of a socially owned asset provide that the price shall be paid in cash, either wholly or in part, the declaration of acceptance of the offer shall be binding only if the basic organization to whom the offer was made deposits with the basic organization making the offer or the competent court the appropriate amount of the price within the period stated in Paragraph 2 of this article.

If a basic organization does not make an offer or if it alienates the socially owned asset from social ownership or conveys it so that it becomes a socially owned asset managed by workers or other working people in another public juridical person under more favorable terms than those which it has offered, the basic organization to whom the offer was made may file suit for annulment of the alienation or conveyance and demand that that socially owned asset be conveyed at those same terms to become a socially owned asset which their workers manage.

The complaint referred to in Paragraph 4 of this article may be submitted within 30 days from the date when the holder of the right of first refusal learned of the alienation from social ownership or conveyance to the socially owned assets managed by workers or other working people in another public juridical person and learned of the terms of the alienation or conveyance, but no later than 6 months from the date when the alienation or conveyance occurred.

2. Liability for Obligations

Article 251

A public juridical person shall be liable for its obligations with the assets which it possesses.

The provision of Paragraph 1 of this article shall also apply to a work organization which is being founded and to a temporary basic organization within a work organization that is being founded.

Law shall state which assets possessed by certain public juridical persons, because of the importance of those assets to performance of their activity or function, shall be exempt from execution.

Article 252

If a temporary basic organization has been organized within a work organization being founded, the temporary basic organization within the work organization shall bear secondary liability for the obligations of the work organization being founded if it has not assumed joint and several liability for those obligations.

Once the incorporation of a work organization being founded is entered in the court register, the basic organizations making up that work organization shall bear joint and several responsibility for its obligations.

Secondary liability for the obligations of a work organization which could not be discharged under Paragraphs 1 and 2 of this article shall also be borne by the founder, unless the act concerning the founding of the work organization specifies that the founder shall bear joint and several liability for those obligations.

Article 253

Liability for the obligations of a temporary basic organization shall be borne by the work organization being founded if it has not assumed joint and several liability for those obligations.

Article 254

Liability for the obligations of a work organization which includes basic organizations shall be borne by those basic organizations as provided for in the self-management accord whereby they entered into association to form the work organization.

Liability for the obligations of a complex organization of associated labor shall be borne by the basic organizations making up the work organizations which have entered into association to form the complex organization of associated labor or by the associated work organizations within it which are not divided into basic organizations, as provided for in the self-management accord concerning the entry into association to form a complex organization.

Article 255

Liability for the obligations of a basic organization shall also be borne by other basic organizations within the same work organization as provided for in the self-management accord whereby they entered into association to form the work organization.

Article 256

A new basic organization which has been authorized from a part of a basic organization shall bear joint and several liability for the obligations of the basic organization from which it was created if those obligations came into being before the organization of the new basic organization was entered in the court register.

The provision of Paragraph 1 of this article shall also be suitably applied when a new basic organization is organized from parts of several basic organizations.

The provisions of Paragraphs 1 and 2 of this article shall also be suitably applied when a basic organization is organized from a part of a work organization or from parts of several work organizations in which there were no basic organizations.

Article 257

Liability for the obligations of a basic organization from which two or more new basic organizations have arisen shall be jointly and severally borne by those basic organizations.

Article 258

If a basic organization withdraws from a work organization and incorporates as a work organization, or if it becomes a basic organization within another work organization, that work organization or basic organization shall be liable for obligations which it assumed before entry of that change in the court register.

Article 259

If a basic organization enters into association with another basic organization to form a new basic organization, liability for the obligations of the associated basic organizations shall be borne by the new basic organization which came into being when they entered into association.

The provision of Paragraph 1 of this article shall also be suitably applied in a case when a new work organization comes into being following the entry into association of a basic organization and of a work organization which did not have constituent basic organizations.

Liability for the obligations of a basic organization which has been absorbed into another basic organization or been absorbed by a work organization which does not have constituent basic organizations shall be borne by the organization which has absorbed it.

Article 260

If liability for the obligations of a basic organization is also borne by other basic organizations, they shall remain liable for those obligations until they are met regardless of changes in status of the basic organization which is the principal debtor.

Article 261

If basic organizations are organized in a work organization which did not previously have constituent basic organizations, or if new work organizations in which basic organizations are not organized come into being from a work organization, the new basic organizations or new work organizations shall be jointly and severally liable for the obligations of the work organization they sprang from.

If a work organization which does not have constituent basic organizations enters into another such work organization to form a new work organization, the new work organization shall be liable for its obligations.

If a work organization which does not have constituent basic organizations enters into association with another such work organization in such manner as to be absorbed by it, the work organization which has absorbed it shall bear liability for its obligations.

Article 262

A self-management accord may not provide that a basic organization or work organization shall be liable for the obligations of another organization of associated labor which accrued from transactions which were unrelated to the activity of that other organization of associated labor.

The provisions of a self-management accord which are contrary to the provision of Paragraph 1 of this article are null and void.

Article 263

A work community shall be liable for its obligations to the extent of the assets which it possesses.

Article 264

When there is joint and several liability, a creditor has the right at his own option to require that the obligation be discharged by any of the debtors bearing joint and several liability.

When there is contingent or secondary liability, the creditor has the right to demand that the obligation be discharged by the guarantor only if he has failed in his attempt to collect the claim from the principal.

If several public juridical persons bear secondary liability for the same obligation, a creditor at his own option require that the obligation be discharged by any of the public juridical persons bearing secondary liability, under the condition referred to in Paragraph 2 of this article.

Joint and several liability and secondary liability may be either unlimited or limited.

If the law requires that joint and several liability or secondary liability be borne by one public juridical person for the obligations of another public juridical person, the joint and several liability or secondary liability shall be unlimited up to the extent of the principal's obligations.

If a party to joint and several liability or guarantor has wholly or partially fulfilled an obligation, he acquires the right of the creditor toward the other parties to the joint and several liability or other guarantors to the extent of the share which falls upon each of them.

3. Socially Owned Assets Which Are Managed by the Workers or Other Working People in a Public Juridical Person

Article 265

Socially owned assets which are managed by the workers or other working people in a public juridical person (hereafter referred to as "public assets in a public juridical person") consist of things, liquid assets and rights and interest in things which are the material basis of their work or the material basis for performance of functions in that public juridical person.

Article 266

A thing, liquid assets and a right or interest in a thing may become public assets in a public juridical person on the basis of a self-management accord, contract or other legal transaction, and also--in the cases envisaged by the constitution--on the basis of a decision by a government body or agency or by legal requirements.

Article 267

If a thing or right or interest in a thing has become a public asset on the basis of temporary use, that thing or right shall temporarily become a public asset in the public juridical person in which that thing or that right is temporarily used until its return.

Article 268

If real estate has become a public asset without legal basis, its recovery may be sued for within a period of 5 years from the date when the change was learned of, but no later than 10 years after the fact.

If movable property has become a public asset without legal basis, its recovery may be sued for within 3 years from the date when the change was learned of, but no later than 5 years after the fact.

The provisions of Paragraphs 1 and 2 of this article shall not apply to things which have become a public asset through the committing of a crime or economic violation.

Article 269

A thing, liquid assets or right or interest in a thing may cease to be a public asset in a public juridical person on the basis of a self-management accord, contract or other legal transaction or--in the cases envisaged by the constitution--on the basis of a decision rendered by a government agency or body or by legal requirements.

Article 270

When a thing has ceased to be a public asset in a public juridical person without legal basis, the authorized officer or body of that public juridical person must sue for return of the thing.

If the authorized officer or body of the public juridical person does not file suit as mentioned in Paragraph 1 of this article, the workers and other working people in that public juridical person may demand that the authorized officer or body submit it within a certain period of time. If the authorized officer or body of the public juridical person does not file suit within that period, suit shall be filed by the public defender of self-management law.

If the authorized officer or body of the public juridical person or public defender of self-management law does not file suit as mentioned in Paragraph 1 of this article, suit shall be filed by that body or agency of the sociopolitical community designated by law.

Article 271

If while it was a public asset in another public juridical person under Articles 268 and 270 of this law a thing was improved in such manner that the improvement may be separated without damage to the thing itself, that separation shall be done before the thing is returned.

If the improvement referred to in Paragraph 1 of this article may not be separated from the thing, its value, to the extent of necessary and effective costs, shall be reimbursed to the public juridical person returning the thing.

If the thing is in the possession of a physical person or civil juridical person, in adjusting relations as referred to in Paragraphs 1 and 2 of

this article the court shall take into account the conscientiousness of that person.

The requirement referred to in Paragraph 2 of this article shall lapse at the end of 3 years from the date when the thing was returned.

Article 272

If work with socially owned assets or use of things which represent public assets in a public juridical person are hindered, the authorized officer or body of that public juridical person or the workers and other working people in that public juridical person may file a petition through the public defender of self-management law for cessation of that hindrance and for restraint from further hindrance or return to the status quo ante.

The petition referred to in Paragraph 1 of this article may be filed within 30 days from the date when the hindrance of the work with socially owned assets or hindrance of use of things which constitute public assets was learned of.

Article 273

The authorized officer or body of a public juridical person or the workers and other working people in that public juridical person may submit a petition through the public defender of self-management law for compensation of damages under the general rule governing liability for damages if that damage was caused by removing a thing from public assets in that public juridical person or by hindering its use.

The option referred to in Paragraph 1 of this article shall lapse at the end of 3 years following the date of the thing's return or the date of cessation of the hindrance of its use.

Article 274

Rights and interest in things which are public assets in a public juridical person (patent rights, accounts receivable, etc.) shall be defended in case of a violation under the conditions and in the manner set forth in law.

Chapter VII. Linkage of Self-Employment to the System of Self-Managed Associated Labor

Section 1. The Entry of Farmers Into Association

1. The Entry of Farmers Into Association to Form Agricultural Cooperatives and Other Forms of Association

Article 275

In pursuit of the aims referred to in Article 31 of this law farmers may pool their labor, land, implements or other assets which they own with one another and with the labor of workers and socially owned or public assets to form agricultural cooperatives or other forms of association of farmers or with the labor of workers and socially owned assets in organizations of associated labor, in accordance with law. Under Paragraph 1 of this article [sic] farmers shall freely decide on the extent, duration and diversity pertaining to the pooling of their labor, land, implements or other assets, in accordance with the needs of joint agricultural production as determined by agreement, realization of their other economic interests and pursuit of the other aims of their entry into association.

Article 276

Farmers in an agricultural cooperative (hereafter referred to as "associated farmers") shall independently, jointly and as equals manage the operation and business of the cooperative, regulate their mutual relations in work, the earning of income, and the distribution of income and net income, and other mutual relations in the cooperative, in conformity with law.

Yet certain tasks in an agricultural cooperative are performed by workers, in the exercise of their rights and duties in the cooperative they shall be on an equal footing with the associated farmers, in accordance with law.

Article 277

The rights of associated farmers on the basis of their own work in the agricultural cooperative shall be established--in line with the rights which workers have who use public assets in associated labor--on the basis of current and past labor and as a function of the financial capabilities for realizing those rights, in accordance with law.

Article 278

The agricultural cooperative shall in principle have the status, rights, obligations and duties of an organization of associated labor.

Article 279

A basic cooperative organization and a basic organization which the workers working in the agricultural cooperative form by pooling their labor may be organized in the agricultural cooperative under the conditions set forth in law.

The basic cooperative organization shall be the association of the farmers or of the farmers and the workers working in the agricultural cooperative if those workers have not organized a basic organization.

If within the agricultural cooperative there are two or more basic cooperative organizations, it shall in principle have the same status, rights, obligations and responsibilities as a work organization, in accordance with law.

A basic cooperative organization in an agricultural cooperative shall in principle have the status, rights, obligations and responsibilities of a basic organization, in accordance with law.

Work communities may be established under the conditions set forth in law within an agricultural cooperative which does not have a constituent basic cooperative organization or in basic cooperative organizations within an agricultural cooperative.

Workers in an agricultural cooperative who perform administrative and technical tasks, render auxiliary services, and perform other similar functions or other tasks of common interest to the agricultural cooperative or to the basic cooperative organizations and basic organizations making it up, shall form a work community in accordance with law.

Article 280

Relations between the basic cooperative organization and other basic organizations within an agricultural cooperative and relations between these organizations and the work community in an agricultural cooperative shall be regulated by the self-management accord whereby the farmers enter into association to form the agricultural cooperative, in accordance with law.

The self-management accord referred to in Paragraph 1 of this article may provide that the basic organization within the agricultural cooperative must perform tasks primarily for the associated farmers, that without the consent of the associated farmers it may not change its business or withdraw from the cooperative if its separation would impede the cooperative's normal operation and business.

Article 281

A farmer who has pooled his land, implements or other assets in an agricultural cooperative shall retain the right of ownership to that land, implement or other asset unless by virtue of the self-management accord whereby the farmers enter into association to form the agricultural cooperative or special contract concluded with the cooperative or with some other public juridical person, by virtue of sale or in some other manner he has conveyed the land, implement or other asset to which he has the right of ownership so that it becomes public property.

Article 282

The income of an agricultural cooperative which does not have a constituent basic cooperative organization and the income of a basic cooperative organization shall be managed by the associated farmers, in which they shall exercise the same rights and discharge the same duties and responsibilities as workers in associated labor using socially owned assets in accordance with the self-management accord whereby the farmers enter into association to form the agricultural cooperative and with law.

The income of the basic organization within an agricultural cooperative shall be managed by the workers who have pooled their labor to form the basic organization, whereby they shall exercise the same rights and discharge the same duties and responsibilities as workers in other basic organizations.

Article 283

The income of the agricultural cooperative which does not have a constituent basic cooperative organization and the income of a basic cooperative organization shall be earned by the associated farmers from gross income realized as follows:

- 1) through the sale of farm products and other products and the rendering of agricultural and other services;
- 2) by virtue of a share in joint sales revenue or joint income realized through the cooperation of the associated farmers with workers in basic organizations within an agricultural cooperative, with another agricultural cooperative or other basic cooperative organization, or with workers in basic organizations within another organization of associated labor, and with private farmers;
- 3) receipts based on compensation and premiums as established by law;
- 4) income from other sources as established by law.

Income as referred to in Paragraph 1 of this article shall be determined and distributed in accordance with law.

Article 284

The associated farmers are entitled to that share of the net income of an agricultural cooperative which does not have a constituent basic cooperative organization or that part of the net income of the basic and cooperative organization which is proportional to the contribution they have made to the earning of its income by their personal labor, by their pooling of land, implements or other assets, and by their collaboration.

The portion of net income referred to in Paragraph 1 of this article shall be determined as a function of the scale, level and diversity of the working relationship and mutual collaboration among the associated farmers and their mutual responsibility, using bases and standards for determining the following specific aspects of the contribution of associated farmers:

- 1) joint and individual labor in the production of farm products;
- 2) joint purchase and joint use of agricultural implements and agricultural equipment and in the purchase and use of supplies and materials for private and for joint agricultural production;
- 3) joint construction of farm structures and their use for private or joint agricultural production;
- 4) joint sale of farm products.

The net income, after deduction of that portion of net income which goes to the associated farmers under Paragraph 2 of this article, is assigned as socially owned assets to the funds of the agricultural cooperative which does not have a constituent basic cooperative organization or into the funds of the basic cooperative organization.

Article 285

The resources of the funds referred to in Article 284, Paragraph 3, of this law and other public assets in the agricultural cooperative which does not have a constituent basic cooperative organization or in the basic cooperative organization shall be used in accordance with law for the following specific purposes: to create the most favorable possible conditions for the work of the associated farmers, to achieve the best possible operating results and to increase the productivity of their associated labor, to realize other joint interests which make for expansion and improvement of its activity as stated in the self-management accord whereby the farmers entered into association to form the agricultural cooperative and its bylaws, for the purposes which are the aim of premiums and other funds so as to create more favorable physical conditions for a

particular production operation by private farmers, and for formation and replenishment of reserves.

The resources of funds and other public assets as referred to in Paragraph 1 of this article may be used only in a manner which ensures their undiminished value and adequate growth, and they may not be used in a manner which would create for the associated farmer unequal conditions in the use of those resources.

Other public assets as referred to in Paragraph 1 of this article which are acquired on the basis of law may be used in accordance with law.

Article 286

The self-management accord whereby farmers enter into association to form an agricultural cooperative shall specifically contain provisions concerning the following: the names of the founders; the cooperative's trade name and address; the activities in which the cooperative will engage; the amount of funds being provided for the establishment and initial operation of the cooperative; the names of persons who will be doing the preparatory work until the cooperative is incorporated; the date by which the cooperative must be incorporated; the election or appointment, sphere of activity and responsibilities of the bodies of self-management and the professional management officer or body in the cooperative; the cooperative's agents and representatives; economic relations among the associated farmers; bases and standards governing distribution of the cooperative's net income; the members' liability for the cooperative's obligations; procedure for enactment of the cooperative's bylaws; qualifying conditions for membership in the cooperative; withdrawal or expulsion from the cooperative; arrangement for performance of tasks and activities in the domain of nationwide defense and social self-protection; disposition of assets should the cooperative dissolve; procedure for amending and supplementing the self-management accord; and other matters of common interest.

Following conclusion of the self-management accord whereby the farmers enter into association to form the agricultural cooperative, the cooperative's bylaws are adopted; they regulate in more detail the relations within the cooperative and the mutual rights, duties and obligations of the associated farmers.

Article 287

The agricultural cooperative is liable for its obligations to the extent of the assets which it possesses.

If a basic cooperative organization and basic organization have been organized within the agricultural cooperative, that basic cooperative organization and that basic organization are also liable for the cooperative's obligations on the basis of either secondary or joint and several liability, as provided for in the self-management accord.

Secondary liability for the obligations of an agricultural cooperative or of a basic cooperative organization which they have been unable to discharge under Paragraphs 1 through 3 of this article is borne by the associated farmers, farmland exempted, to the extent of the assets fixed in the self-management accord whereby the farmers entered into association to form the agricultural cooperative and by the contract which they concluded with the cooperative or by law.

Article 288

Agricultural cooperatives may enter into association to form a complex agricultural cooperative, in accordance with law.

Article 289

An agricultural cooperative or basic cooperative organization shall be founded or organized, incorporated, entered in the court register and dissolved in the manner and under the conditions set forth in law.

Article 290

The provisions of Articles 275 through 289 of this law shall also be suitably applied to other forms of association of farmers, in accordance with law.

2. Lasting Working Relationships Between Farmers and Organizations of Associated Labor as a Form of Association

Article 291

Farmers who pool their labor, land, implements or other assets on which they have the right of ownership, directly or through an agricultural cooperative or other form of farmers' association, with an organization of associated labor in a lasting working relationship shall conclude with the farmers in that organization a self-management accord concerning that collaboration, whereby they shall regulate their mutual rights, duties and responsibilities.

In the relations referred to in Paragraph 1 of this article the associated farmers shall act as equals with workers in the organization of associated labor with which they carry on the lasting working relationship in management of joint affairs and in making joint decisions on income jointly earned, and they shall share in that income as equals according to the contribution which they have made to the realization of that income.

Article 292

Farmers who pool their labor, land, implements or other assets on the basis of a lasting working relationship with an organization of associated labor may--either on their own or together with the workers of that organization--a basic organization of cooperators within that organization.

The basic organization of cooperators shall in principle have the same status, rights, obligations and responsibilities of a basic organization.

When farmers pool their labor, land, implements or other assets directly with an organization of associated labor in a lasting working relationship, that organization has a duty to encourage the organization of a basic organization of cooperators if the conditions for that obtain.

Article 293

Farmers or farmers and workers as referred to in Article 292, Paragraph 1, of this law may also establish a work organization of cooperators within a complex organization of associated labor.

Cooperators in a work organization of cooperators which does not have a constituent basic organization of cooperators shall have the status, rights, duties and obligations of cooperators in a basic organization of cooperators.

Cooperators in a work organization of cooperators which includes two or more basic organizations of cooperators shall have the status, rights, duties and responsibilities of associated farmers in a cooperative.

Article 294

The decision to organize a basic organization of cooperators shall be made by the farmers either on their own or jointly with workers in the organization of associated labor with which they have a lasting working relationship.

On the basis of the decision to organize a basic organization of cooperators the farmers, either on their own or jointly with the workers referred to in Paragraph 1 of this article, shall conclude a self-management accord whereby they established the conditions and manner of their association and their mutual rights, duties and responsibilities.

The self-management accord referred to in Paragraph 2 of this article may not exclude nor restrict right of other farmers to join the basic organization of cooperators under equal conditions.

If the conditions do not obtain for organizing a basic organization of cooperators, the organization of associated labor may establish lasting

working relationships with individual farmers on the basis of direct contracts.

Article 295

Within the basic organization of cooperators which they jointly organize the associated farmers and workers shall decide as equals on matters of common interest, specifically the following:

- 1) the scale and manner of their mutual collaboration;
- 2) the results of their joint conduct of business;
- 3) the distribution of income and net income realized through joint conduct of business.

The procedure for decisionmaking on a basis of equality in the basic organization of cooperators as referred to in Paragraph 1 of this article shall be regulated in the self-management accord on the pooling of labor in that organization and in its bylaws, in accordance with law.

Article 296

A portion of the net income of the basic organization of cooperators as referred to in Article 295 of this law shall go to the associated farmers on the basis of their right of ownership to the land, implements or other assets which they have pooled in accordance with the self-management accord, but that share shall conform to the principles that apply to shares in joint income on the basis of a pooling of socially owned assets.

Article 297

The net income of the basic organization of cooperators, after deduction of that portion of its net income which goes to the associated farmers under Article 296 of this law, shall be distributed in the same manner as the net income of other basic organizations.

Article 298

The basic organization of cooperators which has been organized by the associated farmers on their own shall share in the income which it jointly earns with other basic organizations within the organization of associated labor with which it has a lasting working relationship in accordance with the principles which apply to sharing in joint income on the basis of a pooling of socially owned assets.

In the basic organization of cooperators referred to in Paragraph 1 of this article relations in the earning of income and distribution of net income and other mutual relations of associated farmers shall be regulated

in accordance with the principles which apply to agricultural cooperatives.

3. Collaboration of Private Farmers With Agricultural Cooperatives and Organizations of Associated Labor

Article 299

Private farmers who enter into temporary collaboration, not involving a joint risk, with an agricultural cooperative or with a basic or other organization of associated labor shall exercise their rights in accordance with the self-management accord whereby farmers enter into association to form an agricultural cooperative and its bylaws or with the self-management accord and bylaws of that basic organization or other organization of associated labor.

The mutual relations referred to in Paragraph 1 of this article shall be regulated by the contract which the private farmer concludes with the agricultural cooperative or with the basic or other organization of associated labor, in conformity with the principles that apply to the entry of farmers into association to form agricultural cooperatives or to lasting working relationships between farmers and organizations of associated labor.

4. Formation of Cooperative Alliances and Other General Farmers' Associations

Article 300

Agricultural cooperatives, basic cooperative organizations and basic organizations within agricultural cooperatives, other forms of farmers' associations, basic and other organizations of associated labor with which farmers, either directly or through agricultural cooperatives or other forms of association, have pooled their labor, land, implements or other assets, and other interested organizations may enter into association to form cooperative alliances, in accordance with law.

Within the limits of their rights and duties as set forth in their bylaws, cooperative alliances shall participate in arousing the initiative of farmers to enter into association so as to create conditions for augmentation of income and improvement of working conditions, as well as to provide social security and social welfare rights for farmers, for conclusion of self-management accords concerning lasting working relationships of farmers who have not joined agricultural cooperatives or other forms of farmers' associations and concerning the collaboration of agricultural cooperatives and basic and other organizations of associated labor so that they become involved in the system of socialist self-management relations in an organized way, for purposes of social planning and accomplishment of other goals and aims as set forth in their bylaws, in accordance with law.

Cooperative alliances may enter into association to form the league of cooperative alliances for the entire Socialist Federal Republic of Yugoslavia.

Section 2. Association of Independent Personal Labor With Privately Owned Assets (Self-Employment) With Associated Labor Using Socially Owned Assets

1. Entry of Working People Into Association to Form Crafts and Trade and Other Cooperatives and Their Working Relationship With Organizations of Associated Labor

Article 301

In their work, in the earning of income and distribution of income and net income, and in other mutual relations within cooperatives, as well as in various forms of cooperation and other forms of working relationship with organizations of associated labor, working people who independently perform an activity with their own labor and privately owned assets and who pool their labor and assets in a crafts and trade or other cooperative shall in principle have the same status and basically the same rights, duties and responsibilities as farmers associated in an agricultural cooperative, as a function of the scale and degree of association of their labor and assets in that craft or trade or other cooperative.

Article 302

The provisions of Articles 287 and 289 of this law shall be suitably applied to cooperatives established by working people who independently perform an activity with their own labor and privately owned assets, unless otherwise stated in law.

2. The Contract Organization of Associated Labor

Article 303

The workingman who independently performs an activity with his own labor and privately owned assets or who intends to independently perform such activity may pool his labor and assets, risk being jointly borne, with the labor of other workers and with socially owned assets within the framework of a contract organization of associated labor, in accordance with law (hereafter referred to as the "contract organization").

Working people independently performing an activity with their personal labor and privately owned assets may pool their labor and assets to form a contract organization in the cases and under the conditions specified by law.

Article 304

The workingman as referred to in Article 303 of this law may pool his labor and assets solely in a contract organization.

Article 305

The workingman who pools his labor and his assets in a contract organization has the right to manage the business in that organization in accordance with the contract whereby that organization is founded (hereafter referred to as the "manager").

Article 306

Basic and other organizations of associated labor may provide a part of the assets for the establishment and initial operation of a contract organization.

A part of the assets for establishment and initial operation of a contract organization may also be provided by the following in the pursuit of their own aims and goals: sociopolitical communities, self-managed special-interest communities, banks, and other public juridical persons, under the conditions set forth in law.

Article 307

The contract establishing a contract organization shall be concluded between the manager of the contract organization and authorized representatives of the legally established body or agency of the sociopolitical community, the trade union and the economic chamber.

If the manager employs workers, those workers shall share in concluding the contract to establish the contract organization.

Article 308

The contract to establish a contract organization shall be concluded in writing.

The contract to establish a contract organization shall specifically contain the following: the trade name, the address and activity of the contract organization; the amount or value of the assets which the manager is putting in the contract organization; the manager's rights and duties on the basis of a pooling of labor and assets; the rights and duties of associated workers on the basis of their work with socially owned assets; bases and standards governing the determination and procedure governing payment of that part of the contract organization's income to which the manager is entitled on the basis of his right of ownership to the assets which he has placed in the organization; the procedure for and date of

payment of the value or return of those assets; and the contract organization's liability for obligations to third parties.

Article 309

On the basis of the contract to establish the contract organization the workers and manager shall conclude a self-management accord concerning their entry into association whereby they shall regulate in more detail their mutual rights, duties and responsibilities in the contract organization.

Article 310

The workers and manager shall manage the income earned and socially owned assets in the contract organization on the basis of their right to work with socially owned assets.

In making decisions concerning the socially owned assets referred to in Paragraph 1 of this article, the manager, on the basis of the right to work with socially owned assets, shall have the same rights as other workers in the contract organization.

Article 311

Funds for personal incomes and for the joint consumption of the workers and manager shall be set aside from the net income realized by the contract organization according to bases and standards established by agreement and in line with the bases and standards that are in effect in organizations of associated labor.

Article 312

After the funds referred to in Article 311 of this law have been set aside, the net income of the contract organization shall be distributed into the funds to which the manager is entitled on the basis of his right of ownership and funds which remain public property on the basis of the current and past labor of the workers and on the basis of the socially owned assets in the contract organization.

The manager's rights by virtue of his right of ownership shall be set forth in the contract establishing the contract organization, in accordance with the principles that apply to the pooling of socially owned assets.

Article 313

The manager, together with the workers of the contract organization or with the body of workers' management in that organization, shall by agreement, in conformity with the contract establishing the contract organization, the self-management accord concerning the entry into association to

form the contract organization, and law, adopts a decision concerning the following:

- 1) distribution of net income into the portion to which the manager is entitled on the basis of his right of ownership and the portion which is social or public property;
- 2) depreciation and amortization of assets in the contract organization;
- 3) the amount and assignment of funds to improve and expand the material basis of labor and the purpose of funds which the manager again places in that organization;
- 4) affairs envisaged by the contract which have a direct bearing on the manager's exercise of his rights and performance of his duties and responsibilities as set forth in law;
- 5) assurance of conditions for accomplishment of tasks and performance of activities in the domains of nationwide defense and social self-protection; and
- 6) other mutual relations established on the basis of law.

Article 314

The manager shall freely decide whether or not to reinvest in that organization all or a part of the funds which he has earned on the basis of his right of ownership in the contract organization.

The manager and workers shall by agreement establish the conditions and manner of the withdrawal of assets which are his private property and which he has placed in the contract organization.

Article 315

When the value of the assets which the manager has invested in the contract organization is repaid to him by virtue of his share in the income of that organization or when those assets, under the conditions and in the manner set forth in the contract establishing the organization, are withdrawn from the organization by the manager, the manager's right to share in its income on the basis of his right of ownership shall terminate, and in accordance with law his other rights as manager in that organization shall also terminate.

In the case mentioned in Paragraph 1 of this article the contract organization shall continue its operation as an organization of associated labor, in accordance with law.

Article 316

The manager shall be responsible for the legality of the contract organization's operation.

In exercising the rights and discharging the duties referred to in Paragraph 1 of this article, the manager shall have the rights, duties and responsibilities of the professional manager who is an officer in the organization of associated labor.

Article 317

The contract organization shall be liable for its obligations to the extent of the socially owned assets which it possesses and the invested assets to which the manager holds the right of ownership.

Article 318

The contract organization shall be entered in the court register in accordance with the regulations which apply to organizations of associated labor.

Article 319

The conditions and manner of the contract organization's establishment, incorporation, entry into association and dissolution shall be set forth in law.

Part Three. The Organization of Associated Labor as a Self-Managed System

Chapter I. Forms Representing a Pooling of Labor and Assets

Section 1. The Basic Organization of Associated Labor

1. Rights and Duties of Workers in Organizing the Basic Organization

Article 320

Workers have the right and duty to organize a part of a work organization as a basic organization under the following conditions:

- 1) if that part constitutes an operational unit;
- 2) if the results of the joint work of workers in that operational unit which is being organized as a basic organization can be expressed separately in value terms within the work organization or on the market;
- 3) if the workers can exercise their socioeconomic rights and other rights of self-management in that organizational unit as a basic self-managed community of workers.

Article 321

A part of the production process or a part of another work process in the work organization in which the workers are directly related to one another by a single work process, thereby becoming interdependent in their work, and in which they realized a joint operating result in working with common assets, shall be regarded as an operational unit in the context of Article 320, Point 1, of this law.

Article 322

It shall be assumed that the operating results of the workers can be separately expressed and in value terms, as stated in Article 320, Point 2, of this law, if the part of the work organization being organized as a basic organization is capable of realizing gross income and of earning income in the manner and under the conditions set forth in this law. The question of whether or not the joint results of workers' work can be separately indicated in value terms within a particular part of a work organization may not be judged on the basis of the size of gross income or income.

Article 323

It shall be assumed that the workers can exercise their socioeconomic rights and other rights of self-management, as referred to in Article 320, Point 3, of this law, if they can directly exercise those rights and if in the basic organization they can jointly and as equals manage the operation and business of the basic organization and of the work organization of which it is a part, pool their labor and assets with other workers, manage the income which they realize in the diverse form whereby labor and assets are pooled, and manage their affairs and all their assets, regulate the employment relation and participate in performance of the function of self-managed special-interest communities, local communities and sociopolitical communities.

Article 324

If the activities or jobs are of particular public interest, in accordance with their nature and pursuit of the public interest, the law shall define in more detail the conditions enumerated in Article 320 of this law, and basic organizations performing those activities or jobs shall be organized in accordance with that law.

Article 325

Workers may not organize as a basic organization a part of a work organization which fails to meet any one of the conditions enumerated in Article 320 of this law.

Workers may not organize a basic organization from several parts of a work process if each part might in itself be organized as a basic organization under the provisions of Article 320 of this law.

A basic organization may not be organized in a work organization if the conditions do not obtain for organizing at least two basic organizations from the parts of the work organization.

Article 326

The workers have the right and duty to make the appropriate changes in the basic organizations as organized or in the work organization if because of a change in the material basis of their labor, the technical, technological and natural production factors, their production orientation or the place of doing business, there have been changes in the conditions which obtained at the time when the basic organizations were organized or when the conditions referred to in Article 320 of this law no longer obtain.

Article 327

A social compact may be concluded to elaborate in more detail the standards to be used in applying the conditions set forth in this law concerning the organization of basic organizations in certain activities.

Participants in concluding the social compact referred to in Paragraph 1 of this article shall be the body or agency of the sociopolitical community, the trade union, the economic chamber or corresponding general association of organizations of associated labor, and other interested self-managed organizations and communities.

2. Organizing the Basic Organization

Article 328

If the workers or the trade union or the body of workers' management in the work organization believe that in any part of a work organization or basic organization the conditions prescribed by law have been met for that part to be organized as a basic organization, they are required to provide the initiative for it to be organized and to call a meeting of the workers in that part for the workers themselves to discuss whether or not the conditions obtain for organizing a basic organization.

If in the meeting the workers judge that conditions do obtain for organizing a basic organization, they shall by referendum decide to organize a basic organization.

The decision to organize a basic organization shall specifically contain the following: the designation of that part of the work organization or

of the basic organization which is being organized as a basic organization; the activity performed by that part of the work organization or basic organization; and the name of the person authorized to submit the application for entry of the advanced registration of the decision.

Article 329

The workers of every basic organization or part of a work organization, the trade union, the public defender of self-management law, the assembly of a sociopolitical community or other body or agency authorized by law may provide the initiative for a basic organization to be organized if they believe that the legally established conditions obtain, and they may propose to the workers or to the workers' council of the basic organization or workers' council of the work organization that a meeting of the workers be called to make a decision.

On the basis of the initiative referred to in Paragraph 1 of this article, the workers' council of the basic organization or the workers' council of the work organization must study the proposal and within 30 days call a meeting of the workers of the basic organization or of the work organization to evaluate whether the conditions do obtain as envisaged by this law for the organization of a basic organization.

Article 330

The decision to organize a basic organization shall be delivered to all basic organizations in the same work organization, and if basic organizations have not been organized within the work organization, that decision shall be delivered to the other workers within 8 days from the date of its adoption.

Within 30 days from the date of delivery of the decision to organize a basic organization the workers of basic organizations or of the work organization to whom the decision has been delivered may bring suit before a court of associated labor with regard to the existence of the conditions envisaged for organization of a basic organization.

If suit is brought in connection with the organization of a basic organization, before that suit is settled measures may not be taken nor decisions made against the will of the workers who made that decision to organize a basic organization if such measures and decisions would alter the rights, obligations and duties of those workers.

Article 331

The decision to organize a basic organization shall become valid at the end of 30 days from the date when the decision was delivered to the workers of the basic organization or of the work organization; if suit has been brought with regard to the existence of the conditions for its organization, it becomes valid when the court of associated labor renders a

valid decision to the effect that those conditions do obtain. During that time, however, the workers must conscientiously discharge their work obligations and duties in self-management.

On the day when the decision to organize the basic organization becomes valid, the workers acquire the power to conclude a self-management accord whereby workers pool their labor to form a basic organization.

Once the self-management accord whereby the workers pool their labor to form the basic organization has been concluded, the workers in the basic organization shall elect a workers' council, unless by law the workers' council is not elected, shall adopt bylaws and shall undertake to conclude a self-management accord to enter into association as a member of the work organization.

Article 332

Once the decision has been made to organize the basic organization, the workers of that part of the work organization which is being organized as a basic organization shall establish a commission with workers of other basic organizations on the basis of delegation, so that that commission can draft a proposal concerning assignment of assets, rights and obligations among the newly organized basic organizations.

If within 8 days from the date of adoption of the decision to organize a basic organization the commission referred to in Paragraph 1 of this article is not created, or if in that commission agreement is not reached concerning the proposal for assignment of assets, rights and obligations, the workers in the part being organized as a basic organization shall draft a proposal and deliver it to the basic organizations.

Article 333

Assets, rights and obligations shall be assigned among the basic organizations on the following bases:

- 1) fixed assets shall be assigned to the basic organization in which the workers work with those assets; if the workers of two or more basic organizations work with the same fixed assets (office building, say), then a determination shall be made as to the real part or ideal part of that asset which is to be assigned to each basic organization;
- 2) current assets in goods and other things which are used as raw materials shall be assigned to the basic organizations in proportion to their use of these assets in the past year or in proportion to the plan governing the use of those assets in the current year;
- 3) current assets consisting of work in process and inventories of finished goods shall be assigned to the basic organization whose production

activity includes finished products--the basic organization which produced them, and assets representing goods sold or services rendered shall be assigned to the basic organization whose goods were sold or which rendered the services; if the goods were produced by several basic organizations or if several of them rendered the service, the assets shall be assigned to those basic organizations according to the bases and standards adopted in conformity with the provisions of this law to govern distribution of joint sales revenue;

4) current assets in the form of cash on hand and other liquid assets in the bank or pooled in other forms of association of labor and assets and other self-managed organizations and communities shall be assigned in proportion to contributions in earning the income which preceded the distribution of those funds, consideration being given to the use of amortization and depreciation and other bases as set forth in the self-management accord;

5) rights and obligations to third parties having to do with patents, licenses and other rights and obligations with regard to fixed and current assets should be assumed by the basic organization to which those assets have been assigned;

6) obligations arising out of commercial transactions involving goods and services (debtors and creditors by virtue of commercial transactions involving goods and services) shall be assumed by the basic organizations on whose behalf those transactions were conducted;

7) joint or community consumption funds shall be assigned to basic organizations according to the basic principles set forth in the self-management accord concerning the entry into association; and if those basic principles have not been set forth in the self-management accord--in proportion to the number of workers in each basic organization.

The proposal for assignment of assets shall also include assignment of rights and obligations among the basic organizations on the basis of past labor invested in assets which in the assignment of assets have been assigned to a basic organization.

The workers may also agree to establish other bases for assignment of assets, rights and obligations.

If other bases are envisaged by law for assignment of assets, rights and obligations between basic organizations performing activities or jobs of particular public interest and other basic organizations, the assignment of assets, rights and obligations shall be done according to the bases set forth in that law.

Article 334

On the basis of the assignment of assets described in the provisions of Article 333 of this law, the basic organizations shall determine their mutual rights and obligations on the basis of past labor in accordance with the provisions of this law.

Article 335

If within 60 days from the date when the decision to organize basic organizations became valid the self-management accord concerning assignment of assets, rights and obligations has not been concluded, any basic organization may within 60 days bring suit before a court of associated labor.

If the basic organizations do not conclude a self-management accord concerning assignment of assets, rights and obligations, and if no basic organization brings suit before a court of associated labor, the public defender of self-management law must provide initiative for conclusion of the self-management accord within 30 days from the date of expiration of the period referred to in Paragraph 1 of this article.

If a self-management accord concerning assignment of assets, rights and obligations is not concluded in response to the initiative referred to in Paragraph 2 of this article within 60 days from the date when that initiative was made, the public defender of self-management law must within the following 15 days institute proceedings before a court of associated labor for it to render a decision concerning assignment of assets, rights and obligations.

The self-management accord concerning assignment of assets, rights and obligations or the decision of the court of associated labor which replaces that accord shall be carried out by the work organization's professional management body or officer as follows: by issuing an order to the accounting department for assets, rights and obligations to be transferred on the books to the various basic organizations, by submitting a petition to the agency which keeps public records in which the relevant public assets are recorded for it to make the appropriate entry or by submitting an application to the Social Accounting Service for it to transfer the assets to the various basic organizations.

Article 336

The self-management accord whereby workers pool their labor in the basic organization shall specify the activities of the basic organization and the basic principles governing regulation of the workers' socioeconomic relations in the basic organization, and specifically in the following respects: the management of assets, the distribution of income and net income, the distribution of funds for personal income, the employment relation, the basic principles governing the pooling of labor and assets in

the work organization, and the function of providing information to the workers.

Article 337

The basic organization's bylaws shall contain the following specific provisions: the name, address and activities of the basic organization; the makeup, election or appointment, recall or dismissal and sphere of activity of the workers' council, its executive body and the professional management officer or body, and also their responsibilities; issues on which the workers shall personally state their positions and the manner of that direct expression and decisionmaking; obligations of bodies of self-management and other bodies and offices to the trade union; the manner of election and recall of delegations and delegates in the basic organization and their rights, duties and responsibilities; the basic organization's agents and representatives; the use and disposition of the means of production and other assets; the compilation and enactment of plans; the exercise of self-management workers' control and the body or agency for self-management workers' control; the content of information to be furnished to workers, the manner in which that function is to be performed, and dates by which it must be performed; nationwide defense and social self-protection; trade secrecy; the content and safekeeping of minutes concerning decisions of the workers and official bodies; the manner in which the bylaws shall be adopted, amended and supplemented; and the enactment of the basic organization's other general self-management acts.

3. Withdrawal of a Basic Organization From a Work Organization

Article 338

The workers have the right in accordance with law to withdraw the basic organization in which they work from a work organization.

The workers may not withdraw a basic organization from a work organization if in violation of the general interests this would eventually impede or prohibit work in other basic organizations within the same work organization or in the work organization as a whole.

It shall be assumed that the separation of a basic organization from a work organization would essentially impede or prohibit work in the other basic organizations or in the work organization as a whole, as referred to in Paragraph 2 of this article, if it would interrupt or disrupt an interconnected process in work or production or in the conduct of business, and if this would essentially diminish the effectiveness with which socially owned assets are being used and would essentially diminish the possibility for earning income in the other basic organizations, if the basic organization which is withdrawing would not be able to achieve an increase in labor productivity which would make up for that reduction.

Article 339

The decision to withdraw a basic organization from a work organization shall be made by referendum and shall specifically contain the following:

- 1) the designation of the basic organization which is withdrawing and of the work organization from which it is withdrawing;
- 2) indication as to whether the basic organization which is withdrawing is becoming a work organization or is entering into association to become part of another work organization.

If the basic organization which is withdrawing is becoming a work organization, the decision concerning its withdrawal shall also contain the information contained in the official act of establishing a work organization, in addition to the information referred to in Article 357, Paragraph 2, Points 1, 5 and 6, of this law.

Article 340

The basic organization which is withdrawing from a work organization must deliver its decision concerning withdrawal to all basic organizations within the work organization and to the body of workers' management of the work organization within 8 days from the date when that decision was made.

Basic organizations and other legally authorized bodies and organizations which believe that the conditions for separation of a basic organization from a work organization set forth in Article 338, Paragraph 2, of this law do not obtain, may bring suit before a court of associated labor within 30 days from the date when the decision concerning withdrawal was delivered.

If the court of associated labor finds that conditions do not obtain for separation of the basic organization, the decision concerning separation shall be revoked.

The decision concerning a basic organization's separation becomes valid at the end of 30 days from the date when the decision concerning separation was delivered to the other basic organizations; if suit has been brought with regard to existence of conditions for the separation, it should become valid on the date when the court of associated labor renders a valid decision that the conditions do obtain.

Article 341

Before the decision concerning withdrawal becomes valid, a basic organization which is withdrawing, by agreement with the other basic organizations and the work organization as a whole, has the duty to arrange the

manner and conditions for settling mutual rights and obligations which have arisen before the date of separation and the question of compensation for damage incurred by virtue of the separation.

The workers of the basic organization which is withdrawing shall set up a joint commission with workers of the other basic organizations so that it can draft a proposal for settlement of rights and obligations with the other basic organizations, that proposal to serve as the basis for the final settlement of their mutual relations.

If relations are not settled by agreement in the context of Paragraph 1 of this article, the workers of the basic organization which is withdrawing may bring suit before an arbitration commission. If the decision of the arbitration commission, in conformity with the agreement whereby it was created, does not represent a writ of execution, and the workers are not satisfied with that decision, they may bring suit before a court of associated labor within 30 days from the date when the decision was delivered.

The basic organization may not withdraw from the work organization before the arbitration commission renders its decision or before the court decision becomes valid.

4. Dissolution of the Basic Organization

Article 342

The basic organization shall dissolve in the following cases:

- 1) if it has ceased to exist because basic organizations have been organized under Articles 326 and 328 of this law;
- 2) if it has been enjoined from performing an activity because it does not meet the legally prescribed conditions for performing this activity, and if in the period appointed in the injunction it does not meet the conditions for performance of that activity or does not change its activity;
- 3) if it cannot replenish on an enduring basis the socially owned assets with which it conducts its business and cannot fulfill the rights guaranteed the workers by the constitution;
- 4) if it cannot meet on an enduring basis the obligations which are to be discharged from its income;
- 5) if registration of the basic organization is found to be null and void under a valid court judgment.

If a basic organization of associated labor performing a social service fails to meet the conditions prescribed by law, or if the conditions for performance of its activity do not obtain, it may be abolished under the conditions and according to the procedure prescribed by law.

Article 343

In the cases referred to in Article 342, Paragraph 1, Point 1, of this law the workers of the basic organization which is dissolving, together with workers in other basic organizations within the work organization, shall make the appropriate changes in the organizational makeup of the basic organizations in conformity with Article 326 of this law.

If the circumstances referred to in Article 342, Paragraph 1, Points 2 and 3, of this law have occurred because of poor conduct of business by the basic organization or poor management of socially owned assets or of obligations assumed toward third parties, and if under the self-management accord other basic organizations do not bear either secondary or joint and several liability for the basic organization's obligations, and if they do not subsequently assume that liability, regular liquidation proceedings shall be instituted.

Regular liquidation shall be regulated by law.

Article 344

A basic organization which under Article 342, Paragraph 1, Point 4, of this law cannot meet the obligations which are to be met from its income shall dissolve under the conditions and in the manner set forth in federal law.

Article 345

If changes occur in the organizational makeup of basic organizations in accordance with Article 342, Paragraph 1, Point 1, of this law, the organizational makeup of basic organizations must be entered in the court register, and of that date the basic organization which was dissolved shall be deleted from the court register.

Section 2. The Work Organization

1. Conditions and Procedure Concerning the Founding of a Work Organization

Article 346

The work organization is an independent self-managed organization of workers bound together by joint interests in their work and organized into basic organizations within that work organization or directly related by a unified work process.

It shall be taken that workers are bound together by joint interest in their work in a work organization in which the basic organizations are bound up with one another by the work process, production process, conduct of business or other joint interests in achieving joint operating results if their share in the operation of the work organization is a prerequisite to the work organization's effective performance, by virtue of the labor of the workers in it, of the productive activity or public service it was established to perform.

It shall also be taken that the workers are bound together by joint interest in their work in a work organization when they are performing a productive activity or rendering a public service for whose performance a work organization with a unified work process has been established.

Article 347

In accordance with the provisions of Article 346 of this law, the work organization shall be established to perform economic activities or other public services.

The work organization which does not include constituent basic organizations shall have the status, rights, obligations and responsibilities set forth in this law for the basic organization, and the workers in that work organization shall exercise all the rights and discharge all the obligations and responsibilities of workers in a basic organization.

Article 348

The social compact may elaborate in more detail the standards governing application of the conditions set forth in this law concerning establishment of a work organization in certain activities.

The following shall participate in concluding the social compact referred to in Paragraph 1 of this article: the body or agency of the sociopolitical community, the trade union, the economic chamber or corresponding general association of organizations of associated labor, and other interested self-managed organizations and communities.

Article 349

A work organization may be founded by an organization of associated labor, a self-managed special-interest community, a local community, a sociopolitical community, or other public juridical person.

A work organization which has constituent basic organizations and a complex organization of associated labor may found a work organization in accordance with the self-management accord concerning entry into association to form the work organization or the complex organization of associated labor.

Article 350

A work organization may be founded by working people and civil juridical persons in certain activities, under the conditions and in the manner set forth in law.

Working people and civil juridical persons may not found work organizations in the following fields of business: exporting and importing of goods and services, wholesale commodity trade, brokerage involving goods and services, inspection, storage and forwarding of goods, production and sale of armament and military equipment, printing and publishing activity, and other activities as specified by law.

Article 351

The work organization may be founded if the necessary assets have been furnished for its founding and its initial operation and if it has otherwise fulfilled the conditions prescribed for performance of its activity.

If a work organization is being founded by organizations of associated labor, the assets shall be furnished for its founding and initial operation in accordance with the principles governing the pooling of labor and assets as set forth in this law.

The assets must be furnished for the founding and initial operation of a work organization in such manner that the work organization being founded can dispose of those assets.

Article 352

The founding of a work organization begins with adoption of the act of founding the work organization (whereupon it becomes a "work organization being founded"), and it ends with its incorporation.

Article 353

Before adoption of the acts of founding the work organization the founder must examine and approve a detailed study concerning the social and economic justifiability of founding the work organization.

Article 354

Before approving the study the founder must obtain opinions from the agencies and organizations designated by law concerning the social and economic justifiability of founding the work organization and also evidence concerning an adequate supply of the basic factors for production and the rendering of services, such as energy, raw materials, intermediate products, etc.

In the case of work organizations performing public services as set forth in law, before approving the study the founder must obtain the opinions--and the consent as well, if the law so provides--concerning the justifiability of founding the work organization from self-managed special-interest communities whose sphere of activity includes the activity of the work organization being founded.

The founder must take a position concerning the opinions obtained under Paragraphs 1 and 2 of this article and must make that position known to the agencies or organizations which furnish those opinions.

When a work organization is being founded by basic organizations, the workers' council of the basic organization must make the opinion of those organizations known to the workers of its basic organization.

The founder must also obtain the opinion or consent under Paragraphs 1 and 2 of this article in a case when a new part of a work organization is being built or when its activity is being expanded, if the law so specifies.

Article 355

If a founder rejects the opinion of the agencies and organizations which have furnished him their opinion concerning the social and economic justifiability of founding the work organization, those agencies and organizations have the right, in the manner and under the conditions defined by law, to provide initiative to have their opinions considered before the assembly of the sociopolitical community concerning matters within its jurisdiction.

Article 356

If a work organization is being founded by a basic organization, the detailed study concerning the social and economic justifiability of founding the work organization shall be examined and accepted by the workers in that basic organization, after first having obtained the opinion of other basic organizations, and if the founder is a work organization or complex organization of associated labor, the study shall be examined and approved in the manner set forth in the self-management accord whereby that organization was founded.

Article 357

After consideration and approval of the study or after completion of proceedings instituted under Article 355 of this law, the founder shall adopt the act of establishment of the work organization.

The following must be stated in the act of establishment of a work organization:

- 1) the name of the founder(s);
- 2) the trade name which will be used for the work organization;
- 3) the address of the work organization;
- 4) the activities in which the work organization will engage;
- 5) the amount of assets being furnished for the founding and initial operation of the work organization, the manner in which those assets will be furnished, and indications whether those assets must be returned or not;
- 6) the liability and conditions of liability of the founder(s) for the obligations of the work organization being founded;
- 7) the name(s) of the individual(s) who will perform the actions preparatory to entry of the work organization's incorporation in the court register (the work organization's provisional professional manager or management) and his or their other authorities;
- 8) and other information as specified by law.

Article 358

If a work organization is being founded by two or more founders, their mutual rights and obligations shall be regulated in a self-management accord, and their rights and obligations toward the work organization being founded shall be regulated by the act of establishment.

Article 359

A work organization being founded may in connection with its founding conclude contracts and take other legal steps under the conditions set forth in the act of establishment.

The act of establishment of a work organization, in accordance with law, may envisage the conditions under which the work organization may go into pilot production, perform some other activity, and engage in commerce.

A work organization being founded may join self-managed special-interest communities.

Certain exemptions may be granted by law for pilot operation of a work organization being founded. Such exemption may not last longer than 1 year unless the law provides otherwise.

Article 360

In a work organization being founded a council shall be created as a governing body of the founders until such time as the work organization is incorporated. The founder shall fix the total number of members of the council and shall appoint a certain number of its members, that number not to be greater than the number of members of the council elected by the workers who are employed in the work organization being founded.

The council of the work organization being founded shall make decisions on the use and disposition of assets intended for the founding and initial operation of the work organization and concerning funds for the personal income of workers in the work organization being founded, and shall also exercise other rights and discharge other duties as set forth in a special act adopted by the founders.

In work organizations which are being founded to perform public services the agency designated by law shall exercise the rights and discharge the duties referred to in Paragraphs 1 and 2 of this article.

Article 361

The provisional professional manager or professional management of the work organization being founded shall conduct its business, conclude contracts and take other legal steps related to its founding, shall be accountable for the legality of operation in the work organization being founded, and shall exercise other rights and perform other duties as set forth in the acts of the founders.

The provisional professional management must stay execution of any act adopted by the council of the work organization being founded which it finds to be inconsistent with a decision of the founders or harmful to the work organization being founded, and shall immediately report this to the founders for a final decision.

With regard to the legality of operation and the responsibilities of the work organization being founded, the temporary professional management has the same rights and duties as the professional manager or management of a work organization after its incorporation is entered in the court register.

Article 362

Until the workers of the work organization being founded are organized on the basis of self-management, that organization's council, responding to the recommendations of the temporary professional management, shall decide on the hiring of workers and shall regulate their mutual rights, duties and responsibilities. These functions shall be performed by the temporary professional management until the council is created.

Article 363

On matters of construction the founder has the right to issue written decisions and instructions which are binding on the work organization being founded.

The act of establishment of the work organization may provide for the founder's consent to certain general self-management acts and to the taking of certain legal steps by the work organization being founded, which shall be entered in the court register.

Article 364

In a part of a work organization being founded which has been built or has been equipped to commence operation the workers have the right and duty to organize a temporary basic organization within the work organization being founded.

A temporary basic organization may be organized if it has met the conditions for organizing a basic organization as set forth in this law.

The decision to organize a temporary basic organization within a work organization being founded shall be made by the worker by a majority vote of the total number of workers in that part of the work organization being founded which is being organized as a temporary basic organization.

The founder and council of the work organization being founded may bring suit before a court of associated labor with regard to satisfaction of the conditions for organizing a temporary basic organization within 30 days from the date when they are delivered the decision to organize a temporary basic organization. Within that same period the same action may also be brought by the public defender of self-management law, the trade union, or authorized agency or body of the assembly of the socio-political community.

Workers in a temporary basic organization have the same rights, obligations and responsibilities as workers in a basic organization unless the law should state otherwise.

From the date of advanced registration of the final decision to organize a temporary basic organization in the court register the temporary basic organization may conclude contracts and take other legal steps within its sphere of activity, in accordance with the act of establishment of the work organization within which the temporary basic organization is being organized.

The provisions of Article 325, Paragraph 3, of this law shall not apply to the organization of a temporary basic organization.

Article 365

The council of a work organization being founded may make decisions and issue instructions which are binding upon a temporary basic organization with regard to performance of its activity, if the performance of that activity is important to construction of the work organization.

Consent of the council of the work organization being founded is required for validity of the decisions of the temporary basic organization concerning a change in its activity, change of location, separation from the work organization being founded, election of a temporary professional manager or professional management, and for the validity of the self-management accord whereby the workers pool their labor in the basic organization.

If a work organization being founded has assumed the liability for the obligations of a temporary basic organization, the council of the work organization may order in its decision that its consent is required for the undertaking of certain legal transactions, which shall be entered in the court register.

Article 366

Relations between a work organization being founded and a temporary basic organization within it shall be regulated by a self-management accord.

The self-management accord referred to in Paragraph 1 of this article shall cease to be valid on the day when the official creation of basic organizations in the work organization is registered.

Article 367

During the process of establishment, up until such time as the construction is completed, the founder may propose to the assembly of the opstina that regular liquidation proceedings be opened in accordance with law concerning the work organization being founded if the natural or economic conditions for its establishment no longer obtain.

2. Incorporation of the Work Organization

Article 368

Incorporation of the work organization is undertaken upon completion of the construction of the work organization being founded and adoption of decisions concerning the organization of basic organizations, the conclusion of self-management accords whereby the workers pool their labor in basic organizations, adoption of the bylaws of the basic organizations and election of the workers' council for the basic organizations.

It shall be taken that construction is completed when the work organization being founded, in accordance with law, is equipped to perform the activity for which it is being founded.

If a work organization being founded is not under construction, that organization shall be incorporated after adoption of the act of establishment of the work organization, and if the work organization being founded is carrying out preparations for commencement of operation--following the completion of those preparations.

After construction is complete or after preparations for commencement of operation have been completed, the council and temporary professional management of the work organization being founded must submit a report to the founder and to the workers concerning construction or performance of preparations for commencement of operation, specifically containing the following: the status of fixed and current assets, gross income realized and income distributed, accounts payable and accounts receivable, a report on their own work, and other information as specified by law.

Article 369

If the council of a work organization being founded does not commence preparations for incorporation of the work organization within 30 days from the date of completion of construction or from the date of completion of preparations for commencement of operation, the workers in the work organization being founded may decide in a meeting of the workers to make the preparations for incorporation themselves.

The workers must hold a meeting within 15 days following expiration of the period in which the council had a duty to make preparations for incorporation of the work organization.

Article 370

If within the period set forth in Article 369 of this law neither the council of the work organization nor the workers take steps to organize basic organizations and toward their entry into association to formally create the work organization, the opstina assembly--either on its own initiative or in response to a petition from the trade union, other sociopolitical organization or the public defender of self-management law--may in the 60 days to follow conduct the preparations for incorporation of the work organization.

In conducting the preparations referred to in Paragraph 1 of this article the opstina assembly shall have the right and duty to offer technical aid to the work organization concerning incorporation, to call meetings of the workers in the parts of the work organization which appear to satisfy conditions for the organization of basic organizations so that the workers might in those caucuses adopt decisions to organize the basic organizations, conclude self-management accords to pool their labor in a basic

organization, adopt the bylaws of the basic organization, and examine the proposed version of the self-management accord for entering into association to form the work organization.

Article 371

Incorporation of a work organization consists of the following steps:

- 1) conclusion of the self-management accord concerning entry into association to form the work organization;
- 2) election of a workers' council or other corresponding body of workers' management in the work organization;
- 3) appointment of an acting executive officer (professional manager).

Incorporation of a work organization in which basic organizations are not being organized consists of concluding the self-management accord whereby the workers pool their labor in the basic organization [sic], election of a workers' council or other corresponding body of workers' management in the work organization, adoption of the bylaws, and appointment of the acting executive officer (professional manager).

Article 372

The self-management accord on entry into association to form the work organization shall contain provisions concerning the following: the trade name and address of the work organization; the work organization's agents and representatives; the activities of basic organizations and the activities of the work organization; the joint tasks and interests being pursued in the work organization; coordination of the work process; adoption of a plan; mutual adjustment of the plans of basic organizations; the pooling of assets and their purpose; the manner of distribution and recording of joint sales revenue; the makeup, election, recall and competence of the bodies of workers' management and its executive body; the officers and bodies of professional management and other bodies in the work organization, and also their rights, duties and responsibilities; the rights, duties and responsibilities of the work community which performs tasks of common interest for the basic organizations; the rights and duties of delegates and their accountability to the workers or to the body of workers' management; mutual relations among basic organizations and their rights, duties and responsibilities in legal transactions; the forms and conditions governing the liability of the work organization and its authorities in legal transactions which it conducts for basic organizations; settlement of disputes arising out of internal relations (sites of disputes, the makeup of the arbitration commission and arbitration proceedings, and other procedures for settlement of disputes); national defense and social self-protection; procedure for withdrawal of individual basic organizations from the work organization; the manner and

conditions for amending and supplementing the self-management accord concerning the entry into association; and other provisions important to the joint operation and business of the basic organizations and to the exercise of self-management rights by the workers in them.

The assignment of assets, rights and obligations of the work organization among the several basic organizations shall be settled in the self-management accord concerning entry into association or in a separate agreement which becomes an integral part of it.

Other matters which are to be regulated by joint general self-management acts and procedure for adoption of such acts shall also be regulated by the self-management accord concerning the entry into association.

Article 373

A basic organization which does not accept the self-management accord whereby it would join the work organization has the right to withdraw from the work organization being founded under the conditions and in the manner set forth in this law concerning the withdrawal of basic organizations from a work organization.

Before making a decision to withdraw from the work organization being founded, but no later than 30 days from the date of adoption of the self-management accord by the other basic organizations, the basic organization referred to in Paragraph 1 of this article may institute proceedings before a court of associated labor to ascertain whether the self-management accord has infringed upon its rights or legitimate interests.

The decision of the court is binding upon basic organizations concluding a self-management accord whereby they enter into association to form a work organization.

If a basic organization which has instituted proceedings as mentioned in Paragraph 2 of this article is not satisfied with the decision of the court, it may withdraw from the work organization being founded under the conditions and in the manner specified by this law concerning withdrawal of a basic organization from the work organization.

Article 374

After the self-management accord concerning entry into association to form the work organization has been concluded, but no later than 6 months from the date of conclusion of that accord, the bylaws of the work organization shall be proposed by the workers' council of the work organization and adopted by the workers of the associated basic organizations by majority vote of all the workers in each of those organizations.

The bylaws of the work organization shall specifically contain provisions which are important to its organization and operation, the conduct of its business, and exercise of self-management rights by the workers, as well as other provisions in accordance with the self-management accord concerning entry into association and with law.

Article 375

The act of establishment of the work organization or the self-management accord to enter into association to form the work organization may provide that the work organization will primarily furnish the founder raw materials, intermediate products, finished goods or energy; that it will primarily furnish the founder transportation to meet his needs; that it will sell the founder's goods or perform certain services for the founder; but without the founder's consent it may not alter its activity or location if this would make it difficult for the founder to obtain the benefits which were his aim in establishing the work organization and other rights which are realized through the pooling of labor and assets, in accordance with this law.

The rights referred to in Paragraph 1 of this article may also be set forth in a separate self-management accord between the founder and the work organization being founded. Those rights may not place the work organization being founded in a position of inequality on the unified Yugoslav market by comparison with the status of other work organizations engaged in the same activity.

After the work organization has been incorporated, the workers have the right to institute proceedings before a court of associated labor to alter the rights of the founder as referred to in Paragraphs 1 and 2 of this article if they feel that those rights have detracted from their equality in performance of their activity.

As an exception to the provision of Paragraph 1 of this article, the sociopolitical community acting as founder may have rights as set forth in law only with respect to a work organization performing an activity or jobs of particular public interest or work of interest to accomplishment of the tasks of that sociopolitical community.

3. Changes in the Organizational Setup of the Work Organization and Its Dissolution

Article 376

Workers in basic organizations within a work organization, in order to develop activities and the organization of work, to increase the volume of business and the number of workers, and for other similar reasons, may organize basic organizations and enter into association to form one or more work organizations, or may decide--in order to unify and expand

the production process, to achieve better operational and business linkages, and to derive other joint benefits--to merge the work organization of which the basic organizations are a part with some other work organization.

The changes referred to in Paragraph 1 of this article shall be made in a self-management accord concerning entry into association, and the changes which have occurred in the organizational setup of the basic organizations and the organizational setup of the association to form the work organization or work organizations, and the basic organizations or work organizations which have ceased to exist shall be deleted from the court register.

Article 377

A work organization shall cease to exist in the following cases:

- 1) if the changes referred to in Article 376 of this law are made;
- 2) if all the basic organizations making up the work organization cease to exist;
- 3) if registration of the work organization's founding is declared null and void by judgment of a court.

4. Special Provisions for Certain Work Organizations

Article 378

Workers in basic and other organizations of associated labor producing armament and military equipment shall have the same rights and duties provided for under this law as workers in other economic activities except those rights and duties for which federal law specifies otherwise in view of the type and character of that activity.

Programs and plans concerning production, construction and development of the productive capacity of the organizations referred to in Paragraph 1 of this article shall be adopted in accordance with plans concerning the organization and construction, development and equipping of the armed forces, and procedure and conditions set forth in federal law shall govern the production and sale of armament and military equipment and the use, management and disposition of socially owned assets for production of those goods.

The consent of the Federal Secretariat for National Defense shall be required for the establishment, incorporation, organizational setup, appointment and dismissal of professional manager, change of activity, entry into association, withdrawal, and other changes in status of the organization referred to in Paragraph 1 of this article.

Article 379

Sociopolitical organizations and other public organizations as specified in law and associations of citizens may, in order to achieve their aims as set forth in their bylaws, establish a work organization to perform economic or other public activities, and they may perform those activities themselves only if this is specified by law.

The work organization mentioned in Paragraph 1 of this article may not alter the activity for which it was founded without the consent of the founder.

If an organization of associated labor has not been established to perform the activities referred to in Paragraph 1 of this article, the workers performing that activity shall have the status of workers of a work community performing tasks for several basic organizations within a work organization.

Workers who perform activities related to the social standard of living (subsidized food service, vacation facilities, children's institutions and the like) within organizations of associated labor or sociopolitical organizations or for bodies or agencies of sociopolitical communities shall have the status of workers in work communities and may not organize as organizations of associated labor without consent of the founder.

Article 380

Organizations of associated labor for the rendering of commercial services may be established by organizations of associated labor and by other founders as referred to in Article 349, Paragraph 1, of this law.

Organizations of associated labor may form self-managed special-interest communities to render commercial services in the form of holding fairs, arranging exhibitions and handling affairs related to showing products to buyers, management of public warehouses, forwarding services, agents' services, and other similar commercial services.

The self-managed special-interest communities referred to in Paragraph 2 of this article shall perform those commercial services solely for their members unless the self-management accord states otherwise in accordance with law with respect to certain types of services.

Organizations of associated labor which are not members of the self-managed special-interest community referred to in Paragraph 2 of this article may join the community under the conditions set forth in the self-management accord establishing it.

The provisions of Article 389 of this law shall be appropriately applied to the self-managed special-interest communities referred to in Paragraph 2 of this article.

The provisions of this law concerning the relation between manufacturing and commercial organizations of associated labor shall be appropriately applied to the organizations and self-managed special-interest communities referred to in Paragraphs 1 and 2 of this article.

Article 381

Organizations of associated labor and other self-managed organizations and communities, in accordance with federal law, may establish enterprises abroad and may invest assets in foreign enterprises.

Organizations of associated labor may use the assets of foreign persons in the conduct of their business under the conditions and within the limits set forth in federal law.

Section 3. Entry Into Association to Form a Complex Organization of Associated Labor

Article 382

A complex organization of associated labor (hereafter referred to as a "complex organization") shall be organized in the following ways:

- 1) by entry into association of work organizations related to one another by the production of raw materials, by the supply of energy, materials, intermediate products or parts for the manufacture of finished products and by distribution of goods and services;
- 2) by entry into association of work organizations which process and produce basically the same types of products or which perform the same types of services, provided that by entering into association they are achieving more advanced technical and technological foundations for operation in the associated organizations and a division of labor which makes it possible for them to specialize, thereby raising the productivity of social labor;
- 3) by entry into association of work organizations producing different products or performing different services so as to earn joint income and derive certain other joint benefits.

The handling of money and banking transactions for associated organizations can also be organized in a complex organization.

Work organizations engaged in scientific research, personnel training, health care and other activities of common interest to the associated organizations may also join a complex organization in accordance with the self-management accord concerning entry into association to form the complex organization.

Agricultural cooperatives and other forms of farmers' associations may also join a complex organization in accordance with the self-management accord concerning the entry into association.

The work organization may join two or more complex organizations in accordance with the self-management accord concerning formation of the work organization or in accordance with the self-management accord whereby it joined the complex organization with which it is associated, and also in accordance with the self-management accord concerning membership in the complex organization it intends to join.

The conditions and manner of linkage and relationship of work organizations associated to form a complex organization shall be regulated by the self-management accord concerning the entry into association.

Article 383

Incorporation of a complex organization shall consist of the following steps:

- 1) conclusion of the self-management accord concerning entry into association to form a complex organization;
- 2) election of a workers' council or other corresponding body of workers' management in the complex organization;
- 3) appointment of an acting executive officer (professional manager).

Article 384

The self-management accord whereby work organizations enter into association to form a complex organization shall contain provisions concerning the following: the trade name and location of the complex organization; the activities which that organization will engage in and the aims pursued in entering into association to form it; coordination of the work process; pooling of assets and their purpose; rights, obligations and responsibilities of the associated organizations in carrying on the activities and pursuing the goals jointly established; enactment of the plan and mutual adjustment of the plans of the associated organizations; the composition, election, recall and sphere of activity of the bodies of workers' management and their executive body; the executive officer or other body of professional management of the complex organization and their responsibilities; the forms and conditions of the complex organization's discharge of its responsibilities and exercise of its authorities in legal transactions which it performs for the work organizations; rights, duties and responsibilities of the work community performing joint tasks; conditions and manner of withdrawal from the complex organization; and other provisions important to achievement of the activities, joint transactions and goals that have been established.

Article 385

After conclusion of the self-management accord concerning entry into association to form the complex organization, but no later than 6 months from the date when that accord is concluded, the workers' council shall draft a proposed version of the bylaws which shall be adopted by the workers of basic organizations making up the associated work organizations by majority vote of all workers in each basic organization.

Article 386

If the workers of all the basic organizations within one and the same work organization find that the conditions referred to in Article 382 of this law have been met, they may decide by majority vote of all the workers in each basic organization to organize their work organization as a complex organization.

In a case as referred to in Paragraph 1 of this article the workers of each basic organization shall decide on organizing their basic organization, either in and of itself or associated with other basic organizations, if the conditions defined by law are met, as a work organization within the complex organization.

In the cases referred to in Paragraphs 1 and 2 of this article, the dissolution of the work organization which has been organized as a complex organization and the dissolution of the basic organizations within it shall be entered in the court register, and the newly organized work organizations and complex organizations shall be registered.

Article 387

A complex organization shall cease to exist when all the associated work organizations so decide or when the associated organizations cease to exist.

Section 4. Other Forms Whereby Labor and Assets Are Pooled When Organizations of Associated Labor Enter Into Association

Article 388

By entering into a self-management accord the workers may enroll their organizations of associated labor in a business community when in performing their activities and carrying on their development they are linked together in their production, work or business; their purpose in the business community is to jointly establish a division of labor, to act jointly in improving the conditions of labor and business, to study markets on a joint basis, to coordinate their production of certain goods and services, to have common representation on domestic and foreign markets, to have joint research, personnel training and health care, and to achieve certain other joint benefits in their operation and business.

A basic organization may also join a business community on its own if this does not contradict the self-management accord whereby it enters the work organization.

Agricultural cooperatives and other forms of farmers' association and other cooperatives may also join a business community.

A business community shall enter into legal transactions with third parties under the conditions and in the manner set forth in the self-management accord.

Liability for obligations in conduct of transactions by the business community shall be borne by the organizations of associated labor on whose account the obligations were assumed.

So as to reconcile various interests and to achieve coordination in operation and business, the self-management accord shall establish on a delegate basis a joint governing body for the business community and shall state its composition and competence and the manner of election and recall of its members.

The business community shall have an officer or body of professional management which shall have the status, rights, duties and responsibilities of the officer or body of professional management in an organization of associated labor unless the self-management accord specifies that certain rights and duties of the officer or body of professional management in the business community shall be performed by the joint governing body of the business community as referred to in Paragraph 6 of this article. The affairs of the community referred to in Paragraph 1 of this article shall be handled in accordance with the self-management accord by its work community or by an organization of associated labor which is a member of the business community.

The work community of the business community shall perform administrative and technical tasks, render auxiliary service, and perform other similar functions.

Article 389

In fields and activities in the production sector where permanence is a necessity to meet the needs of certain users, where permanence is a prerequisite of operation itself, and where the operation of the laws of the market cannot be the sole basis for adjustment of supply and demand or for evaluation of the results of work, organizations of associated labor in those fields and activities may enter into association with the users of their products and services to form self-managed special-interest communities in the production sector.

The self-managed special-interest community in the production sector is established by virtue of a self-management accord concluded by organizations of associated labor which are producers of products or which render services and by users of their products and services (members of the community).

The community's governing body is an assembly set up on a delegate basis and made up so as to ensure that those producing the products and rendering the services and those who are their consumers make decisions as equals concerning their mutual rights, duties and responsibilities.

The assembly of the community shall have its own executive body in accordance with the self-management accord establishing it.

The community shall dissolve when all the associated organizations so decide or when the associated organizations cease to exist.

Communities as referred to in Paragraph 1 of this article may become members of other self-managed special-interest communities in the production sector, in accordance with law.

Article 390

Self-managed special-interest communities in the fields of education, science, culture, health care, social welfare and other public services shall be established by workers and other working people on their own or through their self-managed organizations and communities by virtue of their status as consumers of the services, together with workers of organizations of associated labor rendering services in those fields as the providers of the services, and within the framework of the community they shall engage in a free exchange of labor, pool their labor and productive assets, and jointly decide on performance of those activities in accordance with their common interests.

Mutual relations in these self-managed special-interest communities shall be regulated so as to guarantee the right of the workers and other working people who pool their assets in them to decide on those assets and also to ensure the right of the workers of organizations of associated labor performing services in the field for which the self-managed special-interest community was established to achieve the same socioeconomic status in free exchange of labor as workers in other organizations of associated labor.

Consumers and providers of services in a self-managed special-interest community shall decide by agreement concerning the type, quality and scale of services and also concerning criteria to be applied in funding those services.

Article 391

In order to safeguard their social security workers and other people shall establish self-managed special-interest communities for old-age and disability insurance and other forms of social insurance in which they shall pool their funds for that purpose, and, on the principles of reciprocity and solidarity, they shall also establish rights on the basis of past labor, bear joint and individual obligations to those communities, and the joint and individual rights to be realized within them.

On those same foundations workers and other working people may join with other working people to establish self-managed special-interest communities in other fields and realize certain joint benefits on the principles of reciprocity and solidarity in those communities by pooling their assets in joint funds.

Article 392

On their own and through their organizations of associated labor and other self-managed organizations and communities, the working people shall establish self-managed special-interest communities in the housing sector in which those organizations and communities shall pool their assets for housing construction, shall establish the policy and program concerning housing construction, shall manage socially owned apartment buildings and dwelling units together with the tenants, and shall realize other common benefits.

Article 393

Banks shall perform money, banking and other financial transactions to meet the needs of organizations of associated labor and other forms representing the pooling of labor and assets, in accordance with federal.

Article 394

Organizations of associated labor, self-managed special-interest communities, sociopolitical communities and other public juridical persons may conclude a self-management accord in accordance with federal law to establish mutual insurance companies to insure property and persons against the same or similar perils or losses or against several different types of perils or losses.

Article 395

Basic organizations, work organizations and complex organizations, business communities, agricultural cooperatives and other forms of farmers' association and other cooperatives, banks and other forms of cooperatives whereby labor and assets are pooled may by virtue of a self-management accord form communities of associated labor to cooperate with one another

in planning and conduct of their business when in the performance of their activities and in their development they are linked together and dependent on one another in their production, operation, business or some other productive way, when in the process of social reproduction they are linked together by flows of goods, services, money or scientific research, and when certain of their interests in performing their activity and in their development may be realized by coordinating programs governing their development, operation and production, by organizing certain joint activities, and by pooling assets for investment in development of certain activities of common interest.

The accord referred to in Paragraph 1 of this article shall set forth the aims to be achieved and tasks to be performed in the community, the manner in which this is to be done, and other matters of common interest, specifically the following: coordination of their activities and the conduct of their business in order to create more favorable conditions for the earning of income, regulation of the exchange of labor, that is, of market relations, joint inclusion in the international division of labor and joint representation in exchange of goods with foreign countries, joint agreement with regard to investments abroad and investments of foreign persons in their activities, agreements concerning development policy and joint basic elements of the plan, and also concerning the pooling of assets to carry out certain projects affording a joint benefit.

Self-managed special-interest communities may also affiliate themselves with a community as referred to in Paragraph 1 of this article.

The organizations referred to in Paragraph 1 of this article may establish a basic bank in order to achieve their common goals.

Article 396

Special bodies may also be established to coordinate work and follow up on implementation of an agreement concluded as mentioned in Article 395, Paragraph 1, of this law, and on exercise of the rights and discharge of the responsibilities and duties set forth in it, on improvement of mutual cooperation, and on performance of other joint tasks; the accord shall also state in more detail the competence of such bodies and their rights, duties and obligations toward the signatories of the accord.

Article 397

A community of associated labor for mutual planning and business cooperation shall achieve common goals and perform common tasks through an organization which is a member of the community or through organizations established by virtue of the self-management accord to achieve certain of those joint goals or perform certain of those joint tasks.

Article 398

The self-management accord referred to in Article 395 of this law shall be open to public examination and shall be deposited in the economic chamber whose member is a party to the accord.

Article 399

Workers have the right to form a community of basic organizations from their basic organizations which are part of the same or different work organizations or to form a community of work organizations from work organizations if this is necessary to achievement of certain of their common interests, in certain phases and elements of the work process, for scientific research, or for other similar activities.

In the self-management accord whereby they create the community referred to in Paragraph 1 of this article the basic organizations or work organizations shall state their common interests, the manner in which those benefits are to be realized, and other matters important to mutual relations in the community.

The community referred to in Paragraph 1 of this article may not enter into legal transactions with third parties, nor may relations in the earning of joint sales revenue and joint income be established within such a community, nor may the community acquire permanent assets.

Section 5. Work Communities to Perform the Tasks in the Common Interest

Article 400

Workers who perform administrative and technical tasks, render auxiliary services or perform other similar functions of common interest to basic organizations within a work organization or to organizations of associated labor making up a complex organization or some other form of association of organizations of associated labor shall establish one or more work communities to perform those common tasks.

The following shall specifically be regarded as administrative and technical tasks and administrative services in the context of Paragraph 1 of this article: planning and analysis, personnel affairs, bookkeeping, recordkeeping and statistics, preparation and writing of material on professional legal matters, administrative affairs (receiving and sending the mail, keeping the daybook at the reception desk, dictation, typing, the keeping of files, etc.), general affairs, custodial affairs, maintenance and preservation of building space, and other tasks which by their nature come under this heading.

Commercial, designing, scientific research and other similar tasks may also be formed in the work community if they are on a small scale and the

conditions do not obtain for organizing a basic organization to perform them.

Article 401

The mutual rights, obligations and responsibilities of workers in the work community and of the consumers of their services shall be regulated in a self-management accord.

The self-management accord referred to in Paragraph 1 of this article shall state the administrative and technical tasks, auxiliary services and other similar functions to be performed by the work community.

Article 402

Matters decided on by the bodies of workers' management of the organization of associated labor, self-managed special-interest community, sociopolitical organization or sociopolitical community may not be transferred to work communities.

Article 403

Workers who in a work organization, complex organization or business community perform certain technical tasks of common interest to effective performance of productive or other basic activities of constituent basic organizations or work organizations, in addition to the tasks referred to in Article 400, Paragraph 2, of this law, if in view of the nature, scale and importance of those tasks they can realize gross income or earn net income and assume other rights of self-management, shall organize a basic organization under the conditions and in the manner specified by this law; but if the conditions set forth in law do not obtain for organizing a basic organization, they shall perform those tasks as a work community.

The term "certain tasks," used in Paragraph 1 of this article, is understood to include the following tasks of common interest:

- 1) commercial tasks involved in performing the function of trade in goods and services;
- 2) market research;
- 3) designing;
- 4) engineering;
- 5) scientific research and technical aspects of solving technological problems (laboratories, testing stations, etc.);
- 6) electronic data processing;

- 7) specialized personnel training;
- 8) other tasks as specified by law.

The basic organization performing joint tasks under the provisions of this law may not withdraw from the work organization without consent of the workers of the basic organizations or work organizations for which it performs those joint tasks.

The provisions of this law concerning workers who establish a work community for performance of joint tasks shall apply to the duties and responsibilities of workers of the basic organization organized to perform the joint tasks referred to under the provisions of this article with respect to their duties and responsibilities in mutual relations with the workers of associated basic organizations.

Article 404

Mutual relations with regard to the conditions of free exchange of labor and the earning of income and other mutual relations in achievement of joint goals and realization of the common interests of workers performing joint tasks and of workers of the associated basic organizations for which those tasks are performed shall be regulated in a self-management accord concerning their mutual rights, duties and responsibilities.

The self-management accord referred to in Paragraph 1 of this article shall specifically deal with the following: the sites of tasks; bases and standards for earning the work community's income; the work community's authority with regard to management of affairs and use of funds in connection with the performance of its tasks; basic conditions with regard to the organization chart and job analysis of personnel in the work community; the work community's accountability for performance of its tasks; the manner in which disputes between them shall be resolved; procedure for coordinating work between the professional management of the organization of associated labor and the supervisor of the work community; and other matters of common interest.

The self-management accord referred to in Paragraph 1 of this article may provide for the requirement of prior or subsequent consent to the official documents adopted and actions taken by the workers of the work community in relations which do not pertain to the exercise of rights of self-management by workers of the work community, but to performance of the tasks for which the work community was organized.

Article 405

The workers of the work community shall adopt a self-management accord whereby the workers pool their labor to form the work community, the by-laws of the work community, a general self-management act regulating the

employment relation and other general self-management acts in accordance with the provisions of this law which pertain to those same acts in basic organizations.

The general self-management act of the work community must be in conformity with the self-management accord referred to in Articles 372, 384 and 404 of this law.

Article 406

The rights, duties and responsibilities of the work community in legal transactions with third parties involving the socially owned assets in the possession of the work community shall be regulated by the self-management accord referred to in Articles 372, 384 and 404 of this law.

Article 407

The work organization shall dissolve when the basic organizations for which it performs tasks adopt a decision concerning its dissolution.

Liability for the obligations of the work community, should it be dissolved, shall be borne jointly and severally by the basic organizations.

The assets of the work community shall be distributed among the basic organizations to which the workers of the work community have been reassigned, unless a self-management accord specifies otherwise.

The provisions of this article shall also be applied appropriately to work communities of other organizational forms of associated labor.

Article 408

The provisions of this law concerning work communities of organizations of associated labor shall also apply to work communities in agricultural cooperatives, banks and insurance communities.

The provisions of this law concerning work communities of organizations of associated labor shall also apply to work communities in self-managed special-interest communities and their associations and alliances, in general associations of organizations of associated labor, sociopolitical organizations, other public organizations and associations of citizens, unless law states otherwise.

The workers of work communities referred to in Paragraph 1 of this article shall exercise their rights in the work community under a self-management accord concerning mutual rights and the duties and responsibilities concluded with them by the specified bodies of the organizations for which the work community performs tasks.

Workers in work communities of bodies or agencies of sociopolitical communities shall exercise their rights and discharge their obligations and responsibilities in work communities in which they perform tasks for those agencies or bodies in accordance with law.

Chapter II. Declaration and Registration of the Status of the Organization of Associated Labor

Section 1. Activity, Trade Name or Title and Location

Article 409

The founder of a work organization or the workers in organizations of associated labor on their own, in accordance with law, shall declare the activity of their organization of associated labor according to the types of economic or other public activities set forth in law.

Article 410

The basic organization may perform only one principal activity, but it may also perform secondary activities under the conditions referred to in Article 411 of this law.

The activities of a basic organization shall be established in accordance with the self-management accord concerning entry into the work organization.

The activities of a work organization which has constituent basic organizations shall be the principal activities performed by those basic organizations.

The activities of a complex organization are the activities of work organizations associated to form the complex organization as set forth in the self-management accord concerning entry into association to form the complex organization.

Article 411

Every organization of associated labor may in addition to its principal activities also perform secondary activities which directly promote the performance of its basic activities if they are customarily performed along with that particular principal activity on a small scale or on an occasional basis, or if their performance contributes to fuller use of capacity, raw materials, waste or auxiliary materials used to perform the principal activities, or if they serve in some other respect to improve efficiency in performance of principal activities.

A basic organization may not perform a secondary activity if conditions for organizing another basic organization for its performance obtain in accordance with the provisions of this law.

A secondary activity is not entered in the court register unless in performing that activity an organization of associated labor sells goods or renders services to persons who are not purchasers of goods or users of the services of its principal activity.

In case of doubt or dispute the competent body or agency of the sociopolitical community or other organization authorized by law shall ascertain in accordance with business usages which activities may be performed as principal activities or as secondary activities under this law.

Article 412

An organization of associated labor may not commence an activity or alter conditions of its performance unless the competent agency or body has rendered a decision to the effect that it has met the conditions with regard to technical equipment and job safety and other prescribed conditions.

Article 413

An organization of associated labor may not change its activity unless it has met the conditions prescribed for that change.

By a change of activity is meant adoption of a new activity by an organization of associated labor instead of its previous activity, adoption of a new activity in addition to the existing activity, and discontinuation of certain activities previously declared.

The act of establishment of the work organization or the self-management accord concluded between the work organization being founded and its founder may state that the work organization may not alter its activity for a specified period or that its activity may be changed in a particular period if certain circumstances should come about or if it meets certain obligations or satisfies certain other specific conditions.

Consent of the founder is required for a change of activity only if the act of establishment of the work organization or law have so provided.

Article 414

The law shall state in which cases prior consent of the competent body or agency of the sociopolitical community or of a certain self-managed special-interest community is required for validity of a decision to change activities of organizations of associated labor performing activities or work of particular public interest.

The law or self-management accord concluded in accordance with law between interested self-managed organizations or communities and organizations of associated labor as referred to in Paragraph 1 of this article may specify that those organizations may alter their activity only if

certain circumstances come about or if they meet certain other definite conditions.

Article 415

An organization of associated labor may conclude contracts and conduct other transactions involving trade in goods and services solely within the limits of its activities as entered in the court register.

Article 416

Every work organization performing an economic activity shall have a trade name.

The trade name is the name under which the work organization conducts its business.

Every basic organization performing an economic activity shall have a title. The basic organization shall conduct its business with third parties under the trade name of the work organization of which it is a part and under its own title, while within the work organization it shall conduct its business under its title.

The trade name of the work organization and the title of the basic organization shall be entered in the court register.

Article 417

The trade name or title shall include the following:

- 1) an indication of the activity of the work organization or basic organization; but if the work organization or basic organization performs more than one activity, the trade name or title may indicate only one of its principal activities;
- 2) an indication sufficiently identifying the name of the work organization or basic organization.

If a work organization has constituent basic organizations, this must be indicated in its trade name (letterhead).

The trade name of a work organization or the title of a basic organization may also contain parts of the trade name of the complex organization of which the work organization is a part in accordance with the self-management accord concerning entry into association.

The trade name of the work organization or the title of the basic organization may also contain a logo in the form of a design, picture or the like.

In legal transactions the trade name or title must be accompanied by the location of the work organization or basic organization; if its location is in a city divided into opstinas, then the street address shall also be given.

Neither the trade name of a work organization nor the title of a basic organization may contain expressions which are unknown in the languages of the nationalities and ethnic minorities of Yugoslavia in which the trade name or title is written.

Article 418

An organization of associated labor shall have a location.

The location is the place where the principal activity of the organization of associated labor is performed, and if that activity is performed at more than one place, the location of that organization shall be taken to be the place at which the professional management permanently performs its function.

Article 419

An organization of associated labor may change its location.

The decision to change the location of an organization of associated labor shall be made in the manner envisaged by the self-management accord concerning entry into association or the bylaws or by law.

By a change of location of an organization of associated labor is meant a transfer of its headquarters from one place to another within the same opstina or from one place in one opstina to a place in another opstina within the same republic or from one republic or autonomous province to another, or a change in street address.

If an organization of associated labor moves its location from a place in one opstina to a place in another opstina, it must report this to the competent agency of the opstina it is moving from and the competent agency of the opstina it is moving into.

The act of establishment of a work organization may specify that the founder's consent is required for a change of its location, unless otherwise specified by law.

Article 420

The trade name or letterhead of the work organization must indicate the type and extent of liability of basic organizations for its obligations.

The type and extent of liability are indicated as follows:

- 1) unlimited joint and several liability;
- 2) limited joint and several liability;
- 3) unlimited secondary liability
- 4) limited secondary liability.

The words "full liability" shall be entered in the trade name or letterhead of the work organization which does not have constituent basic organizations.

If basic organizations are liable for the obligations of a work organization only to the extent of assets which have been pooled, then the words "limited liability" shall be entered in the trade name or letterhead of the work organization.

Article 421

The title of a basic organization for whose obligations other basic organizations within the same work organization also bear liability under the self-management accord concerning the entry into association may also contain an indication that other basic organizations are also liable for its obligations.

Article 422

Permission of the competent agency of the opstina is required for inclusion in a trade name or title of the names of historical or other well-known personalities, unless the founder is a sociopolitical community.

The trade name or title may not include the name of a living person. As an exception, the name of a well-known living person may be included in a trade name or title by permission of the Federal Executive Council and with that person's consent.

Inclusion of the name of an historical or other well-known deceased person in a trade name or title requires the consent of that person's relatives to the third degree of kinship.

In granting the permission referred in Paragraph 1 of this article the competent opstina body must take care that the name of an historical or other notable personality is not included the trade name or title unless the use is apt in view of the organization's type of activity.

The registering court shall rule on the petition of the competent opstina agency or person referred to in Paragraph 2 of this article or relative

as referred to in Paragraph 3 of this article for removal from a trade name or title of the name of an historical or other notable person if it finds that that person's reputation has been jeopardized by this commercial use.

The name of a sociopolitical community may not be included in a trade name or title except by permission of its executive body.

If the name of a sociopolitical community is included in a trade name or title without permission of the relevant executive body of that community, the registering court, at the request of that body, shall delete the name of the sociopolitical community from the trade name title.

Article 423

The trade name or title may not contain untrue information or information which might cause confusion as to the type and scope of business or as to the type and extent of liability for the obligations of the organization, nor may it contain matter which offends the ethics of socialist self-management.

The trade name or title may not contain the name of a foreign state or international organization, unless otherwise specified by an international treaty.

The trade name or title may not contain the emblem of a sociopolitical community or similar emblem, unless permitted by law.

Article 424

The work organization or basic organization may also have an abbreviated trade name or title.

The abbreviated matter of the trade name or title shall include the type and extent of liability and also the location.

The matter of the abbreviated trade name or title shall be entered along with the expansion in the court register.

Article 425

A trade name or title must be written in one or more of the languages of the nationalities and ethnic minorities of Yugoslavia in accordance with the constitution and law.

The trade name or title must be in one of the languages which is used officially at the location of the organization of associated labor.

The trade name or title may also contain the text in another language, but the matter must be the same as in the language of the nationalities or ethnic minorities of Yugoslavia.

Article 426

The trade name of a work organization must differ clearly from the trade name of other work organizations in the same or related activity which has been entered in the register or which have properly applied for entry in the register with the registering court.

The title of a basic organization must differ clearly from the titles of other basic organizations within the same work organization.

Article 427

Two or more work organizations performing the same or a related activity may not be entered in the register of the same registering court under the same or a similar trade name.

Article 428

If two or more work organizations in the same or a related activity located within the jurisdiction of the same registering court include in their applications to the court trade names which do not clearly differ from one another, that work organization which first presented the trade name to the court shall have the right to register that trade name.

Article 429

Two or more basic organizations within the same work organization may not be entered in the court register under the same or similar title.

If two or more basic organizations within the same work organization include in their application for the registering court titles which do not clearly differ from one another, that basic organization which first presented the title to the court shall have the right to registration of that title.

Article 430

The trade name or title may be used in trade only as they are entered in their complete form in the court register, but the abbreviation may also be used in addition.

The trade name or title may also be used as a trademark, unless otherwise specified by law.

The trade name or title or abbreviated trade name or title must be displayed at the establishment of the work organization or basic organization.

Article 431

When a trade name or title is being entered in the register, it is an official duty of the registering court to see that a trade name or title which does not clearly differ from the trade name of a work organization or title of a basic organization within it, the latter having been entered or presented in a proper application for entry in the court register of that court, shall not be entered in the register.

Article 432

Every work organization or basic organization has the right to seek protection of a trade name or title before the competent court if it has the grounds.

A plea may be entered against a work organization or basic organization which is entered in a court register of the same or another court.

The right to submit a plea for protection of a trade name or title expires 3 years from the date of entry in the court register of the trade name or title of the organization against which protection is sought.

Article 433

The court shall prohibit the organization which is the defendant from using the trade name or title if it finds that the plea for protection of the trade name or title is well founded.

In a case as mentioned in Paragraph 1 of this article, the court, when the plaintiff demands and according to the circumstances of the case, shall award the plaintiff exemplary damages.

A plea that a trade name or title be abolished shall be sufficiently well founded if there is a possibility that that trade name or title could be taken for the plaintiff's trade name or title because they are the same or similar, regardless of whether there has actually been such an incident concerning the trade name or title.

Article 434

The competent court may authorize the plaintiff to publish, the defendant to pay all or some part of the costs, the judgment which honored the plea for protection of the trade name or title.

Article 435

The trade name of a work organization shall be changed in the manner specified in the self-management accord concerning entry into association to form the work organization, and if the work organization does not have constituent basic organizations, the trade name shall be changed in the manner set forth in its bylaws.

The title of a basic organization shall be changed in the manner set forth in the basic organization's bylaws.

The trade name of a work organization or the title of a basic organization must be changed if there is a change in its principal activity or in the type and extent of the organization's liability so that the trade name or title no longer corresponds to its activity.

A change in the trade name of a work organization or the title of a basic organization shall be entered in the court register where the work organization or basic organization is registered.

Article 436

The provisions of this law concerning a work organization's trade name and location shall be appropriately applied to the complex organization and the business community.

Article 437

The provisions of this law concerning the trade name or title and the location of an organization of associated labor in the economic sector shall be appropriately applied to organizations of associated labor in the public service sector and other entities entered in the court register unless law states otherwise.

Section 2. Agents and Representatives of the Organization of Associated Labor

Article 438

The executive officer (professional manager) or chairman of the body of professional management shall act as agent and representative for the organization of associated labor unless otherwise stated in the bylaws or other general self-management act of the organization.

The bylaws or other general self-management act of the organization of associated labor may provide that in addition to the executive officer (professional manager) and chairman of the body of professional management one or more employees with special authority and responsibility in the organization of associated labor may also act as its agents or representatives.

The agent is authorized to conclude contracts and perform other legal actions in the name of the organization of associated labor, within the confines of its activities and within the limits of his authority, and also to represent the organization of associated labor before courts and other bodies and agencies.

The bylaws or other general self-management act of the organization of associated labor may limit the agent's authority to the concluding of only certain contracts or to the performance of other specified legal actions, or it may specify that the agent may act in the name of the organization of associated labor in concluding contracts or performing other legal actions only with the consent of a particular body or officer or together with a particular body or officer of the organization of associated labor.

The authority of the agents of an organization of associated labor or restriction upon his authority must be entered in the court register.

The representative of the organization of associated labor is authorized to act as its spokesman, but he is not authorized to enter into legal transactions on its behalf unless he has also been authorized as its agent.

Article 439

Within the limits of his authority, the agent of the organization of associated labor as referred to in Article 438 of this law may grant another person a written power of attorney to conclude certain types of contracts and take certain other specified types of legal action or to conclude individually specified contracts and to take other individually specified legal actions.

The bylaws of the organization of associated labor or decision of its body of workers' management may specify that an agent may grant power of attorney as referred to in Paragraph 1 of this article only with the consent of a specified body or officer of the organization.

Section 3. Trade Secrets

Article 440

Those documents and information shall be regarded as trade secrets which an organization of associated labor shall designate in a self-management accord, bylaws or other general self-management act, i.e., documents and information which represent secrets concerning production and products, results of research and development, and other documents and information whose communication to an unauthorized person would be detrimental to its interests because of their nature and importance.

The bylaws or other general self-management act may not declare that all documents and information pertaining to the business operation of the

organization of associated labor constitute trade secrets, nor may it declare to be trade secrets documents and information whose communication would not be detrimental to its interests, and it may not contradict the principle that the operation of the organization of associated labor shall be open to public scrutiny.

Documents and information important to the conduct of mutual relations in business ties among organizations of associated labor, to technical improvements, and to innovations which contribute to general social progress, and which have been registered, may not be proclaimed trade secrets.

Article 441

An organization of associated labor has a duty to preserve the secrecy of the following documents and information:

- 1) those which are proclaimed trade secrets by the competent authorities or agencies;
- 2) those which the competent agencies or authorities communicate to the organization of associated labor and which are classified;
- 3) those which pertain to jobs which the organization of associated labor is doing for the Yugoslav People's Army, nationwide defense and social self-protection if they have been classified as military secrets;
- 4) those containing bids in a competition or auction--until the results of the competition or auction are made public;
- 5) those which are of particular socioeconomic importance.

Law and regulation based on law shall establish which documents and information as referred to in Paragraph 1 of this article shall be regarded as trade secrets.

Article 442

Documents and information which are regarded as trade secrets on the basis of bylaws or other general self-management act may be communicated to other persons by authorized employees as set forth in the bylaws or other general self-management act.

The general self-management act shall specify in more detail those cases when documents or information as referred to in Paragraph 1 of this article may be communicated to other persons, those employees who in view of the position which they hold may communicate them, and those persons to whom they may be communicated.

The workers' council of the organization of associated labor shall create a special body which shall be privy to trade secrets, which shall be responsible for their custody, and which shall determine which employees may be authorized to guard or communicate trade secrets.

Article 443

Documents and information which are regarded as trade secrets may not be communicated nor made accessible to unauthorized persons unless the law states otherwise.

All employees who in any manner whatsoever acquire a knowledge of any of the documents or any of the information regarded as trade secrets have a duty to preserve those trade secrets.

The duty to preserve the trade secrets persist even after termination of the employee's employment relation in the organization of associated labor whose trade secret is involved.

Article 444

When conduct of the business of the organization of associated labor so requires, the documents and information regarded as trade secrets under Article 441 of this law may be communicated to other persons only by the person authorized by the bylaws or other general self-management act, with the prior written consent of the competent body which has in its regulation or official act declared that those documents or information shall be regarded as trade secrets or which communicated them in confidence to the organization of associated labor, or with the prior written consent of the interested organization or person, if documents or information contained in bids in a competition or auction are involved.

The petition seeking consent as referred to in Paragraph 1 of this article must state which documents or information are involved, which person they are to be communicated to, which person is to be authorized to make that communication, and the reasons why the communication is necessary.

Article 445

Organizations of associated labor and their responsible employees must maintain confidence concerning documents and information which they learn in conducting business with other organizations of associated labor.

If such documents and information are regarded as trade secrets under Articles 440 and 441 of this law, and if the bylaws or other general self-management act of the organization of associated labor which has learned them provides that they are trade secrets, unauthorized communication of such documents or information shall represent a violation of the duty to preserve trade secrets.

Article 446

It shall not be regarded as a violation of trade secrecy to communicate documents or information which are regarded as trade secrets if such documents or information are being communicated to persons, agencies and organizations to whom they may or must be communicated on the basis of a statute or on the basis of authority arising out of the official function which they are performing or position they occupy.

Nor shall it be regarded as a violation of trade secrecy to communicate documents and information classified as trade secrets in meetings of the workers' council if such communication is required in the conduct of its business.

An employee who in sessions of the bodies of workers' management communicate such information must make known to those present that these documents and information are regarded as trade secrets, and those present have a duty to maintain as trade secrets what they learn on that occasion.

Nor shall it be regarded as a violation of trade secrecy when an employee makes a communication to a body for self-management workers' control or in reporting a crime, economic violation or misdemeanor which has been committed, or when the secret is communicated to a body exercising its rights to oversight, when this is done so that he may exercise his rights in self-management and rights arising out of the mutual relations among workers in associated labor.

Article 447

The bylaws or other general self-management act shall specify in more detail, as a function of the conditions under which business is conducted, the manner in which documents and information regarded as trade secrets shall be handled and other circumstances that have a bearing on the preservation of trade secrets.

Section 4. The Court Register

Article 448

Organizations of associated labor, business communities, banks, mutual insurance communities for insuring property and persons, and other financial organizations, work communities which under a self-management accord or other general self-management act are authorized to enter into transactions with third parties, and other entities as specified by law (hereafter referred to as "registered entities").

Registration shall be in response to an application by the authorized person.

The application must be submitted within 15 days from the date when all conditions for registration have accrued.

The law shall specify in what cases registration in the court register shall be done by the court as part of its official duties or in response to a petition from another competent agency or body.

The court register in which a basic organization or work organization which does not have constituent basic organizations are registered shall also contain separate entries for those of their parts which have certain authorities in the trade and commerce of goods and services (business units), while their units lacking those authorities shall merely be listed.

Article 449

The court must make an entry in the court register if an application with the prescribed contents has been presented by the authorized person, if the application has been accompanied by the required documents, containing the prescribed content to prove facts which have a bearing on entry in the court register, and if the application meets legal requirements.

The registering court must make a judgment as to whether the conditions prescribed for registration have been met.

If the registering court doubts the authenticity of a document meant to support the facts which are to be entered, the legality of the proceedings whereby the document was enacted, or the legality of the legal action which is to be recorded (conclusion of a particular self-management accord, election or appointment of an organization's officer or body, etc.) it shall be the court's official duty to inquire into those circumstances which have a bearing on the registration and to reject the application if it finds that the conditions for registration have not been met.

Article 450

The court register shall be kept by the competent court.

Article 451

The information entered in the court register shall be open to public scrutiny, and anyone may examine it, copy it, and demand a certified copy of the entry.

Entry in the court register has legal force for third parties as of the date of registration.

Whosoever in legal transactions, acting in good faith, places reliance on the information entered in the register, shall not suffer the harmful legal consequences which result from that confidence.

Article 452

Procedure for entry in the court register shall conform to the rules of extrajudicial procedure, unless the law states otherwise.

Article 453

All entries shall be made in the court register of the competent court whose jurisdiction includes the location of a registered entity (registering court).

If the registered entity also includes entities whose locations are in the jurisdiction of another court, entries shall also be made in the court register of that court (court of entry) on the basis of a decision of the registering court.

Article 454

The establishment, organization, incorporation and dissolution of the registered entity and changes in status and other changes of such entities shall be entered in the court register.

Other information concerning registered entities which are important to legal transactions shall also be entered in the court register, as follows: the trade name or title, location, activity, authority and legal transactions with third parties, type and extent of liability in legal transactions with third parties, type and extent of liability for obligations of other organizations of associated labor as set forth in the self-management accord concerning entry into association, names of persons authorized as agents and the limits of their authorization, the name and location of founders, and the number and date of the act of establishment.

Data concerning other facts as specified by law shall also be entered in the court register.

Article 455

Entries in the court register shall be final entries, provisional (temporary) entries and entries for notice and information.

Final entries are specifically entries concerning the establishment, incorporation, changes in status, and other changes of registered entities and their dissolution.

Provisional (temporary) entries are specifically advance registration of a decision to organize a temporary basic organization or basic organization within a work organization and advance registration of a decision of a basic organization to withdraw from a work organization.

Entries for notice and information are specifically the note that a suit has been filed, the note that regular liquidation proceedings have been instituted, the note that bankruptcy proceedings have been instituted, and the note that compulsory dissolution proceedings have been opened.

The conditions for registration, depending on the matter to be recorded, must be justified within the period specified by law or by a decision of the court.

Article 456

The registering court shall render a decision on each application for entry in the court register.

A copy of the decision shall be delivered to the applicant and to all associated organizations to which the decision applies, and it may also be delivered to other persons who have a legal interest, at their request.

An appeal may be filed against the decision concerning entry in the court register.

An appeal may be filed against the decision concerning entry in a court register by the applicant and by other persons who believe that the decision has violated their rights or legitimate interests based on law.

The period for filing an appeal shall be 8 days from the date of delivery of the copy of the decision.

If an individual feels that his rights and legitimate interests based on law have been violated by a decision concerning a final entry, and if a copy of that decision was not delivered to him, the period for the appeal shall be 15 days from the date when the abstract of the entry was published in SLUZBENI LIST SFRJ, but if the abstract of the entry was also published in the official gazette of the republic or autonomous province, the period for the appeal shall be counted from the date of publication of the abstract of the entry in the official gazette in which it was later published.

Article 457

The registering court may delete from the court register an entry that has been made without basis either as part of its own official duty or in response to petition by a person who has a legal interest.

The petition for deletion of an entry shall be filed within 15 days from the date when the entry was learned of, but no later than 60 days from the date when the entry was made.

A court may delete an entry as part of its official duty only in the cases envisaged by law or by the rules of extrajudicial proceedings.

Article 458

If an entry has been made on the basis of a false document, if untrue information has been given in a document on which an entry was based, if a document was issued in proceedings which were conducted in an illegal manner, if an action to which the entry in the register pertains has been conducted illegally, or if other grounds exist as envisaged by law, a complaint may be filed for rescindment of the entry.

The complaint may be filed by a person who has a legitimate interest in having the entry declared null and void.

The complaint may also be filed by the public defender of self-management law.

The complaint may be filed within 30 days from the date when the complainant learned of the reason for the rescindment, but may not be filed after the end of 3 years from the date when the entry was made.

Article 459

Information entered in the court register and pertaining to organizations of associated labor engaged in economic activities shall be published in SLUZHBI LIST SFRJ, and information entered in the court register which pertains to organizations of associated labor engaged in the public services shall be published in the official gazette designated by law.

Article 460

The Federal Executive Council shall issue more detailed regulations concerning the court register, concerning the file of documents and auxiliary books to be kept in addition to the registry, concerning the file of entry in the court register, concerning advance registration and notices and their deletion, concerning persons authorized to submit applications for registration, concerning the content of the application, concerning documents and evidence which are to accompany the application, concerning the publication of entries, and concerning the manner in which abstracts from the court register are to be issued.

Part Four. Exercise of Self-Management by Workers in Associated Labor

Chapter I. Decisionmaking by the Workers

Section 1. Forms of Decisionmaking

Article 461

In exercising their socioeconomic rights and other rights of self-management the workers shall decide in worker caucuses, referendum and other forms of personal expression, through delegates in the workers' council and by monitoring the proceedings of bodies and services in organizations of associated labor and other self-managed organizations and communities, and also through delegations and delegates in the assemblies of self-managed special-interest communities and assemblies of sociopolitical communities.

Section 2. Decisionmaking by Personal Expression

Article 462

Workers in the basic organization shall make decisions concerning inalienable rights by direct personal expression in the form of a referendum, in worker caucuses, by signing or making specific written statements, and in other forms of personal expression as set forth in law, the bylaws or the self-management accord.

On all matters which are decided by the personal expression of the workers there must be a prior debate in the manner set forth in the bylaws.

The executive officer (professional manager) or professional management body of the basic organization shall prepare a proposed agenda of issues to be covered by the prior debate referred to in Paragraph 2 of this article, including the necessary justifications.

The workers' council shall make the decision on which issues are to be submitted for prior debate.

The workers' council shall call the worker caucus into session for purposes of prior debate.

The workers' council shall inform the trade union that prior debate is being scheduled.

At the trade union's request the workers' council must schedule prior debate.

Article 463

Workers in the basic organization shall make decisions on the following by referendum: the self-management accord whereby the workers pool their labor in the basic organization; the self-management accord to join a work organization, complex organization or business community; changes in the organizational setup of the basic organization; the bylaws of the basic organization, the work organization and the complex organization; the basic elements of a basic organization's plan; bases and standards governing distribution of funds for worker earnings and for joint worker consumption; other self-management accords when the law so specifies; decisions which pertain to waiving the right to recovery of assets being pooled or to compensation for use of the pooled assets, and also concerning other issues as set forth in the self-management accord and bylaws of the basic organization.

The workers shall also decide in referendum on other issues which are decided by personal expression if a majority of the workers in the basic organization so determine.

Article 464

In the worker caucus the workers shall submit proposals, recommendations and opinions, shall reconcile their respective positions in exercising the right to work with socially owned assets and other rights of self-management, shall adopt guidelines to govern the work of delegations and delegates, and adopt decisions under the conditions and in the manner set forth in law, self-management accord and bylaws.

Article 465

In self-management accords and bylaws the workers shall specify those matters on which decisions shall be made by the signing or making of a specific written statement.

Article 466

The proposed version of an official act of basic organizations on which the workers decide by personal expression shall be prepared and approved by the workers' council of the basic organization unless law or the bylaws of the basic organization specify that the proposed version of the official act shall be drafted and approved by a commission or other body elected by the workers.

The proposed version of the act which is approved by the workers' council of the work organization or complex organization and on which the workers are to decide by personal expression shall first be taken up by the workers' council of the basic organization, which shall take a position concerning it.

Article 467

Prior debate in the basic organization shall be arranged in order to obtain the opinions of the workers, in the manner set forth in the bylaws, concerning the proposed version of a decision to conclude a contract whereby money is borrowed for investment and other contracts and self-management accords whereby substantial funds are obtained to expand the material basis of labor or whereby internal assets are pooled for long-term investment within the organization of associated labor or other forms representing a pooling of those assets, and whereby other joint goals are pursued in a joint operation and joint earning of income and shared risk.

The workers' council must deliver a proposal as referred to in Paragraph 1 of this article to the trade union.

If a prior debate is not arranged concerning the issues referred to in Paragraph 1 of this article, a workers' council may not make a decision on those issues.

Article 468

The self-management accord whereby the workers pool their labor in the basic organization shall be considered adopted when a majority of the workers in that organization have expressed themselves in favor of it.

After adoption of the self-management accord referred to in Paragraph 1 of this article, every worker in the basic organization shall decide on his own whether he assents to the self-management accord by making a specific written statement to that effect.

Any other general self-management act of the basic organization on which the workers decide by personal expression shall be considered adopted when a majority of the workers in the basic organization have declared themselves in favor of it.

Another general self-management act of the work organization or complex organization on which the workers decide by personal expression shall be considered adopted when a majority of the workers have expressed themselves in favor of it in each basic organization within the organization of associated labor whose act is being adopted.

Article 469

If in a referendum the workers do not accept the proposed version of an act, the proposal may be resubmitted after the interval set forth in the bylaws of the basic organization or in the self-management accord concerning entry into association, but that interval may not be shorter than the interval set forth in law.

Should the workers reject in a referendum the basic elements of the basic organization's plan, during the interval set forth in the general self-management act or law the workers' council shall adopt a provisional decision concerning the matter of issue.

In a case as referred to in Paragraph 2 of this article the workers' council shall inform the assembly of the sociopolitical community.

Article 470

If the bylaws of the basic organization provide that the workers shall decide in a worker caucus concerning certain rights, duties and responsibilities in self-management, and if because of the nature of the work process or for other reasons it is not possible to hold a single session to be attended by all the workers, the vote shall be taken in worker caucuses in the work units or other parts of the work process as set forth in the bylaws.

A decision on which the workers have voted in the manner referred to in Paragraph 1 of this article shall be considered adopted when a majority of the total number of workers in the basic organization have declared themselves in favor of it.

The manner in which decisions shall be made in worker caucuses in the parts of the work process as referred to in Paragraph 1 of this article shall be set forth in the bylaws of the basic organization.

Article 471

Workers in a work unit or other part of a basic organization as defined in the bylaws shall make decisions in a caucus of the workers of that unit or that part concerning certain rights, duties and responsibilities of self-management when the workers in the several parts of the work process have different workplaces or when the organization of work so requires (the work of worker crews in construction, forestry, agriculture, trade and commerce, etc.) as set forth in the bylaws or general self-management act regulating the employment relation.

The workers in the work unit or other part of the basic organization as defined in the bylaws may make decisions in a caucus of the workers of that unit or that part concerning distribution of funds for worker earnings and concerning use of community consumption funds which they earn by their joint labor and concerning other matters as set forth in the bylaws in accordance with law.

A decision as referred to in Paragraphs 1 and 2 of this article shall be taken as adopted if a majority of the workers attending the worker caucus of that part of the work process declare themselves in favor of it.

Section 3. Decisionmaking Through Delegates and Delegations

1. General Provision

Article 472

Workers in basic organizations and other organizations of associated labor and other forms of association shall make decisions through their delegates and delegations in the manner set forth in the self-management accord and bylaws of the organization of associated labor, the self-managed special-interest community and other self-managed organization or community.

2. Decisionmaking in the Basic Organization

Article 473

The worker shall join other workers in the basic organization as an equal in the decisions they make through their delegates in the workers' council of the basic organization by joining the other workers as an equal in adopting positions concerning the work of the delegates and by issuing guidelines to the delegates as to positions to be taken on issues being deliberated by the workers' council.

Article 474

Delegates in the workers' council of the basic organization shall abide by the guidelines of the workers who elected them and shall be accountable for their work to the workers of the basic organization.

Article 475

The delegates in the workers' council of the basic organization has the right and duty to present the views of the workers who elected him concerning all issues being deliberated by the workers' council.

Together with the other delegates the delegate has the right and duty during adoption of a joint decision to engage in reconciliation of respective views in the workers' council of the basic organization.

The delegate has the right and duty to inform the workers concerning his work in the workers' council and concerning the proceedings of the workers' council, in the manner and at the intervals set forth in the bylaws of the basic organization.

The delegate has the right and duty to request the views of the workers when guidelines have not been furnished him or when they are not sufficient for a position to be taken on issues being deliberated by the workers' council.

Article 476

The bylaws of the basic organization shall set forth the rights and duties of delegates and shall define their accountability to the workers.

3. Decisionmaking in the Work Organization

Article 477

When a delegate is participating in decisionmaking in the workers' council of the work organization concerning issues that have a bearing on creation of the basic organization's financial obligations and on other issues as set forth in the bylaws of the basic organization and the self-management accord whereby the basic organizations entered into association to form the work organization, he must take a position and vote in conformity with the positions taken by the workers or with the positions taken concerning those issues by the workers' council of the basic organization of which he is a delegate.

When the workers' council of the work organization is deliberating matters on which the workers personally take a position in the basic organization, the decision shall be made by agreement with each of those organizations in the manner set forth in the self-management accord concerning entry into association.

Article 478

When the delegate is participating in decisionmaking in the workers' council of the work organization on matters which are not decided by direct personal expression of the workers, in taking his position he must stay within the guidelines which have been adopted by the workers or the workers' council of the basic organization.

Article 479

The delegate in the workers' council of the work organization shall be accountable for his work to the workers and workers' council of the basic organization in which he was elected a delegate.

Article 480

In the workers' council of a work organization a delegate who does not present the views of the workers' council of the basic organization, who does not vote in accordance with the guidelines, or who does not inform the workers about his work in the workers' council, about the proceedings of the workers' council, about matters on which agreement has not been reached among the delegates thereby commits a violation of his duties as a delegate and is accountable for that violation to the workers who elected him.

Article 481

The self-management accord concerning the entry into association and the bylaws of the work organization shall set forth the manner and intervals for informing the workers' council and workers of the basic organization concerning the work of the delegates and proceedings of the workers' council of the work organization, and it shall set forth also other rights and duties of delegates and define their accountability to the workers' council.

4. Decisionmaking in the Complex Organization

Article 482

The provisions of this law pertaining to the rights, duties and responsibilities of delegates in the workers' council of the work organization shall also apply to delegates in the workers' council of a complex organization.

5. Decisionmaking in Other Forms of Association

Article 483

The provisions of this law which pertain to the rights, duties and responsibilities of delegates in the workers' council of the work organization shall also apply to delegates on governing bodies in a business community, bank, mutual insurance community for insuring property and persons, or other self-managed organization or community, and also to delegates on the joint governing body for handling matters of common interest to organizations of associated labor pooling their labor and assets, unless law or general self-management act consistent with law states otherwise.

The bylaws of the organization of associated labor or other self-managed organization or community which is a member of a form of association as referred to in Paragraph 1 of this article shall set forth the rights, duties and responsibilities of delegates to the workers and to the working people in the self-managed organizations and communities who have elected them.

6. Decisionmaking in the Work Community

Article 484

The delegate in the workers' council of the work community in an organization of associated labor shall have the rights, duties and responsibilities of a delegate in the workers' council of the basic organization.

The work community shall have at least one delegate in the workers' council of the work organization.

If a work organization has more than one work community, they shall each have one delegate in the workers' council of the work organization.

The general self-management act of the work community shall set forth the rights and duties of delegates and their accountability to the workers' council and to the workers of the work community who elected them.

Article 485

The workers in a work community of a bank, mutual insurance community for insuring property and persons, business community, agricultural cooperative or other cooperative, self-managed special-interest community or other self-managed organization or community and their associations, sociopolitical organization, association of citizens, body or agency of a sociopolitical community, or body or agency of a social community shall exercise their self-management rights, duties and responsibilities in accordance with the general self-management act of the work community in accordance with the provisions of this law, unless otherwise provided for in law.

7. Decisionmaking by the Workers Through Delegates in Assemblies of Self-Managed Special-Interest Communities and Assemblies of Sociopolitical Communities

Article 486

Delegates in assemblies of self-managed special-interest communities shall act in accordance with guidelines of members of the self-managed special-interest community who elected them and shall be accountable to them for their work.

Article 487

Delegates in assemblies of sociopolitical communities shall act in accordance with the guidelines of their self-managed organizations and communities, but they shall be independent in the positions they take and votes they cast.

The delegates referred to in Paragraph 1 of this article shall inform the workers who elected them and delegations which delegated them, and shall be accountable to them for their work.

Article 488

Delegates in bodies of local communities shall be accountable for their work to the working people and citizens who elected them.

Article 489

Relations between a delegation created by workers in basic organizations and the workers' council of the organization of associated labor, so far as concerns their actual exercise of their rights and discharge of their duties and responsibilities and their organized participation in performing the functions of assemblies of sociopolitical communities and self-managed special-interest communities, shall be based, in the decisionmaking process, on the principle of mutual cooperation and sharing of information concerning matters of common interest.

The delegation of the basic organization has the right and duty to request the opinion of the workers' council or worker caucus on matters being deliberated in assemblies of self-managed special-interest communities and assemblies of sociopolitical communities.

Chapter II. Bodies of Workers' Management and Other Bodies and Offices

Section 1. The Bodies and Offices of the Basic Organization

1. The Workers' Council

Article 490

Workers in the basic organization have a duty to create a workers' council as a body to manage the operation and business of the basic organization or a governing body that is equivalent to it in status and function.

A workers' council shall not be created in a basic organization which has fewer than 30 workers. In such a case the workers shall as a body perform the function of a workers' council and shall decide by personal expression concerning those matters placed by law within the sphere of activity of the workers' council.

Article 491

The workers' council of the basic organization shall consist of delegates of the workers from all parts of the work process in that organization.

The makeup of the basic organization's workers' council must be such as to correspond to the social makeup of the workers in the basic organization.

The number of delegates should be in proportion to the number of workers in each part of the work process in the basic organization, but every part of the work process shall have at least one delegate.

Article 492

Workers shall elect to the workers' council of the basic organization at-large delegates representing the entire basic organization on the basis of nominations in the several parts of the work process.

Workers in the basic organization shall elect the delegates to the workers' council of the basic organization in a direct election and by secret ballot. The trade union shall draw up lists of candidates and conduct nominating proceedings.

The delegates of workers in the workers' council of the basic organization may not be elected for a term longer than 2 years.

In working organizations in which a sizable number of workers are hired at particular times for a specified period of time the bylaws, self-management accord and law shall set forth the manner, conditions and time of participation of delegates they elect in the proceedings of the basic organization's workers' council.

The self-management accord whereby the workers pool their labor in the basic organization or the bylaws of the basic organization and law shall set forth the manner of election and conditions and manner of recall of delegates in the workers' council of the basic organization.

Article 493

Every worker who has established an employment relation in the basic organization shall have the right to vote and to be elected a delegate to the workers' council of the basic organization.

No one may be elected a delegate to the same workers' council more than twice in succession.

A worker may not be elected to the workers' council of a basic organization if as an executive officer (professional manager) or chairman or member of the professional management body he is accountable to it, nor may other workers with special authority and responsibilities be elected, for example, the deputy or aides of the executive officer (professional manager), the professional supervisors of the various sectors or other employees with special authority and responsibilities who are directly accountable to the workers' council, as designated by the bylaws of the basic organization and by law.

Article 494

Under the conditions, in the manner and by the procedure set forth in the self-management accord whereby the workers pool their labor in the basic organization or by the bylaws of the basic organization and by law, workers

may recall their delegates elected to the workers' council of the basic organization.

The trade union may also submit a proposal for institution of proceedings for recall of a delegate.

Article 495

The workers' council of the basic organization shall draw up the proposed version of the bylaws and adopt other general self-management acts which regulate relations in the organization, shall draw up the proposed version of guidelines for the basic organization's plan; shall draw up the proposed version of elements to be used in concluding self-management accords concerning the basic elements of plans of self-managed organizations and communities and in concluding agreements concerning the basic elements of plans of sociopolitical communities, shall establish business policy, shall adopt the basic organization's plan, shall approve measures to implement business policy and to fulfill the basic organization's plan, shall adopt decisions concerning the extension or taking of credit in connection with current business operations in accordance with the plan of the basic organization; shall draw up the quarterly financial report and year-end financial statement, shall elect, appoint and dismiss the executive body, executive officer (professional manager), professional management body, or members of those bodies in the organization; shall see that the workers are informed about matters which have a bearing on their decisions and oversight in the basic organization; shall issue guidelines and instructions to the executive body, the executive officer (professional manager) and the body of professional management in the basic organization and shall supervise their work; shall adopt programs which arise out of the program of nationwide defense and social self-protection which pertain to the basic organization and shall see to the ways and means of carrying out that program.

The workers' council of the basic organization shall also perform other functions as set forth in the bylaws and other general self-management act of the basic organization, in accordance with law.

The workers' council of the basic organization must perform the functions entrusted to it in the manner and within the limits of its authority as set forth in the bylaws and other general self-management acts.

The functions which the workers' council of the basic organization performs on the basis of the constitution, law and bylaws of that organization may not be entrusted to the executive body, executive officer (professional manager) or body of professional management.

Article 496

The workers' council of the basic organization shall make decisions concerning issues within its competence by majority vote of all the delegates unless the bylaws of the basic organization or law provide for some other qualified majority when a decision is being made on a particular matter.

Article 497

The decisions of the workers' council of the basic organization shall as a rule be made by open vote of the delegates in the workers' council.

The bylaws of the basic organization shall state which issues the workers' council shall decide on by secret ballot.

2. The Executive Body of the Workers' Council

Article 498

One or more executive bodies of the workers' council may be created in the basic organization and commissioned to perform certain executive functions.

In a basic organization with fewer than 30 workers an executive body may be created which would have the same rights, duties and responsibilities as the executive body of a workers' council.

The executive matters to be entrusted to the executive body shall be set forth in the bylaws of the basic organization.

If two or more executive bodies of the workers' council have been created in the basic organization, the bylaws of the basic organization shall set forth the jurisdiction, mutual relations and accountability of those bodies.

Article 499

The members of the executive body shall be elected by the workers' council of the basic organization from among its own members and also from among other employees of the basic organization.

Workers who may not be elected to the workers' council may not be elected to the executive body.

No one may be elected to the executive body of a workers' council of the same basic organization more than twice in succession.

The members of the executive body may not be elected for a term longer than 2 years.

Article 500

The executive functions which may be entrusted to the executive body specifically include the following: presentation of drafts of bylaws and drafts of other general self-management acts to be adopted by the workers' council; presentation of the proposed version of the plan; issuance of guidelines to the executive officer (professional manager) or body of professional management concerning execution of the decisions of the workers' council and follow up on execution of those decisions; implementation of decisions made by the workers' council or the workers by direct personal expression, if their implementation is not covered by the rights and duties of the executive officer (professional manager) or body of professional management, and adoption of official acts to implement those decisions.

Article 501

If the body for self-management workers' control, executive officer (professional manager), body of professional management, trade union, workers in a part of the work process, commission or other body created by the workers or workers' council proposes to the workers' council of the basic organization that it adopt a particular decision, the executive body must render an opinion to the council concerning the proposed decision at the request of the workers' council.

Article 502

The workers' council of the basic organization may rescind an act or stay a measure adopted by its executive body if it deems that by adopting the act or taking the measure the executive body has overstepped its authority or violated a general self-management act or in that act or measure is not carrying out established policy or is not implementing the decisions of the workers' council or the decisions of the workers.

3. The Executive Officer (Professional Manager) and Body of Professional Management

Article 503

In the basic organization there shall be an executive officer (professional manager) or a body of professional management.

If the functions performed by the executive officer (professional manager) of the basic organization allow, the bylaws of the basic organization may also provide that the professional manager, in addition to tasks within its competency in that position, shall also perform the work of a worker in the basic organization.

Under this law an officer or body in the basic organization shall not be considered an executive officer (professional manager) or body of professional management if under the bylaws of the basic organization it performs certain functions within the jurisdiction of the professional management of the basic organization on the basis and within the scope of authority of that executive officer (professional manager) or body of professional management. That body or officer shall be accountable to that body or officer of professional management for performance of those tasks and functions and to the workers' council within the limits of the authority granted.

Article 504

The executive officer (professional manager) of the basic organization shall be appointed and dismissed by decision of the workers' council of the basic organization.

The executive officer (professional manager) shall be appointed on the basis of a public competition and in response to a nomination by the search commission.

The search commission for appointment of the executive officer (professional manager) of the basic organization as designated by law shall consist of the legally prescribed number of representatives of the basic organization and of the trade union and also of representatives of the public community appointed or elected in accordance with law.

Article 505

The competition for appointment of an executive officer (professional manager) of the basic organization shall be announced by the workers' council of the basic organization no later than 3 months before expiration of the term to which the executive officer (professional manager) has been appointed.

At the end of the competition the search commission shall approve a nomination for appointment of the executive officer (professional manager) by two-thirds majority of the votes of the total number of its members.

If the search commission is unable to approve a nomination for appointment of the executive officer (professional manager) by the majority referred to in Paragraph 2 of this article, a new search commission shall be created.

If the new search commission is still unable to make the nomination or appointment of the executive officer (professional manager), a new competition shall be announced.

Article 506

The search commission shall nominate one or more candidates whom it shall propose to the workers' council of the basic organization as possible candidates for executive officer (professional manager) of that organization.

The workers' council shall judge whether the proposed candidates meet the conditions envisaged in the competition for appointment as executive officer (professional manager).

The workers' council of the basic organization may appoint as executive officer (professional manager) only one of the nominees proposed by the search commission.

If the workers' council of the basic organization fails to appoint any of the proposed candidates as executive officer (professional manager) a new competition shall be announced.

Article 507

The workers' council of the basic organization must inform every participant in the competition about the decision which it has made in the competition.

Every contestant or other person whose legal interest has been injured and the public defender of self-management law may institute proceedings before a court of associated labor against the decision of a workers' council of a basic organization whereby it appoints an executive officer (professional manager) if he or it feels that the competition did not conform to prescribed procedure or if the person appointed executive officer (professional manager) does not meet the prescribed conditions. Proceedings may be instituted within 8 days from the date of receipt of the notification referred to in Paragraph 1 of this article.

If the court of associated labor finds that the competition was not conducted according to prescribed procedure, it shall nullify the competition and the appointment of the executive officer (professional manager), but if it finds that the person appointed executive officer (professional manager) does not meet the prescribed conditions, it shall nullify only the appointment.

Article 508

The executive officer (professional manager) or chairman or member of the body of professional management shall be assumed to have established the employment relation when he makes the written statement that he is familiar with the general self-management act regulating the employment relation, other general self-management act regulating his rights, duties and responsibilities and the bylaws, and that he assents to them, whereupon

he shall exercise his rights and discharge his duties and responsibilities in accordance with the provisions of this law which apply to workers in the basic organization.

The executive officer (professional manager) of the basic organization shall take up his post as of the date set forth in the act of appointment.

Article 509

The chairman or member of the body of professional management of the basic organization shall be appointed and dismissed in the manner and according to the procedure set forth in law and the bylaws of the basic organization concerning appointment and dismissal of the executive officer (professional manager) of that basic organization.

The bylaws of the basic organization may specify that workers with special authority and responsibilities who have been chosen in a competition shall by virtue of that election become members of the basic organization's body of professional management.

Article 510

If the position of the executive officer (professional manager) or chairman of the body of professional management of the basic organization has come vacant because a new executive officer (professional manager) or chairman of the body of professional management could not be appointed in good time, the workers' council of the basic organization shall appoint an acting officer to that post without a competition.

The acting officer shall have all the rights and duties of the executive officer (professional manager). Six months is the longest period that the acting executive officer (professional manager) may perform the duties of the executive officer (professional manager) or chairman of the professional management body.

Article 511

No person convicted and given an unconditional (unsuspended) prison sentence for a crime with intent against the foundations of the country's socialist social system of self-management and national security, against the economy, against self-management rights, or against public ownership or of official misconduct may be appointed executive officer (professional manager) or chairman or member of the professional management body of the basic organization, nor may he be appointed the interim and acting holder of such office.

In addition to the crimes enumerated in Paragraph 1 of this article, the prohibition contained in that paragraph shall also apply to a person who has committed another premeditated crime if for that crime he was given an unconditional prison sentence of at least 3 years.

The prohibition referred to in this article shall last 10 years for the persons referred to in Paragraph 1 of this article and 5 years for the persons referred to in Paragraph 2 of this article, that period to be counted from the date the sentence was served, the date of a pardon, or the date when the limit on execution of the sentence expired.

Article 512

The term of the executive officer (professional manager) or chairman and members of the professional management body shall not be longer than 4 years.

At the end of that term the individual may be reappointed to the same position in a manner prescribed by law.

Article 513

The professional management (officer or body) of the basic organization shall conduct the business of the basic organization, shall organize and coordinate the work process within it, shall propose business policy and measures to implement it, shall execute the decisions and resolves adopted by personal expression of the workers and the decisions and resolves of the workers' council of the basic organization and of its executive body, shall examine before adoption the proposed version of the plan and all individual decisions related to fulfillment of the plan and shall submit an opinion and recommendations concerning them, and shall also perform other functions as set forth in law and the bylaws of the basic organization.

Article 514

The executive officer (professional manager) or chairman of the professional management body of the basic organization shall have the right and duty to participate in the proceedings of the workers' council of the basic organization, but shall not have a vote.

The executive officer (professional manager) or chairman of the professional management body must caution the workers' council of the basic organization concerning illegal decisions and other acts, decisions which are not consistent with the plan of the basic organization, and decisions and other acts which are impracticable.

When the workers' council of a basic organization adopts a decision concerning matters and assets that fall within the production sphere, unless the proposed version of that decision has been submitted by the professional management, the workers' council must first seek the opinion of the executive officer (professional manager) or chairman of the professional management body. The executive officer (professional manager) or chairman of the professional management body must submit that opinion to the workers' council.

An executive officer (professional manager) or chairman of the professional management body who does not perform the functions enumerated in Paragraphs 1 through 3 of this article shall be accountable for a violation of work duties and official positions in self-management.

Article 515

The professional management (officer or body) of the basic organization shall be independent in performing the functions within its sphere of activity. The professional management shall be accountable for its work to the workers and to the workers' council of the basic organization.

The professional management (officer or body) shall act in conformity with the decisions and positions adopted by personal expression of the workers, by the workers' council of the basic organization, or by its executive body, and on the basis of and consistently with general self-management acts.

The professional management (officer or body), within its sphere of activity as set forth in law and the bylaws of the basic organization, shall make decisions on its own concerning the conduct of the basic organization's business, concerning the performance of individual tasks or jobs, and concerning the organization and coordination of the work process.

In the work process the professional management (officer or body) shall have the right and duty to issue orders to individual workers or groups of workers that they carry out specific jobs or tasks, in accordance with general self-management acts.

If the professional management (officer or body) creates teams, commissions or other task forces and advisory bodies to work on specific matters within its sphere of activity, they shall work under orders of the professional management.

Article 516

Mutual relations of the professional management (officers and bodies) of the basic organizations, work organizations and the complex organization shall be set forth in the self-management accord concerning entry into association and shall be based, within the limits of the sphere of activity of those bodies and officers, on mutual cooperation and agreement.

In a case of disagreement between entities representing professional management, each of them shall have the right and duty to report this to the workers' council of his or its own organization of associated labor and to the workers' council of the organization of associated labor of that entity of professional management with which it did not agree.

In urgent matters and in cases when failure to carry out a particular decision would cause sizable damage or would jeopardize the work process, a dispute between entities representing professional management shall be taken before a joint body for mediation in coordinating the work process, which shall be reported to the workers' councils of the organizations of associated labor whose professional management entities did not agree.

The joint body referred to in Paragraph 3 of this article shall have a chairman and two members. Each party to the dispute shall designate one member, and the chairman shall be designated by agreement between the two parties to the dispute. This body shall meet immediately following its creation and shall issue a recommendation as to how the work process should be coordinated.

Article 517

If it finds that a professional management entity of another organization of associated labor within the same work organization or complex organization has overstepped its authority, is acting contrary to the self-management accord or agreement concerning the basic elements of the plan, the self-management accord concerning entry into association or agreed business policy, is failing to discharge its obligations or is discharging them unreliably, the professional management entity of a basic organization, work organization or complex organization shall have the right and duty to report this to the workers' council of its own organization of associated labor, to the workers' council of the organization of associated labor of that professional management entity concerned in the complaint, to bodies for self-management workers' control and to the trade union.

A workers' council which has received a complaint as referred to in Paragraph 1 of this article must examine that complaint and take a decision concerning it.

Article 518

The executive officer (professional manager) or chairman of the professional management body of the basic organization shall also be responsible to the public community for legality of operation and for fulfilling the obligations of the basic organization as prescribed by law.

Article 519

If the executive officer (professional manager) or chairman of the professional management body of the basic organization deems that an act adopted by personal expression of the workers or an act of the workers' council or other bodies of the basic organization contradicts law, the self-management accord concerning entry into association, the bylaws of the basic organization, or other general self-management act, he shall so caution the body which adopted that act.

If even after the admonition the body which adopted that act continues to abide by it, the executive officer (professional manager) or chairman of the professional management body shall stay execution of that act, except for individual acts adopted in administrative procedure and acts on which the final decision is reserved for the court, and shall report this within 3 days from the date of the stay to the competent body or agency of the sociopolitical community.

Article 520

The executive officer (professional manager) of the basic organization or chairman and members of the professional management body, or any member of that body may be dismissed before the end of the term to which they have been appointed in the following cases:

- 1) at their request;
- 2) if the workers' council finds that the tasks entrusted to them exceed their abilities, which is adversely affecting the performance of the professional management function, the conduct of business, operating results, and relations in the organization of associated labor;
- 3) if in their work they have seriously violated or repeatedly violated statutes pertaining to the work of the basic organization or its activity, a self-management accord, the bylaws or other general self-management act of the basic organization, or if they refuse to carry out the decisions of the workers' council of the basic organization without showing good cause or act in a manner that is obviously contrary to those decisions;
- 4) if by their careless or improper work or overstepping of authority they inflict appreciable injury upon the basic organization or the public community, or if such injury could occur because of their careless or improper work;
- 5) if because of nonperformance or negligent performance of their duties the basic organization has been unable to fulfill its plan or perform other principal tasks or if performance of those tasks has been considerably hindered;
- 6) if by act of commission or omission they have been preventing the workers from exercising their right to self-management or have tended to upset the relations of self-management in the basic organization or have seriously injured the public interest;
- 7) if conditions come about whereby the law requires termination of the employment of these workers in the basic organization;
- 8) and in other cases as envisaged by law.

Article 521

The initiative for instituting proceedings for dismissal of a professional management entity in the basic organization may be taken before the workers' council by the workers of any part of the work process and by their delegates in the workers' council of the basic organization.

Initiative for institution of proceedings for dismissal of a professional management entity of the basic organization may be taken by the public defender of self-management law and the assembly of the opstina or other sociopolitical community, and by the trade union.

The workers' council must examine a proposal for institution of proceedings for dismissal of a professional management entity in the basic organization, must take a decision concerning it, and must so inform the proponents.

Before making this decision referred to in Paragraph 3 of this article the workers' council must seek an opinion from the assembly of the opstina or other sociopolitical community and from the trade union.

The workers' council may submit the decision concerning dismissal of a professional management entity of the basic organization to the workers in the form of a referendum to ratify or reject the decision.

If the workers' council rejects the proposal of the public defender of self-management law, the assembly of the opstina or other sociopolitical community, or the trade union, proceedings may be instituted before a court of associated labor.

If the court of associated labor finds that there are grounds for dismissal of the professional management entity referred to in Article 520 of this law, it shall deliver a valid order to that effect to the workers' council, which must proceed in accordance with that order.

The order of the workers' council to dismiss a professional management entity shall be final.

Article 522

The executive officer (professional manager) or chairman of the professional management body of the basic organization who has been dismissed by decision of the workers' council of the basic organization may go before a court of associated labor to seek compensation for damages if he was dismissed when there were no grounds for dismissal or if the procedure prescribed by law or general self-management act was not adhered to. The suit for damages shall be filed within 30 days from the date of receipt of the decision concerning his dismissal.

Section 2. The Bodies and Offices of the Work Organization

1. Workers' Council

Article 523

The workers must create a workers' council in the work organization as a body of workers' management to manage its operation and business or a body of workers' management which has equivalent status and functions.

Article 524

The workers' council of the work organization shall be made up of delegates of workers of basic organizations within that work organization and of delegates of the work community, such delegates to be directly elected in the manner and according to the procedure set forth in the self-management accord concerning entry into association or in the bylaws and law.

Every basic organization within the work organization must be represented by at least one delegate in the workers' council of the work organization.

Delegates shall be elected to the workers' council of the work organization in proportion to the number of workers in basic organizations.

Article 525

No executive officer (professional manager) nor chairman or member of a professional management body of a basic organization within that work organization may be elected to the workers' council of the work organization.

Article 526

When instead of a workers' council an equivalent body of workers' management is created in the work organization, the delegates of basic organizations in that body shall be elected and recalled in the manner and according to the procedure by which delegates to the workers' council of a work organization are elected and recalled.

Article 527

The workers' council of the work organization shall approve the proposed version of the bylaws; shall adopt general self-management acts placed within its authority by the self-management accord concerning entry into association; shall approve the proposed version of the self-management accord concerning the basic elements of the work organization's plan; shall adopt the plan of the work organization; shall adopt plans and programs in the domains of nationwide defense and social self-protection; shall establish business policy and adopt measures to implement it and

measures to fulfill the plan; shall elect, appoint and dismiss its executive body, executive officer (professional manager), body of professional management and individual members of those bodies in the work organization; it shall issue guidelines and instructions to the executive body and professional management entity, and shall supervise their work.

The workers' council of the work organization shall also perform other tasks as set forth in the self-management accord concerning entry into association, in accordance with law.

Article 528

The decisions of the workers' council of the work organization pertaining to matters on which the workers decide in the basic organization by personal expression shall be adopted subject to consent obtained from each basic organization in the manner set forth in the self-management accord concerning entry into association.

In accordance with the bylaws of the basic organization the workers in the basic organization shall grant consent for adoption of a decision as referred to in Paragraph 1 of this article by personal expression.

The bylaws of the basic organization may state that consent for adoption of a decision as referred to in Paragraph 1 of this article shall be granted by the workers' council of the basic organization if that decision institutes measures to implement the plan or other decisions taken by the workers' council of the work organization.

The workers' council of the work organization shall adopt decisions concerning other matters within its sphere of activity by majority vote of the delegates of all the basic organizations, unless the self-management accord or law specifies some other qualified majority.

Article 529

If two or more delegates have been elected to the workers' council of the work organization from one basic organization, their votes on a decision of the workers' council shall be taken as one vote when the workers' council is deciding on matters decided by personal expression of the workers.

The vote of each delegate in the workers' council of the work organization shall be recorded in the minutes.

Article 530

The provisions of this law concerning the workers' council of the basic organization which pertain to conditions for election as member of the workers' council, length of the term of office, reconciliation of the

views of the delegates, open balloting by the delegates and the proposal for institution of proceedings to recall a delegate to the workers' council of the basic organization shall also apply to the workers' council of the work organization.

The provisions of this law concerning the workers' council of the basic organization shall also apply to the workers' council of the work organization which does not have constituent basic organizations.

2. The Executive Body of the Workers' Council

Article 531

The provisions of this law concerning the executive body of the workers' council of a basic organization shall also apply to the executive body of the workers' council of the work organization.

3. The Officer or Body of Professional Management

Article 532

The work organization shall have either an officer or body of professional management.

Article 533

An individual or body in the work organization which in conformity with the self-management accord concerning entry into association performs certain tasks within the sphere of activity of the work organization's professional management entity, on the basis and within the limits of the authority of that professional management entity, shall not be considered an entity of professional management in the context of this law. That individual or body shall be accountable to the professional management entity and to the workers' council for performance of those functions within the limits of the authority granted.

Article 534

The professional management entity of the work organization shall coordinate the work of the professional management entities of basic organizations within the work organization insofar as that work is related to matters handled at the level of the work organization, in conformity with law and the authority which the basic organizations within the work organization have set forth in the self-management accord whereby they entered into association.

Article 535

If the executive officer (professional manager) or chairman of the professional management body of the work organization finds that an act of the workers' council or other bodies of the basic organization contradicts law and the self-management accord concerning entry into association, and the executive officer (professional manager) or chairman of the professional management body of the basic organization has not stayed its execution, he shall so caution the professional management entity and workers' council of the basic organization.

If the executive officer (professional manager) or chairman of the professional management body of the basic organization does not stay execution of the acts referred to in Paragraph 1 of this article within 8 days from the date of the admonition, and the workers' council or other body of the basic organization does not bring that act into conformity within that same period of time, the executive officer (professional manager) or chairman of the professional management body of the work organization shall report this within the next 3 days to the competent agency or body of the sociopolitical community.

Article 536

The rights, duties and responsibilities of the executive officer (professional manager) or chairman and member of the professional management body of the work organization shall be set forth in the general self-management act regulating the employment relation and the bylaws, in accordance with the self-management accord concerning entry into association to form the work organization.

The executive officer (professional manager) or chairman of the professional management body of the work organization shall establish his employment relation and exercise his rights arising out of the employment relation in the work community; if a work community has not been created, he shall then establish his employment relation and exercise his rights from employment in accordance with the self-management accord concerning entry into association to form the work organization.

Article 537

Before taking up his duties the executive officer (professional manager) or chairman and member of the professional management body of the work organization shall sign a statement of assent to the general self-management act referred to in Article 536, Paragraph 1, of this law, if he has not previously signed such a statement.

Article 538

The provisions of this law concerning the professional management entity of the basic organization pertaining to the manner of appointment and dismissal, creation of the search commission, announcement of a competition and nomination of candidates for appointment, acceptance of a candidate, installation of the professional management entity, protection of the rights of participants in the competition, procedure for appointment of the chairman and members of the professional management body, the acting executive officer (professional manager) or acting chairman of the professional management body, prohibition against holding an office in professional management, tenure of office and reappointment, prohibition against election to the workers' council, participation in the proceedings of the workers' council, responsibility for legality of operation, protection of rights, dismissal before expiration of the term of office, and institution of proceedings for dismissal--shall also apply to the professional management entity of the work organization.

Section 3. Bodies and Offices of the Complex Organization

Article 539

The provisions of this law which apply to the bodies and offices of the work organization, except for the provisions of Article 524, Paragraphs 2 and 3, and Article 520, Paragraph 1, of this law, shall also apply to the bodies and offices of the complex organization.

Section 4. Governing Bodies of Other Forms of Association Representing a Pooling of Labor and Assets

Article 540

The governing bodies of banks, insurance organizations and business communities shall be elected on a delegate basis and shall have the status, rights, duties and responsibilities as set forth in the self-management accord concerning the entry into association, in accordance with law.

Article 541

Organizations of associated labor who pool their labor and assets and do not by that act of association reorganize themselves to create a separate organization of associated labor, may create a joint body to manage affairs of common interest whose makeup, election, status, rights, duties and responsibilities, as well as recall, are set forth in the self-management accord concerning the entry into association, in accordance with law.

The joint governing body referred to in Paragraph 1 of this article shall be created on a delegate basis.

Section 5. The Supervisor and Bodies of Workers' Management of the Work Community

Article 542

The provisions of this law pertaining to decisions which the workers make by personal expression, the workers' council and executive body of the workers' council of the basic organization, and their responsibilities shall also apply to decisions made by workers by personal expression, to the workers' council and executive body of the workers' council of the work community, unless otherwise provided for in law.

Article 543

The work community shall have a supervisor when this is envisaged by the self-management accord, bylaws or law.

The supervisor of the work community shall supervise the work of the work community, shall coordinate the work process in the work community, and shall carry out the decisions of the workers' council of the work community, the workers' council of the organization of associated labor and their executive bodies.

The supervisor of the work community shall be appointed and dismissed by the workers' council of the organization of associated labor after it has obtained consent of the workers' council of the organization to which the work community belongs.

In exercise of his rights and in the discharge of his duties and responsibilities the supervisor of the work community shall be accountable to the workers' council of the organization of associated labor.

Workers in the work community and its supervisor shall be accountable for their work to the professional management entity of the organization of associated labor.

Article 544

In performing joint tasks the workers of the work community shall work according to the instructions, guidelines and orders of the professional management entity of the organization of associated labor the work community belongs to.

The professional management entity of the organization of associated labor may transfer the performance of certain functions to individual workers in the work community in the exercise of its own authority as set forth in the self-management accord concerning entry into association.

The self-management accord concerning entry into association to form the organization of associated labor shall set forth the authority and duties of individual workers or staff services when the exercise of that authority and performance of that duty are a prerequisite to the workers' exercise of their rights and performance of their duties and responsibilities and to regular conduct of the activity of the organization of associated labor.

Article 545

The provisions of this law concerning the professional management entity of the basic organization pertaining to the manner of appointment and dismissal, creation of the search commission--except for the provision of Article 504, Paragraph 3, of this law, announcement of the competition and nomination of candidates, appointment of the candidates, installation, protection of the rights of other participants in the competition, the acting executive officer (professional manager) or chairman of the professional management body, the prohibition against holding positions in professional management, term of office and reappointment, prohibition against election to the workers' council and participation in the proceedings of the workers' council, dismissal before expiration of the term of office, conditions and procedure for dismissal, responsibility for legality of operation and protection of the professional manager's rights shall be suitably applied to the supervisor of the work community.

Chapter III. The Function of Informing Workers in Associated Labor

Article 546

Bodies and offices of an organization of associated labor have a duty to furnish the workers regular, timely, truthful, complete, and comprehensible information in an accessible form; this information shall pertain to the entire business operation of the organization of associated labor and its assets and financial condition, the earning and distribution of income and mutual assets, results achieved by pooling assets that represent past labor in all forms of association representing a pooling of labor and assets, concerning preparations for nationwide defense and the conduct of social self-protection, and concerning other matters relevant to management, decisionmaking and the exercise of self-management workers' control.

The workers shall have the right and duty to demand that they be informed about the proceedings of the workers' council and executive body, execution of their decisions, and the work of the professional management entity of the basic organization, work organization, complex organization, and of other organizations and communities in which they have pooled their labor and assets.

The trade union may demand that the workers be informed about the proceedings, execution of decisions and work referred to in Paragraph 2 of this article.

Article 547

The offices and bodies of the organization of associated labor have a duty to inform the workers in a manner which makes it possible for every worker to familiarize himself with the reports of those offices and bodies, to study them, and to take his own position concerning them.

The manner in which and the intervals at which the workers shall be informed, matters on which the workers shall be informed, and designation of which offices or bodies are responsible for informing the workers shall be regulated by law, the bylaws and other general self-management act of the organization of associated labor.

Article 548

The reports and information furnished to the workers of the organization of associated labor shall also be supplied to the body for self-management workers' control and to the trade union.

Article 549

The workers' council and professional management entity of the organization of associated labor have a duty to inform the workers and the trade union concerning the admonitions, findings and decisions of the public defender of self-management law, the Social Accounting Service, the body or agency competent to oversee legality of the operation of the organization of associated labor, the courts, bodies or agencies of sociopolitical communities or trade unions, if those agencies or bodies so require.

Article 550

Failure in the duty to inform the workers' council and other offices and bodies of the organization of associated labor, the workers and the trade union shall constitute a violation of workers' rights.

By its failure in the duty to inform the workers and the trade union a professional management entity also commits a violation of work duties. A professional management entity shall also bear financial liability if the failure to inform or conscious furnishing of untrue information would have prevented adoption of a decision or would have brought about adoption of a harmful decision.

Chapter IV. Self-Management Workers' Control

Article 551

In order to exercise and protect their self-management rights the workers in organizations of associated labor have the right and duty to exercise self-management workers' control on their own, through the bodies of

workers' management, and through a special body for self-management workers' control.

Workers in an organization of associated labor and in other forms of association representing a pooling of labor and assets shall exercise self-management workers' control in the manner set forth in the bylaws, self-management accord and other general self-management act.

Article 552

The workers' council of the organization of associated labor must make it possible for every worker in the organization of associated labor to examine documents, papers and reports so that he may examine the assets and financial condition of the organization of associated labor and inform himself about its business operation.

The professional management entity shall make it possible for workers to examine all documents, papers and reports, except those documents, papers and reports which are trade secrets or other secrets as established by law or on the basis of law.

The manner in which workers shall familiarize themselves with the operation of the business, the plan, business policy and other matters in which the workers have an interest shall be regulated by a general self-management act of the organization of associated labor.

Decisions, resolves and positions that have a bearing on the exercise of self-management workers' control shall be appropriately made public in the form of extracts from the minutes of sessions of bodies in the organization of associated labor no later than 7 days from the date of the session in which they were adopted.

Article 553

The workers' council, professional management entity and workers with special authority and responsibility in the organization of associated labor are required to allow a worker to examine their proceedings and work at his request, in the manner set forth in the relevant general self-management act.

Bodies and offices in the organization of associated labor have a duty to respond within their sphere of activity to opinions and proposals submitted by workers, in the manner and periods of time set forth in the general self-management act of the organization of associated labor.

The worker who in a worker caucus or session of the workers' council or as part of some other form of decisionmaking or in the exercise of self-management workers' control in the organization of associated labor makes a critical remark, submits a recommendation or presents an opinion, requests additional data or an additional report on the operation and

business of the organization of associated labor and on mutual work relations may not for that reason be called to account nor treated prejudicially.

The professional management entity or worker with special authority and responsibility who calls a worker to account or uses his influence to have the worker treated prejudicially thereby commits a serious violation of official position in self-management and of work duties. A serious violation of official position in self-management and work duties is also committed by a professional management entity or worker with special authority and responsibility if he prevents a worker from examining documents and familiarizing himself with the business operation of the organization of associated labor.

A self-management entity, a worker with special authority and responsibility or any other worker commits a serious violation of official position in self-management and work duties if he hinders or frustrates a member of a body for self-management workers' control or a body for self-management workers' control in performance of their function.

Article 554

In performance of its function in self-management workers' control the workers' council shall oversee the work of the executive body, the professional management entity and the staff services in the organization of associated labor. In overseeing the work of the executive body, the professional management entity and the staff services, the workers' council shall issue them guidelines and instructions in order to correct irregularities which have been discovered.

Article 555

The workers' council of the organization of associated labor must take under consideration every recommendation from a body for self-management workers' control and must correct irregularities and inform the bodies of self-management workers' control concerning its determination of the facts, the measures it has taken and its position concerning the specific matter.

Should there be a disagreement between the workers' council and a body for self-management workers' control, the decision shall be made by the workers in accordance with the self-management accord concerning entry into association or with the bylaws.

Article 556

A body for self-management workers' control shall be created in the basic organization.

The body for self-management workers' control in the basic organization shall monitor and oversee the following: enforcement of the bylaws and other general self-management acts of the basic organization and of self-management accords and social compacts; implementation of the decisions of the workers, the bodies of workers' management, the executive body and self-management entities and consistency between those acts and decisions and the workers' rights, duties and interests in self-management; performance of work duties and official functions in self-management by workers and offices and bodies in the basic organization; use and disposition of socially owned assets in a responsible manner and in a manner that is efficacious from both the social and the economic standpoints; application of the principle of distribution according to work in distribution of net income and distribution of funds for worker earnings; exercise and protection of workers' rights in mutual relations in associated labor; the informing of the workers on matters relevant to decisionmaking and oversight in the basic organization and to the worker's exercise of other rights, performance of other duties, and enjoyment of other benefits in self-management.

A body for self-management workers' control may also be created in the work community.

Article 557

The body for self-management workers' control shall also be founded on the delegate basis in the work organization, complex organization, cooperative, bank and other financial organization, mutual insurance community for insuring property and persons, self-managed special-interest community, and other self-managed organization and community in the manner set forth in the self-management accord concerning entry into association and in conformity with law.

The trade union shall participate in the procedure of nominating candidates for election as members of the body for self-management workers' control.

Article 558

Members of the body for self-management workers' control in the basic organization and work community shall be elected and recalled by the workers in the manner set forth in a general self-management act, in conformity with law.

Members of the body for self-management workers' control as referred to in Article 557, Paragraph 1, of this law shall be elected and recalled by the workers in basic self-managed organizations or communities which have entered into association to form the relevant organizations or communities, this to be done in accordance with the principles of the delegate system, unless otherwise provided for in law.

The slate of candidates for election to membership in the body for self-management workers' control shall be drawn up by the trade union, which shall also conduct the nominating procedure.

Members of the body for self-management workers' control shall also be recalled in response to a proposal by the trade union.

Article 559

The rights, duties and responsibilities of members of the bodies of self-management workers' control shall be regulated by the bylaws and other general self-management act in accordance with law.

The body for self-management workers' control of the basic organization has the right to exercise supervision in the work organization, the complex organization, banks and other financial organizations, self-managed special-interest communities and in all other forms of association in which the workers of the basic organization pool their labor and assets so as to monitor the entire process of social reproduction, in cooperation with bodies for self-management workers' control in those organizations or communities.

Article 560

The professional management entity of the organization of associated labor has a duty to see to the performance of administrative and technical tasks to meet the needs of the body for self-management workers' control.

The body for self-management workers' control may commission competent specialists from outside its self-managed organization or community to establish certain facts which have a bearing on performance of its function.

Article 561

In the exercise of its rights and performance of its duties the body for self-management workers' control has the right to apply to bodies competent to monitor the legality of operation of the organization of associated labor, to the public defender of self-management law, to the Social Accounting Service and to other bodies responsible for public surveillance and oversight, as well as to the trade union, and it has a right to collaborate with them.

The agencies and organizations referred to in Paragraph 1 of this article must furnish a body for self-management workers' control information necessary to the exercise of self-management workers' control, in conformity with law.

Article 562

If the offices and bodies within an organization of associated labor which a body for self-management workers' control has requested to correct shortcomings fails to correct those shortcomings in good time, the body for self-management workers' control shall report this to the workers' council of the organization of associated labor and to the trade union.

If the workers' council does not take steps or if the workers do not adopt a decision to take steps to correct the shortcomings that have been found, the body for self-management workers' control shall make this known to the trade union, bodies competent for public surveillance, and the body competent to monitor legality in the operation of the bodies and offices of the organization of associated labor.

If the body for self-management workers' control deems that a decision, other official act or measure of the workers' council violates the workers' right to self-management or social ownership, or that the workers' council has adopted such act contrary to the position taken by the workers, it shall inform the workers' council of the shortcomings it has found and shall so inform the trade union.

If after an admonition from the body for self-management workers' control the workers' council does not modify its decision or measure as referred to in Paragraph 3 of this article, the body for self-management workers' control may petition the assembly of the sociopolitical community to stay execution of the decision or other act or measure which violates the workers' self-management rights or social ownership.

Article 563

No member of the workers' council, no member of the executive body, and no worker who under law may not be elected as a delegate to the workers' council may be elected a member of the body for self-management workers' control.

Article 564

The body for self-management workers' control shall adopt its resolves in official session.

Article 565

The body for self-management workers' control must inform the workers about its proceedings and positions taken at the intervals and in the manner set forth in the bylaws, self-management accord concerning entry into association and other general self-management act.

Chapter V. Responsibility for Performance of Official Duties of a Position in Self-Management

Article 566

The worker shall be personally responsible for the conscientious performance of his functions in self-management.

The bylaws of the basic organization, the self-management accord concerning entry into association to form the work organization or the complex organization, shall in accordance with law set forth the duties of members of the workers' council, of members of the executive body, of the executive officer (professional manager) or chairman and members of the professional management body and of members of the body for self-management workers' control--in performance of the duties of their offices in self-management--types of responsibility, accountability and liability for violation of those duties and procedure for determination of responsibility.

The bylaws shall also set forth the duties of the workers in performance of functions in self-management.

Article 567

Delegates in the workers' council of the basic organization shall be personally accountable for their work to the workers of the basic organization.

Delegates in the workers' council of the work organization or complex organization shall be personally accountable for their work to the workers and workers' council of the basic organization in which they were elected.

Workers may recall their delegates from the workers' council of the basic organization or other organization of associated labor.

If a basic organization's delegate in the workers' council of the work organization or complex organization fails to adhere to the guidelines, the workers' council of the basic organization shall report this to the workers and may propose institution of proceedings for his recall.

Article 568

If the workers' council, overstepping its authority and contrary to a warning from the professional management entity, executive body, body for self-management workers' control, public defender of self-management law, Social Accounting Service, inspector, or other competent authority adopts a decision which is harmful to the organization of associated labor, the professional management entity must stay execution of that decision and institute proceedings before a court of associated labor.

Article 569

The members of the executive body are accountable for their work to the workers' council which elected them and to the workers of the organization of associated labor in which they perform their functions.

Members of the executive body are specifically accountable for the following: for execution of a decision of the workers' council and of a decision which the workers have made by personal expression; for furnishing regular, timely, truthful and complete information to the workers' council and workers in comprehensible and accessible form; for damage caused by execution of a decision adopted on the basis of their recommendation if in making that recommendation they concealed a fact or deliberately furnished untrue information to the workers' council or the workers.

If in proceeding to examine the work of the executive body the workers' council or workers are dissatisfied with the work of that body or an individual member of it, the workers' council may dismiss the executive body or its individual members.

Article 570

The members of the executive body shall bear financial liability for damage occurred through execution of a decision adopted at their instance if in making the proposal they concealed facts or consciously furnished untrue information to the workers' council or the workers.

Article 571

The executive officer (professional manager) or chairman and members of the professional management body shall be accountable for their work to the workers' council which appointed them and to the workers of the organization of associated labor in which they perform their function.

The professional management entity shall be accountable within its rights and duties for conscientious performance of its functions, for results in the business of the organization of associated labor, and for organizing and coordinating the work process in the organization.

The provisions of this law concerning the financial liability of members of the executive body for damages caused shall also apply to the executive officer (professional manager) and members of the professional management body.

The workers' council of the organization of associated labor shall make a determination of accountability as referred to in Paragraph 2 of this article, and the professional management entity may institute proceedings before a court of associated labor if it finds that the facts concerning its accountability were determined erroneously or incompletely.

The resolve of the workers' council or decision of the court of associated labor determining the accountability of the professional management entity shall be the basis for institution of proceedings or dismissal of the professional management entity.

Article 572

The accountability of a member of the executive body, the executive officer (professional manager) and chairman or members of the professional management body shall be determined as a function of their influence on enactment or execution of a decision.

Chapter VI. Social Compacts, Self-Management Accords and Other General Self-Management Acts

Section 1. General Provisions

Article 573

By general self-management acts are meant social compacts, self-management accords which in a general way regulate self-management relations and other general acts of organizations of associated labor and of other self-managed organizations and communities.

Article 574

Participants in the conclusion of self-management accords and social compacts shall act as equals.

Self-management accords and social compacts shall be concluded freely and in accordance with the express will of the participants.

The self-management accord whereby workers pool their labor in a basic organization shall be adopted in accordance with the provisions of Article 468, Paragraph 1, of this law.

Article 575

General self-management acts must be in conformity with the constitution, and they may not contradict law and the ethical principles of a socialist self-managed society.

Article 576

Proceedings toward conclusion of self-management accords and social compacts shall be public.

Public access to proceedings shall be provided for in a manner which is in conformity with law and shall be set forth by participants in the conclusion of the self-management accord or social compact.

Article 577

General self-management acts shall be published before they take effect.

General self-management acts shall be published in the manner set forth in the general self-management act unless law states otherwise for certain types of general self-management acts.

A provision may be made in a general self-management act, in accordance with law, for that act or certain of its provisions to have retroactive effects, but only if that is allowed by the nature of relations being regulated by that general self-management act.

Article 578

A self-management accord or social compact may provide for arbitration or some other manner of settling disputes which arise in the execution of the accord or contract.

If a self-management accord has not provided for arbitration or some other manner of settling disputes which arise in execution of the accord, those disputes shall be settled by a court of associated labor.

Section 2. Social Compacts

Article 579

The social compact shall be used to regulate and coordinate through self-management the socioeconomic and other relations which have broad common interest to parties to the compact or which have general public interest, by which are specifically meant relations in the domains of planning, prices, distribution of income and distribution of funds for worker earnings and funds for joint worker consumption, foreign trade, employment policy in Yugoslavia and abroad, and protection and improvement of the environment.

The social compact shall be concluded by a body or agency of the sociopolitical community and interested organizations of associated labor, economic chambers and other general associations, self-managed special-interest communities, local communities, other self-managed organizations and communities, trade unions and other sociopolitical organizations and public organizations.

Article 580

Participants in proceedings to adopt a social compact shall by agreement set forth the procedure for conclusion of the social compact.

Article 581

The social compact shall be concluded on behalf of the parties to the compact by their authorized bodies.

When a social compact regulates and coordinates on a self-management basis those relations which are to be regulated by personal expression of the workers under the provisions of this law, the authorized body of the organization of associated labor may conclude a social compact if that compact has received the support of a majority of the workers in each basic organization within the organization of associated labor which is concluding the social compact.

Article 582

The social compact shall bind the parties which have concluded it or which subsequently enter into it to take the necessary steps to implement it.

A party to a social compact shall bear social and political responsibility for failure to abide by the obligations contained in that compact.

Article 583

A social compact already concluded may subsequently be entered into by organizations, communities and bodies which did not participate in concluding it.

The provisions of Article 581 of this law shall be appropriately applied to the joining of a social compact.

A social compact can be joined by the taking of a special written statement to that effect.

Article 584

A social compact shall cease to be valid on the date appointed by all the parties to it.

Article 585

Every party to a social compact may at any time withdraw his participation in the social compact unless the compact itself states a time when the parties may cancel their participation.

The cancellation shall be delivered to all participants in the social compact.

Six months' notice shall be given for cancellation unless the social compact provides for a different period of time. The notice period shall

begin to run on the day when the notice of cancellation is delivered to the last party to the social compact to be delivered the notice of cancellation.

Section 3. Self-Management Accords

Article 586

The self-management accord shall be used to regulate and coordinate socioeconomic and other self-management relations and interests in the production sphere and in other forms wherein the workers and other working people realize their socioeconomic status and in their self-managed organizations and communities, and it shall specifically be used for the following purposes: to pool the labor of workers in a basic organization; to pool the labor of workers in a work community; to pool labor and assets to form work organizations and other organizations of associated labor, banks and other financial organizations, mutual insurance communities for insuring property and persons, self-managed special-interest communities, and other forms of association representing a pooling of labor and assets; to establish the basic elements of a plan; to reconcile interests in the social division of labor and the production sphere; to adopt criteria governing the setting of prices on a basis of self-management; to adopt bases and standards governing distribution of net income earned in a joint venture; to regulate relations in accomplishing a free exchange of labor; to regulate mutual rights, duties and obligations of workers in associated labor and measures to realize those rights and discharge those duties and obligations, and to regulate relations in the conduct of nationwide defense and social self-protection.

A self-management accord shall be concluded among workers in the basic organization or in the work community, and among organizations of associated labor, banks and other financial organizations, communities for insuring property and persons, self-managed special-interest communities and other self-managed organizations and communities, economic chambers and other general associations of self-managed organizations and communities, and trade unions.

Other sociopolitical organizations in addition to the trade unions may also be parties to a self-management accord when the relations being regulated have a bearing on achievement of their goals and tasks as set forth in their bylaws.

Sociopolitical communities and their agencies and organizations may be parties to a self-management accord when on a principle of equality they are pooling assets they possess with one another or with basic organizations or other self-managed organizations and communities.

A workingman engaged in farming, a craft or trade, or other activity or a workingman self-employed as a professional may also be a party to a

self-management accord when he pools his labor and assets with the labor of workers and socially owned productive assets in a basic organization or when he pools his labor and assets in an agricultural cooperative or other form of association representing a pooling of labor and assets.

Article 587

In the domain of socioeconomic and other self-management relations, a self-management accord may set forth mutual individual rights and obligations of the interested organizations of associated labor or other public juridical persons which are party to the self-management accord in connection with the pooling of labor and assets or with performance of other individual tasks and projects of joint interest, provided there is corresponding participation with all the parties to the accord in the income that is earned jointly and in the risk that is jointly borne.

In the context of this law the term "self-management accord" shall not be applied to the legal transactions which parties to a self-management accord conclude with one another or with third parties in the buying and selling of goods and services when the parties to the contract do not share in the income earned and in a risk that is jointly borne (sales contract, loan contract, construction contract, transportation contract, etc.).

Nor in the context of this law shall the term "self-management accord" apply to legal transactions outside the self-management relations which are concluded with an organization of associated labor by individual farmers or other working people performing their activity with their own labor and privately owned assets or by working people who are self-employed professionals concerning annual or more frequent deliveries of products, performance of jobs, or similar mutual obligations.

Article 588

If a self-management accord is concluded to promote a prohibited interest or achieve a prohibited goal or concerning a prohibited matter it shall be null and void.

The purpose and subject matter of the self-management accord are prohibited if they do not conform to the constitution or if they contradict law or the ethical principles of a socialist self-managed society.

Article 589

The initiative for conclusion of a self-management accord shall come from workers or other working people either directly or through their self-managed organizations or communities and through the trade union or other sociopolitical organization, the sociopolitical community or the economic chamber.

Article 590

The trade union shall have the right to make proposals for conclusion of self-management accords.

The trade union shall participate in conclusion of a self-management accord which regulates the employment relation of workers in associated labor or which establishes bases and standards governing distribution of net income and distribution of funds for worker earnings and for joint worker consumption.

If the trade union does not sign the self-management accord referred to in Paragraph 2 of this article, the organization of associated labor has the right to apply that accord, but the trade union may file suit before a court of associated labor unless the constitutional court has jurisdiction.

The court of associated labor shall nullify a self-management accord or its individual provisions if it finds that they violate the workers' self-management rights, if in the distribution of net income and distribution of funds for worker earnings and joint worker consumption they violate relations which correspond to the principle of distribution according to work, or if they disrupt the normal flow of production, if in some other manner they disrupt the conduct of policy as set forth in social plans and social compacts, or if they violate the ethical principles of a socialist self-managed society.

In the case as referred to in Paragraph 4 of this article the workers shall be paid the guaranteed personal income.

Article 591

The procedure for concluding a self-management accord among organizations of associated labor or other entities as referred to in Article 586, Paragraphs 2 through 4, of this law shall be instituted in response to a written proposal from the authorized body of any of the potential participants.

Article 592

If the assembly of a sociopolitical community has prescribed that certain self-managed organizations and communities must conduct proceedings toward conclusion of a self-management accord, every self-managed organization or community to which this pertains may submit the proposal for conclusion of a self-management accord.

If within the prescribed period none of the self-managed organizations or communities submits a proposal for conclusion of a self-management accord, that proposal may be submitted by a trade union or competent body or agency of a sociopolitical community.

Article 593

A self-management accord among organizations of associated labor or other entities as referred to in Article 586, Paragraphs 2 through 4, of this law shall be concluded by their authorized bodies.

A self-management accord as referred to in Paragraph 1 of this article which pertains to matters on which the law prescribes that the workers shall decide by personal expression may become valid when concluded in the name of the organization of associated labor only when it has been supported by a majority of the workers in each basic organization within that organization.

Article 594

If a participant in conclusion of a self-management accord withdraws without good cause from further participation in the procedure of concluding the self-management accord and if the accord fails to be concluded for that reason, the participant withdrawing is required to reimburse the participants charged with making certain preparations a reimbursement in proportion to the share of the expenses incurred in making those preparations (expenses of preparing detailed studies, etc.).

If the interested participants do not agree on the amount of reimbursement, the participant who feels that he is entitled to reimbursement of expenses may refer the matter to a court of associated labor for a decision.

Article 595

Rights, duties and obligations of parties to a self-management accord shall accrue as of the date of its conclusion unless the self-management accord specifies otherwise.

Article 596

If a party to a self-management accord feels that the self-management accord violates the socioeconomic or other self-management relations as set forth in the constitution or law, he may propose to the other participants that the self-management accord be reevaluated.

The proposal referred to in Paragraph 1 of this article may also be presented by a third party, the public defender of self-management law and the assembly of the relevant sociopolitical community.

An organization of associated labor or other self-managed organization and community which is not a party to a self-management accord may propose to the parties to the self-management accord that the self-management accord be reevaluated in some portion which it feels violates its rights or legitimate interests based on law.

Article 597

A proposal for reevaluation of a self-management accord shall be delivered in writing to all the parties to the self-management accord, who must within 30 days from the date of delivery of the proposal take a position concerning the grounds of the proposal.

If all the parties to the self-management accord assent to the proposal, they shall within 30 days of the date of delivering their statements of position amend or supplement the self-management accord in that portion to which the proposal pertains and shall so inform the proponents.

If the parties to a self-management accord do not proceed in accordance with the provisions of Paragraphs 1 and 2 of this article, the proponents may introduce proceedings before a court of associated labor to ascertain whether a self-management accord which does not regulate socioeconomic and self-management relations in a general way should be nullified in its entirety or in some parts.

Article 598

A self-management or some part of it shall be nullified if it is not consistent with the constitution or if it contradicts law or the ethical principles of a socialist self-managed society.

As for the nullity of a self-management accord or some part of it which sets forth the financial obligations of the parties and with regard to the legal consequences of nullity, the principles which apply to contracts shall be appropriately applied.

Article 599

A self-management accord shall cease to be valid on the date specified or when a specified contingency comes about, if all its parties declare their concurrence in writing.

If the self-management accord specifies a definite period of validity, it shall cease to be valid upon expiration of that period of time unless before expiration of that period the parties agree to extension of the self-management accord's validity.

If a self-management accord specifies that its validity shall terminate upon the occurrence of some specified event, the self-management accord shall cease to be valid upon the occurrence of that event unless another self-management accord or law specifies otherwise.

If all the parties to an accord do not agree as to the occurrence of the event causing the termination of a self-management accord, an interested party may seek before an arbitration commission as set forth in the

self-management accord or before a court of associated labor a decree to the effect that the self-management accord has ceased to be valid.

Article 600

A party may cancel the self-management accord under the conditions and in accordance with the procedure foreseen by the self-management accord, in conformity with law.

For the participant who has canceled it the self-management accord ceases to be valid at the end of the period for notice of cancellation envisaged in the self-management accord, which shall begin to run on the date of delivery of the cancellation to all parties to the self-management accord.

If the self-management accord has not envisaged a period for notice of cancellation, the self-management accord shall cease to be valid for the participant who has canceled the self-management accord at the end of 6 months counted from the last day in the year in which the cancellation was delivered to all parties to the self-management accord.

Article 601

Any party to a self-management accord may propose that that accord be amended in view of altered circumstances making it difficult for parties to the accord to discharge their financial obligations.

If a party to the self-management accord does not concur in an amendment of the self-management accord proposed by an interested participant because of altered circumstances, the arbitration commission envisaged by the self-management accord or a court of associated labor may dissolve the self-management accord upon petition of an interested party, if it finds that there are sufficient grounds.

The dissolution of a self-management accord may not be sought if the party alluding to altered circumstances should have taken those circumstances into account at the time when the self-management accord was concluded or if he could have avoided or overcome them.

A party suing for dissolution of a self-management accord may not allude to altered circumstances which accrued after expiration of the date set for discharge of his obligation.

If a plea for dissolution of a self-management accord is upheld, the party who sued for dissolution shall be ordered, upon suit by the other parties, to make fair compensation to the other parties for the damages incurred thereby.

Article 602

A party to a self-management accord which has imposed financial obligations on parties to the self-management accord may sue for the self-management accord to be canceled with a party to the self-management accord who in spite of a warning has for a lengthy period been failing to discharge his obligation arising out of the self-management accord.

Article 603

If a self-management accord has been concluded by more than two parties, but the grounds for dissolution of the self-management accord because of altered circumstances or because of failure to discharge obligations arising out of the self-management accord pertain only to one of the parties, the self-management accord shall not be dissolved concerning the other parties unless that is contradictory to the nature of the relations governed by the self-management accord or the benefit which the parties to the self-management accord intended to obtain.

Article 604

A party to a self-management accord who does not discharge the financial obligations he has undertaken in the self-management accord shall be liable for compensation of the damages he has thereby caused the other parties to the self-management accord.

If the self-management accord envisages cash compensation to the other parties to the accord in a case of failure to discharge a financial obligation by a party to the self-management accord, and if the failure to discharge the obligation has caused greater damage than the amount of the cash compensation, the injured parties to the accord shall also be entitled to compensation for damages beyond the amount of the cash compensation.

Article 605

In a case of dissolution of a self-management accord which has been concluded by two parties, the parties are relieved of all obligations except the obligation to make compensation for damages or to pay the cash compensation.

A party who has discharged his obligation entirely or partially has the right to recover what he has furnished in discharging the obligation or the right to compensation for the benefit which the other participant has obtained.

In a case of dissolution of a self-management accord which has been concluded by more than two parties the provisions of Paragraphs 1 and 2 of this article shall apply to the parties for whom the self-management accord has been dissolved.

Article 606

If it has become impossible for a party to a self-management accord to discharge his financial obligation because of events for which neither he nor the other parties are responsible, their mutual obligations terminate; and if any of them has discharged those obligations, that party may demand recovery of what it has given.

In case of partial inability to discharge a financial obligation for which none of the parties to a self-management accord is responsible, every party may demand a proportional reduction of his obligation.

If in the case of partial inability to discharge a financial obligation as referred to in Paragraph 2 of this article the proportional reduction of obligations does not conform to a legitimate interest of some party to the self-management accord, that party may seek a decree that the self-management accord is void with respect to him.

If it has become impossible for some party to a self-management accord to discharge a financial obligation because of an event for which he or some other party to the self-management accord is responsible, the provisions of Paragraphs 1 through 3 of this article shall be suitably applied, and the party responsible for occurrence of the event must compensate for the damages to the other parties.

Article 607

The provisions of this law concerning the self-management accord shall be appropriately applied to the following:

- 1) contracts regulating self-management relations between workers of work communities and organizations, communities or bodies or agencies for which they perform tasks;
- 2) contracts which are concluded by working people who are self-employed professionals concerning their entry into association to form a temporary or lasting work community;
- 3) contracts concluded by farmers or other working people performing an activity independently with their own labor and privately owned assets or working people who are self-employed professionals whereby they pool their labor and assets on a basis of self-management with organizations of associated labor or with cooperatives;
- 4) contracts setting up contract organizations.

Article 608

The statute of limitations shall pertain to the right to sue for discharge of the following financial obligations arising out of a self-management accord:

- 1) payment of the amount of a wage or salary or other claim of a worker on the basis of the employment relation;
- 2) payment of compensation for damages caused by violation of a self-management accord;
- 3) payment of cash compensation as referred to in Article 604, Paragraph 2, of this law;
- 4) discharge of some other obligation to an individual consisting of a specific grant or act which can be given a money value.

The general provision concerning the statute of limitations on claims shall be appropriately applied to the limitation on action concerning the suits referred to in Paragraph 1 of this article, the statute of limitations in these cases being 3 years.

Section 4. Other General Self-Management Acts

Article 609

In the context of this law the term "other general self-management acts" refers to acts which regulate in a general way socioeconomic relations and other self-management relations among workers or other working people within organizations of associated labor, self-managed special-interest communities and other self-managed organizations and communities, which regulate procedure for the exercise of rights and discharge of obligations and responsibilities in those organizations and communities, which establish offices and bodies in those organizations and communities, their sphere of activity, authority and procedure for exercise of their function, and which govern other matters concerning the internal organization of work and conduct of business in self-managed organizations and communities (bylaws, the regulation, the decision which regulates certain matters in a general way, rules of order, etc.).

Article 610

The self-management accord and bylaws shall state which general self-management acts are enacted in the organization of associated labor or other self-managed organization or community, the matters to be regulated by such acts, who shall enact them, and the procedure to be followed in their enactment.

The bylaws or other general self-management act consistent with the bylaws shall regulate procedure for enactment and enforcement of individual self-management acts within the organization of associated labor with respect to exercise of rights and discharge of obligations and duties by the workers.

Article 611

The bylaws of the basic organization shall be proposed by the workers' council and adopted by the workers of the basic organization of associated labor by majority vote of all the workers. Other general self-management acts of the basic organization shall be adopted by the workers by majority vote of all workers in the basic organization or by the workers' council by majority vote of all the members of the workers' council.

The bylaws of the work organization or of the complex organization shall be proposed by the workers' council and adopted by the workers of the basic organization of that organization by a majority vote of all workers in each of those organizations. The other general self-management acts of the work organization or complex organization shall be adopted, in accordance with the self-management accord concerning entry into association and the bylaws, by its workers' council by a majority vote of all members of the council.

Article 612

The bylaws of the organization of associated labor or other self-managed organization or community may not contradict the self-management accord concerning entry into association, and their other general self-management acts must be in conformity with the bylaws.

The provisions of other general self-management acts which contradict the self-management accord concerning entry into association and bylaws may not be enforced.

All individual official acts of bodies and offices and authorized workers in the organization of associated labor must be in conformity with the relevant general self-management act.

Article 613

The general self-management acts of the organization of associated labor must conform to obligations assumed under self-management accords which it has concluded or which it enters into.

Article 614

Provision must be made in the basic organization so that every worker is furnished the self-management accord whereby the workers pool their labor

in the basic organization, the bylaws and other general self-management acts regulating the employment relation and the amendments and supplements made following their enactment, and the other general self-management acts of the basic organization must also be accessible to him.

Article 615

When so requested by the assembly of the opstina where an organization has its headquarters or conducts its activity, by the public defender of self-management law, by the Social Accounting Service or by other authorities specified by law in the exercise of their rights and discharge of their duties, the organization of associated labor must furnish them for examination a general self-management act they need to exercise their rights and discharge their duties.

Chapter VII. Public Protection of Self-Management Rights and Social Ownership

Section 1. Forms and Measures of Public Protection

Article 616

Public protection of social ownership shall include protection of the socialist socioeconomic relations of self-management which are based on social ownership.

The public protection provided for in Paragraph 1 of this article shall provide protection of the right to work with socially owned assets and other rights based on social ownership when their exercise has been hindered or infringed upon, when socially owned assets are usurped or when socially owned assets are disposed of illegally in some other manner, or when socially owned assets are used contrary to the nature and purpose of those public assets, when the public interest is seriously violated in the use, management and disposition of socially owned assets, or when the social function of social ownership is obstructed in some other manner.

Article 617

In its exercise of the function of public protection the assembly of the sociopolitical community shall take temporary measures if self-management relations are essentially disrupted or the public interest seriously damaged in an organization of associated labor or if an organization of associated labor has been failing to meet its obligations as set forth in law.

Article 618

The temporary measures of public protection established by law shall be taken by the assembly of the opstina, and also, when the law so specifies, by the assembly of other sociopolitical communities.

The temporary measures of public protection shall be taken by the assembly of the sociopolitical community in which the organization of associated labor has its headquarters or is performing its activity.

Article 619

In the context of this law it shall be taken that self-management relations have been disrupted in an organization of associated labor in the following cases:

- 1) if the workers are not exercising their rights to make decisions in the basic organization concerning the determination and distribution of income and distribution of funds for worker earnings and for joint worker consumption or if there is a deviation from the bases and standards governing distribution of net income and distribution of funds for worker earnings and for joint worker consumption as set forth in the self-management accord and other general self-management acts;
- 2) if the workers' exercise of the right to manage the operation and business of the organization of associated labor and to make decisions on socially owned assets within the basic organization has not been ensured;
- 3) if the workers have not been ensured the exercise of their right in the basic organization to act on their own and as equals in regulating their rights and obligations that arise out of their mutual relations in associated labor, to exercise those rights and discharge those obligations, and to make decisions on matters for which provision has been made that they should be decided by direct personal expression of the workers;
- 4) if the workers in a part of an organization of associated labor have been prevented from organizing themselves as a basic organization when the required conditions have been met or from deciding on other organizational changes;
- 5) if a general self-management act whose enactment is required by law is not enacted within the period specified by law in the organization of associated labor;
- 6) if the workers are not provided regular, timely, truthful and complete information concerning matters and relations pertinent to the exercise of their self-management rights;
- 7) if the exercise of self-management workers' control has not been ensured;
- 8) if every basic organization in a work organization has not been given representation on the workers' council of a work organization;

9) if an officer or body in an organization of associated labor has not been performing functions within its sphere of activity or has overstepped its authority, thereby causing an essential infringement on self-management rights or social ownership; and

10) in other cases as envisaged by law.

The assembly of the sociopolitical community shall make a determination as to whether in the cases referred to in Paragraph 1 of this article there has been an essential disruption of self-management relations in the organization of associated labor.

Article 620

In the context of this law it shall be taken that an organization of associated labor has injured the public interest in the following cases:

1) if it does not adopt a plan within the period specified by the bylaws of the basic organization, the self-management accord concerning entry into association, or law;

2) if in distributing net income or in distributing funds for worker earnings and for joint worker consumption it violates those relations which correspond to the principle of distribution according to work or disrupts the regular flow of social reproduction;

3) if it fails to give up socially owned assets which are not assigned for its permanent use to be used by interested organizations of associated labor in accordance with law and a self-management accord, or if it uses social assets in an unefficacious manner from the socioeconomic standpoint, or if it fails for some length of time to replenish, augment, and improve socially owned assets, when the economic and other conditions exist for their replenishment, augmentation and improvement;

4) if it fails to ensure exercise of the workers' rights related to their material support and social security;

5) if it commences construction of a capital investment project when it has not made provision for funds to complete construction of the project;

6) if in the conduct of its business it inflicts appreciable damage on the public community in violation of statutes;

7) if it fails to carry out the prescribed measures for industrial safety;

8) if it fails to perform tasks in the domains of nationwide defense and social self-protection; and

9) in other cases as envisaged by law.

The assembly of the sociopolitical community shall make a determination as to whether the public interest has been seriously injured in the cases referred to in Paragraph 1 of this article.

Article 621

In the context of this law it shall be taken that an organization of associated labor has not been meeting its legally established obligations if it has failed to meet its obligations to the public community frequently or over a lengthy period.

Article 622

The assembly of the sociopolitical community may take the following temporary measures of public protection against an organization of associated labor:

- 1) removal of the executive officer (professional manager);
- 2) removal of individual workers vested with special authority and responsibility;
- 3) dissolution of the workers' council;
- 4) dissolution of the executive body;
- 5) temporary restriction on the workers' exercise of certain self-management rights;
- 6) appointment of a temporary officer or body in the organization of associated labor;
- 7) and other temporary measures as prescribed by law.

The temporary measures referred to in Points 5 and 6 of Paragraph 1 of this article may not remain in effect longer than the time specified by law, but such time not to exceed 1 year.

Article 623

Initiative for adoption of temporary measures of public protection toward an organization of associated labor may be taken by the worker caucus of the basic organization, the body for self-management workers' control, the trade union, the Social Accounting Service, the founder of an organization of associated labor, the competent body or agency of the assembly of the sociopolitical community, a court or creditor.

The public defender of self-management law has the right and duty to submit a petition to the assembly of the sociopolitical community that it take the measures referred to in Paragraph 1 of this article.

Article 624

The decision to dissolve a workers' council shall also contain provision concerning the calling of an election for new members of the workers' council.

Article 625

The decision to dissolve the executive body shall also contain provision concerning the date by which the workers' council must elect members of a new executive body.

Until election of the new executive body the rights and duties of that body shall be temporarily exercised and discharged by the workers' council.

Article 626

The decision to remove an executive officer (professional manager) of an organization of associated labor shall also contain provision concerning enactment of a competition for choice of a new executive officer (professional manager) and for appointment of a person who will temporarily exercise the rights and discharge the duties of that executive officer (professional manager).

Article 627

The decision to remove a worker who is vested with special authority and responsibility shall appoint a worker who shall perform the functions of the worker who has been removed until a new worker is appointed and shall also specify the date by which another worker vested with special authority and responsibility shall be appointed or assigned.

Article 628

The assembly of a sociopolitical community may appoint a temporary officer or body in an organization of associated labor if particularly serious violations as referred to in Articles 619 through 621 of this law have been committed in it.

Article 629

Before adopting a decision to take a temporary measure of public protection the assembly of the sociopolitical community may set a deadline by which the workers in the organization of associated labor shall remove the causes which were the grounds for taking the temporary measure.

If the causes which were the grounds for taking the temporary measure as referred to in Paragraph 1 of this article are not removed in the organization of associated labor by the date specified, the assembly of the

sociopolitical community may adopt the decision to appoint a temporary officer or body and may prescribe measures to remove the causes for which the measure was ordered.

Article 630

A decision to appoint a temporary professional management entity and its authority shall be entered in the court register.

Article 631

The decision of an assembly of a sociopolitical community appointing a temporary officer or body shall state whether all or which of the various officers and bodies of the organization of associated labor are dissolved or removed and which functions of workers' management or which executive or professional management functions shall be taken over by the temporary officer or body.

Article 632

The tenure of office of the temporary officer or body shall terminate on the date of expiration of the period of appointment.

The temporary officer or body, the body of workers' management or the workers in the organization of associated labor may propose to the assembly of the sociopolitical community which has adopted a decision to order a temporary measure that the measure be revoked before the time specified if the causes leading to its adoption have been removed.

The initiative referred to in Paragraph 2 of this article may also be taken by the trade union and the public defender of self-management law.

The assembly of the sociopolitical community which has appointed a temporary officer or body must monitor the enforcement of that measure so long as it persists and judge whether the grounds still exist for enforcement of that temporary measure.

Termination of the measure referred to in Paragraph 1 of this article shall be entered in the court register.

Article 633

A decision adopting a temporary measure of public protection shall be regarded as a final act.

Article 634

The provisions of this law concerning the temporary measures of public protection shall be appropriately applied to the bodies of workers'

management, executive body and professional management entity in a work community of an organization of associated labor, in a bank, in a mutual insurance community, in an agricultural cooperative or other cooperative, in a self-managed special-interest community, or in another self-managed organization or community, unless law states otherwise.

Article 635

The provisions of Articles 615 through 634 of this law shall be appropriately applied to protection of the self-management rights of workers and of social ownership in other self-managed organizations and communities unless law states otherwise.

Section 2. Resolution of Disputes Which Cannot Be Settled in the Normal Way

Article 636

In case of a dispute which arises between workers of individual parts of an organization of associated labor or between workers and offices or bodies in an organization or between workers in an organization and an agency or body of a sociopolitical community, which has not been solved in the normal way, the workers have the right and duty to present their demands to the trade union.

At the request of the workers or on its own initiative the trade union shall institute proceedings before the body of workers' management in the organization of associated labor when the dispute has arisen between workers in separate parts of an organization or between the workers and an officer or body in the organization, and if the dispute has arisen between workers in an organization and an agency or body of a sociopolitical community, it shall institute proceedings before the competent body of workers' management in the organization of associated labor and the relevant body or agency of the sociopolitical community, and together with them shall arrive at a basis and measures for resolving the dispute.

Article 637

At the request of the workers the workers' council must immediately institute the proceedings, must complete those proceedings as urgent business, and must report its decision to the workers.

Article 638

If the nature of the dispute is such that it could cause a disruption in operations and in self-management relations or if it could lead to considerable damage, the workers must so inform the trade union, other sociopolitical organizations and the assembly of the sociopolitical community. The workers shall at the same time appoint their delegate who will

join with representatives of the trade union and other sociopolitical organizations and the assembly of the sociopolitical community in creating a joint committee to resolve the dispute which has arisen.

Settlement of a dispute in a manner which does not conform to the provisions of Paragraph 1 of this article shall be regarded as a violation of work duties or a violation of official position in self-management.

Article 639

If the workers or the trade union are not satisfied with the progress and manner in settlement of a dispute, the trade union shall request that the assembly of the relevant sociopolitical community examine the workers' claim.

If the assembly of the sociopolitical community finds that the demand referred to in Paragraph 1 of this article is justified, it may, if the workers so demand, dissolve the workers' council or remove the executive body or professional management entity, as well as other workers vested with special authority and responsibility, if the dispute arose because of their improper work or behavior.

Article 640

If a dispute has arisen with a body or agency of a sociopolitical community or if the dispute has occurred for reasons pertaining to matters which are not decided by direct personal expression of the workers or by the workers' council, the workers' council shall request that the assembly of the sociopolitical community which is competent adopt the appropriate regulations or measures within the limits of its competence.

Section 3. Supervision as to Legality in the Operations of Organizations of Associated Labor

Article 641

Supervision as to legality in the operations of organizations of associated labor shall be exercised by the competent body or agency of the opstina in which the organization of associated labor has its headquarters unless the law states that such supervision shall be exercised by the body or agency of another sociopolitical community.

By supervision as to legality in operations, as referred to in Paragraph 1 of this article, is meant oversight concerning the consistency of the general self-management acts of an organization of associated labor with the constitution and law and with other general self-management acts they must be consistent with.

In exercising supervision over the legality in the operations of organizations of associated labor the body or agency referred to in Paragraph 1 of this article shall have the rights and duties set forth in law.

Article 642

In exercising supervision over legality in the operations of organizations of associated labor the assembly of the opstina has the right and duty to partially or entirely suspend any general self-management act of the organization of associated labor which is contrary to law or a general self-management act with which it must be consistent.

Article 643

If the executive officer (professional manager) or chairman of the professional management entity of the organization of associated labor has stayed execution of a general self-management act or decision of the workers' council or other officer or body in the organization of associated labor which is not in conformity with the constitution or which is contrary to law, he shall immediately report this to the competent opstina assembly. The competent assembly must within 30 days of receipt of such notice take up the general self-management act or decision which has been suspended and make a ruling.

If within the period referred to in Paragraph 1 of this article the opstina assembly does not make a decision, the general self-management act or decision which has been suspended may be enforced.

Article 644

The assembly of a sociopolitical community may in conformity with law stay execution of a decision, other act or action of an organization of associated labor which violates the self-management rights of the workers and social ownership.

If the opstina assembly stays execution of a general self-management act or decision of a workers' council or other officer or body of an organization of associated labor which it deems to be inconsistent with the constitution or contrary to law, it must within 8 days of the date when the suspension was adopted institute proceedings before a constitutional court for a ruling as to the constitutionality or legality of the act which has been suspended.

If an opstina assembly has stayed execution of a general self-management act or decision of a workers' council or other body or officer of an organization of associated labor which it deems to be inconsistent with another general self-management act with which it must be consistent, it shall within 8 days from the date of suspension institute proceedings before a court of associated labor for evaluation of consistency.

If within the period stated in Paragraphs 2 and 3 of this law the opstina assembly does not institute proceedings before the constitutional court or court of associated labor, the suspension shall lapse, and the general self-management act which has been suspended may be enforced.

Article 645

When so requested by a body or agency exercising supervision as to the legality of its operations, the organization of associated labor must furnish that body or agency the information and data necessary for exercise of that supervision.

Article 646

The provisions of Articles 641 through 645 of this law concerning supervision as to the legality in the operations of organizations of associated labor shall also apply to other self-managed organizations and communities unless the law states otherwise.

Part Five. Punitive Provisions

Chapter I. Economic Violations

Article 647

A fine of not less than 50,000 and not more than 1 million dinars shall be imposed for an economic violation on an organization of associated labor if it enters into association or establishes links with another organization of associated labor contrary to the provision of Article 21, Paragraph 2, of this law or performs any other action or activity contrary to that provision.

A fine of not less than 2,000 and not more than 30,000 dinars shall also be imposed on the responsible person in the organization of associated labor for an economic violation as referred to in Paragraph 1 of this article.

The penalty referred to in Paragraph 2 of this article shall also be imposed for an economic violation on the responsible person who in a government agency or body commits an action contrary to the provision of Article 21, Paragraph 2, of this law.

Article 648

A fine of not less than 50,000 and not more than 1 million dinars shall be imposed for an economic violation on a basic organization in the following cases:

- 1) if it does not distribute all joint sales revenue among all basic organizations which participated in creating it or if it does not make a temporary and simultaneous distribution of that joint sales revenue to all basic organizations immediately upon its realization (Article 70, Paragraphs 1 and 2);
- 2) if by depreciation and amortization it does not compensate for the diminished value of things or rights and interests in things (Article 106, Paragraph 1) or if in setting the rate of amortization or depreciation it creates funds for investment in excess of the value of capital assets (Article 106, Paragraph 4);
- 3) if it fails to create reserve funds as required under Article 121 of this law;
- 4) if it uses reserve funds contrary to the provisions of Article 122 of this law;
- 5) if it manages joint reserve funds contrary to the provision of Article 23, Paragraph 2, of this law;
- 6) if from the net income of the basic organization it does not first provide funds for worker earnings up to the amount of guaranteed personal income (Article 133, Paragraph 1).

A fine of not less than 2,000 and not more than 30,000 dinars shall be imposed upon the responsible person in the basic organization for an economic violation as referred to in Paragraph 1 of this article.

Article 649

A fine of not less than 50,000 and not more than 1 million dinars shall be imposed for an economic violation on an organization of associated labor or other public juridical person if before adopting an act of establishment of a work organization it does not first examine and approve a detailed study concerning the social or economic justifiability of that establishment (Articles 353 and 356) or if it fails to obtain the required opinions concerning that matter (Articles 354 and 356).

A fine of not less than 2,000 and not more than 30,000 dinars shall also be imposed on the responsible person in the organization of associated labor or other public juridical person for an economic violation as referred to in Paragraph 1 of this article.

Article 650

A fine not to exceed 500,000 dinars shall be imposed on an organization of associated labor for an economic violation in the following cases:

- 1) if it engages in transactions of wholesale trade in goods and services or export and import transactions or other transactions in foreign trade without having concluded a self-management accord with a manufacturing or other organization of associated labor with which it has a lasting business relationship (Article 72, Paragraph 5);
- 2) if it is an organization engaged in resale trade in goods and services and fails to establish the legally prescribed cooperation with consumers organized in local communities and other self-managed communities and organizations of consumers (Article 78);
- 3) if before final settlement of a dispute related to organization of a basic organization and contrary to the will of the workers who have adopted a decision to organize it it takes measures or adopts a decision whereby the rights, duties or responsibilities of those workers are altered (Article 330, Paragraph 3);
- 4) if it transfers to a work community matters on which decisions are to be made by the bodies of workers' management (Article 402);
- 5) if it fails to adopt a self-management accord regulating the rights, duties and responsibilities of the work community in legal transactions with third parties involving the socially owned assets in the possession of the work community (Article 406);
- 6) if it performs an activity for which it has not been granted authority (Articles 410 and 411) or engages in transactions outside the limits of activity entered in the court register (Article 415);
- 7) if it commences an activity or alters the conditions for performance of an activity before the competent body or agency has issued a decision to the effect that conditions have been met with regard to technical equipment, industrial safety or other prescribed conditions (Article 412);
- 8) if it changes its activity before the prescribed conditions have been met (Articles 413 and 414).

The responsible person in the organization of associated labor shall be fined no more than 20,000 dinars for an economic violation as referred to in Paragraph 1 of this article.

Chapter II. Misdemeanors

Article 651

A fine not to exceed 50,000 dinars shall be imposed for a misdemeanor upon an organization of associated labor or other self-managed organization or community if it does not inform the workers in the basic organization at least once in 6 months concerning operating results in use of socially

owned assets which have been pooled or if it fails to fulfill that obligation within the interval and in the manner set forth in a self-management accord or other general self-management act (Article 145).

The responsible person in the organization of associated labor or other self-managed organization or community shall also be fined up to 10,000 dinars for a misdemeanor as referred to in Paragraph 1 of this article.

Article 652

A fine up to 50,000 dinars shall be imposed for a misdemeanor upon an organization of associated labor in the following cases:

- 1) if it deprives a worker who has established an employment relation for a specified period of those rights to which he is entitled under the provision of Article 174 of this law;
- 2) if in a general self-management act consistent with the self-management accord whereby the workers pool their labor in the basic organization it does not regulate rights, duties and responsibilities under the provisions of Article 179 and Article 180, Paragraph 3, of this law or if it regulates them contrary to those provisions;
- 3) if it establishes a longer workday or workweek than specified by law (Article 184, Paragraph 1);
- 4) if it does not schedule working hours to provide rest periods (Article 184, Paragraph 8);
- 5) if it fails to carry out a self-management accord whereby workers pool their labor in the basic organization, social compacts and self-management accords and granting workers rights concerning time off and vacation, leave, special protection of pregnant women, and other rights to protect motherhood, young people, victims of industrial accidents and other disabled persons (Article 189);
- 6) if it fails to reemploy a worker entitled to reemployment because he interrupted his employment to do required military service, because he was sent to work abroad, or because he was elected or appointed to public office (Articles 191 and 192);
- 7) if it makes a decision to terminate a worker's employment relation contrary to the provisions of Articles 211, 212, 213, 215, 216 and 218 of this law;
- 8) if within the specified period it does not issue a valid court order enacted in proceedings to protect rights of workers (Article 225);

- 9) if within the prescribed period it does not call a meeting of the workers to ascertain whether conditions exist for organizing a basic organization (Article 329, Paragraph 2);
- 10) if within 8 days of enactment it does not deliver a decision whereby a basic organization is organized to all basic organizations within the same work organization or to other workers (Article 330, Paragraph 1);
- 11) if within 8 days of the date of enactment it does not deliver a decision to withdraw from a work organization to all basic organizations within the work organization and to the body of workers' management of the work organization (Article 340, Paragraph 1);
- 12) if it begins to conduct business before advance registration of the final decision to organize a temporary basic organization has been entered in the court register (Article 364, Paragraph 6);
- 13) if it fails to report the establishment, organization, incorporation or dissolution or changes in status or other changes for purposes of entry in the court register (Articles 289, 290, 302, 318 and 345, Article 376, Paragraph 2, Article 386, Paragraph 3, and Articles 436, 437 and 448);
- 14) if it does not report its trade name or title for entry in the court register or if it fails to change its trade name or title when required to do so, or if it fails to report a change in trade name or title for purposes of entry in the court register (Article 416, Paragraph 5, and Articles 435, 436 and 437);
- 15) if it moves its location to another opstina and fails to notify the competent body or agency of the opstina where it formerly had its location and the competent body or agency of the opstina into which its location is being moved (Article 419, Paragraph 4);
- 16) if it does not enter the authority of its agent or restrictions of his authority in the court register (Article 438, Paragraph 5);
- 17) if it appoints an executive officer (professional manager) without public competition or in the absence of a nomination by the search commission (Article 504, Paragraph 2);
- 18) if it appoints a chairman or member of the professional management body contrary to the provisions of Article 509 of this law;
- 19) if it fails to act in accordance with a valid order by a court of associated labor to dismiss or dissolve a professional management entity (Article 521, Paragraph 7);
- 20) if it does not furnish the workers regular information concerning every aspect of business operation and all matters that have a bearing

on management and decisionmaking and exercise of self-management workers' control (Article 546, Paragraph 1, and Article 547) or if it refuses to furnish a worker information about the operation or about execution of decisions of the workers' council or executive body or about the work of a professional management entity (Article 546, Paragraph 2);

21) if it fails to register a decision concerning appointment of a temporary officer or body of professional management in the court register (Article 630).

The responsible person in the organization of associated labor shall be fined up to 10,000 dinars for a misdemeanor as referred to in Paragraph 1 of this article.

Article 653

A fine up to 50,000 dinars shall be imposed for a misdemeanor on a basic organization in the following cases:

1) if it does not compute joint sales revenue by the dates fixed in the self-management accord (Article 70, Paragraph 3);

2) if during the year it determines and pays provisional worker earnings as an advance for a period longer than 1 month (Article 134, Paragraph 1);

3) if it does not represent the operating results of the workers or its business operation in the required indicators or does not so represent them in the manner and by the required time so that its workers or bodies of workers' management or bodies of workers' management in the organization of associated labor with which it has pooled its labor and assets or competent body or agency of the sociopolitical community are unable to determine, examine or evaluate the operating results of the workers or conduct of business in that basic organization (Articles 139, 140, 143 and Article 144, Paragraph 1);

4) if by the dates and in the manner prescribed by the Social Accounting Service it does not furnish that service information on the basis of the indicators referred to in Articles 140 and 143 of this law (Article 144, Paragraph 3);

5) if at the end of each quarter it does not compile a quarterly financial report or if at the end of the fiscal year it does not compile a year-end financial statement (Article 149);

6) if at the end of the quarter it does not adopt a decision for temporary distribution of income or if at the end of the fiscal year it does not adopt a decision for final distribution of income (Article 151, Paragraphs 1 and 2).

The responsible person in the basic organization shall be fined up to 10,000 dinars for a misdemeanor as referred to in Paragraph 1 of this article.

Article 654

An organization of associated labor shall be fined up to 30,000 dinars for a misdemeanor in the following cases:

- 1) if it establishes an employment relation with a person who does not meet the prescribed conditions (Article 168, Paragraphs 2 through 4);
- 2) if a worker begins to work before having established the employment relation in the manner and under the conditions set forth in the general self-management act regulating the employment relation and in law (Article 169, Article 173, Paragraphs 1 and 2, and Article 214, Paragraph 1);
- 3) if in an advertisement or announcement of the competition it does not publish in the prescribed manner the conditions a worker must fulfill to perform the jobs or work duties or the conditions under which a trainee is accepted (Article 170, Paragraphs 2 and 3, and Article 176, Paragraph 4);
- 4) if with respect to the period of validity it establishes with a worker an employment relation contrary to the general self-management act regulating the employment relation or contrary to law (Article 174, Paragraphs 1, 2, 3 and 7, and Article 176, Paragraphs 1 and 2);
- 5) if it assigns a worker work duties or jobs whose performance is not covered by an employment relation or which do not correspond to his professional training or skill acquired by experience (Article 177);
- 6) if it fails to deliver to a worker in writing a decision containing a ruling concerning his rights, duties or responsibilities (Article 181, Paragraph 5);
- 7) if it fails to deliver a worker in writing a decision whereby his employment relation is terminated, including the grounds for that decision and instruction as to his right of appeal (Article 219);
- 8) if as party to a self-management accord it fails to deposit that accord in the economic chamber of which it is a member (Article 398);
- 9) if it does not use its trade name or title in commerce in the manner set forth in the entry in the court register (Article 430, Paragraph 1);
- 10) if it does not display its trade name or title or abbreviated trade name or title at its place of business (Article 430, Paragraph 3);

11) if an acting executive officer (professional manager) or acting chairman of the professional management body remains in that position longer than 6 months (Article 510, Paragraph 3);

12) if in furnishing information to the workers it does not simultaneously furnish that same information to the body for self-management workers' control and the trade union (Article 548);

13) if it does not inform the workers and trade union concerning admonitions, findings and decisions of the public defender of self-management law, the Social Accounting Service, the body or agency competent for exercise of supervision as to legality of operation, courts, agencies or bodies of sociopolitical communities, or the trade union when so requested by those bodies, agencies or organizations (Article 549);

14) if it does not make a general self-management act public in the manner set forth in the general self-management act, unless otherwise provided for in law (Article 577);

15) if it does not see that every worker receives the self-management accord whereby the workers pool their labor in the basic organization, the bylaws and other general self-management acts regulating the employment relation and if it does not make other general self-management acts accessible to him (Article 614);

16) if at the request of the opstina assembly, public defender of self-management law, Social Accounting Service or other body specified by law it does not deliver the general self-management act which has been sought for examination (Article 615);

17) if it does not furnish an agency or body exercising supervision as to legality of operation that information or data necessary to the exercise of supervision when that agency or body so requires (Article 645).

The responsible person in the organization of associated labor shall also be fined up to 5,000 dinars for a misdemeanor as referred to in Paragraph 1 of this article.

Article 655

A basic organization shall be fined up to 30,000 dinars for a misdemeanor in the following cases:

1) if it does not indicate separately in its business records sales receipts which constitute joint sales revenue or revenue from which joint income is obtained (Article 109, Paragraph 3);

2) if in paying advances against earnings to the worker it does not furnish him a written breakdown of the payment to all the bases and standards used in computing the advance (Article 134, Paragraph 3);

3) if it does not draw up a final account of each worker's earnings when it draws up the year-end statement (Article 135) or does not furnish each worker in writing the final computation of his earnings (Article 136).

The responsible person in the basic organization shall also be fined up to 5,000 dinars for a misdemeanor as referred to in Paragraph 1 of this article.

Article 656

A fine up to 10,000 dinars shall be imposed for a misdemeanor upon the executive officer (professional manager) if he does not annually put to a vote by the workers proposals concerning the fixing of obligations under Article 113, Paragraph 1, of this law or does not provide at least 30 days for workers to vote on the basic organization's obligations met from its income (Article 113, Paragraph 2).

The penalty referred to in Paragraph 1 of this article shall be imposed for a misdemeanor upon the chairman or member of the professional management body which that body has commissioned to perform the duty cited in that paragraph, when he has failed to perform it.

Article 657

A fine up to 10,000 dinars shall be imposed for a misdemeanor on the executive officer (professional manager) or responsible person in the relevant staff service of a basic organization if the information or report concerning operating results and business of the basic organization for purposes of determining the quarterly statement or year-end statement contain erroneous data or inaccurate professional assessments or if presentation was late (Article 150, Paragraphs 1 and 3).

The penalty referred to in Paragraph 1 of this article shall be imposed for a misdemeanor upon the chairman or member of a professional management body whom that body has commissioned to compile or submit the information or report, and he has compiled or submitted that information or report contrary to the obligation cited in that paragraph.

The responsible person in the authorized specialized organization commissioned to draw up the information or report shall also be liable to the fine mentioned in Paragraph 1 of this article for the misdemeanor referred to in Paragraph 1 of this article (Article 150, Paragraph 3).

Article 658

A fine up to 10,000 dinars shall be imposed for a misdemeanor upon an individual if he pools his labor or assets in two or more contract organizations (Article 304).

Chapter III. Remission of Punishment and Relief From Punishment

Article 659

The punishment of an organization of associated labor for an economic violation or misdemeanor may be remitted or it may be relieved from punishment if the economic violation or misdemeanor was discovered and reported by the body for self-management workers' control or other officer or body of that organization or if the workers in that organization discovered and reported the economic violation or misdemeanor.

Part Six. Transitional and Final Provisions

Article 660

Existing basic and other organizations of associated labor, business communities and organizations of a trade association must make their organizational setup, self-management accord concerning entry into association other self-management accords, bylaws and other general self-management acts consistent with the provisions of this law by the dates fixed in programs for implementation of the provisions of this law, but no later than 2 years from the date when this law takes effect.

Agricultural and other cooperatives and self-managed special-interest communities must bring their organizational setup and self-management accord establishing them, other self-management accords, bylaws and other general self-management acts into conformity with the provisions of this law by the date set in the law of the republic or autonomous province.

Article 661

Organizations, communities and cooperatives as referred to in Article 660 of this law must put in applications for relevant changes in the court register of organizations of associated labor within 6 months following the date when statutes concerning entry in the court register (Article 668, Paragraph 2) are brought into conformity with this law.

Article 662

The provisions of this law concerning determination of gross income, distribution of income and net income, and distribution of funds for worker earnings and joint consumption of the workers shall be put into effect no later than 1 January 1978.

Article 663

The provisions of this law pertaining to mutual insurance communities for insuring property and persons, banks and other financial organizations shall be put into effect as of the date of application of provisions of

laws regulating the basic principles of the system for insuring property and persons and the basic principles of the banking system.

Article 664

The provisions of Article 417, Paragraph 6, and of Article 422 of this law shall not apply to the title of basic organizations and trade names of organizations of associated labor which are entered in the court register as of the date when this law takes effect.

Article 665

With respect to the statute of limitations on the claims referred to in Article 608 of this law which came due before the date when the law takes effect, the relevant statutes and regulations in effect on that date shall be applied.

If a claim did not come due before the date when this law takes effect, and the statute of limitations specified in Article 608 of this law is longer than the period specified by the previous regulation, with respect to the statute of limitations the provision of Article 608 of this law shall apply, but if the statute of limitations specified by this law is shorter than the period specified by the previous regulation, the previous regulation shall apply with respect to the statute of limitations.

Article 666

The legal consequence of a prohibition against appointment or election as the executive officer or member of the collegium and as acting executive officer which has been instituted before the date when this law takes effect and which was imposed because of a conviction for the crimes listed in the provision of Article 134, Paragraph 3, of the Law on Incorporation and Entry in the Court Register of Organizations of Associated Labor (SLUZBENI LIST SFRJ, Nos 22, 1973, and 63, 1973) shall last until 10 years have passed, counted from the date when the sentence was served, pardon was issued or the statute of limitations expired on execution of the penalty.

On the day when this law takes effect the legal consequence of a prohibition against appointment or election as executive officer or member of the collegium and as acting executive officer which was instituted on the basis of the provision of Article 134, Paragraph 4, of the Law on Incorporation and Entry in the Court Register of Organizations of Associated Labor shall terminate.

Article 667

The following shall cease to be valid on the date when this law takes effect:

1) Law on Incorporation and Entry in the Court Register of Organizations of Associated Labor (SLUZBENI LIST SFRJ, Nos 22, 1973, and 63, 1973);

2) Law on Trade Names and Titles of Organizations of Associated Labor (SLUZBENI LIST SFRJ, No 22, 1973);

3) Law on the Trade Association (SLUZBENI LIST SFRJ, No 23, 1972).

On the date specified in the law of the republic or autonomous province, but no later than 31 December 1977, the following shall cease to be valid:

1) Law on Mutual Relations Among Workers in Associated Labor (SLUZBENI LIST SFRJ, No 22, 1973);

2) Law on Trade and Commerce Involving Socially Owned Assets of Basic Organizations of Associated Labor (SLUZBENI LIST SFRJ, No 22, 1973).

Article 668

The Decree on Entries in the Court Register of Organizations of Associated Labor (SLUZBENI LIST SFRJ, No 42, 1973) and the Decree on Keeping the Court Register of Organizations of Associated Labor (SLUZBENI LIST SFRJ, No 65, 1973) shall remain in force even after this law takes effect.

The regulations referred to in Paragraph 1 of this article must be brought into conformity with the provisions of this law within 3 months from the date when it takes effect.

Article 669

If proceedings to organize the basic organization, to establish a work organization, to establish a complex organization, or to establish the organization of a trade association or proceedings to make changes in status (separation, merger, etc.) are under way as of the date when this law takes effect, they shall be completed according to the provisions of this law.

Article 670

The SFRY Assembly shall create a commission to monitor implementation and enforcement of this law.

Article 671

This law shall take effect on the eighth day after publication in SLUZBENI LIST SFRJ.

7045

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END

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