

IZTOK OSTAN, D. Sc.  
E-mail: iztok.ostan@fpp.edu  
Univerza v Ljubljani  
Fakulteta za pomorstvo in promet  
Pot pomorščakov 4, Portorož, Republika Slovenija

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## MODELS OF SOCIAL EXPLOITATION WITH SPECIAL EMPHASIS ON SLOVENE TRAFFIC ECONOMICS

### ABSTRACT

*In order to decipher the organisational behaviour operating in the transport sector of the economy it is necessary to discover the prevalent patterns of social exploitation at work. Preliminary results of a study of experienced irregular traffic students show that, according to them there is no significant difference in Slovenia between exploitation in traffic and other sectors. Thus, general models of exploitation could be used to explain the behaviour in the traffic sector. Empirical research among Slovene students showed that according to their statements in the 90s the managerial and capitalistic types of exploitation prevailed in Slovenia over non-exploitative types of economic behaviour. It also showed that statements of students do not differ much from those of the general public regarding this question, nor from the statements of irregular students with extensive work experience. It was also found that there were no substantial differences between the statements of Italian and Slovene students regarding the type of exploitation operative in their countries. Students of traffic are basically of the same opinion regarding this topic as students in general, though slightly more critical, especially towards business managers and politicians.*

### KEY WORDS

*traffic economics, social exploitation, models of enterprises*

### 1. THEORETICAL INTRODUCTION

For an understanding and explanation of organisational behaviour it is important to choose theoretical models that are suitable for the specific economic reality. Changes in technology and social powers induced us to develop a new managerial model of enterprise exploitation [1]. In this paper we present results of empirical research on students' perception of models of exploitation in the Slovene economy. In these studies we also tried to find out which exploitative or non-exploitative models of exploitation are suitable for enterprises in the traffic sector.

From the point of view of social exploitation<sup>1</sup> we can divide theoretical micro-economic models into four groups:

- a) non-exploitative models,
- b) capitalistic models of exploitation,

- c) state models of exploitation,
- d) managerial models of exploitation.

#### a) Non-exploitative models of enterprises

The majority of theoretical micro-economic models are non-exploitative. In the main stream of economic theory, exploitation occurs only as an irregularity (illegal activities) of the normal state of a capitalistic market economy [2]. Also alternative (Marxist) economic theory has developed some specific non-exploitative models (socialist) as an alternative to a capitalistic productive system [1].

#### b) Capitalistic models of exploitation

In the classical theoretical model of capitalistic exploitation there are two classes of subjects: workers, who are exploited, and capitalists (private owners of the means of production) who exploit them. In the second half of the 19<sup>th</sup> century, Marx developed the basic model of capitalistic exploitation. Later, other Marxist theorists supplemented it with specific aspects of the monopolistic phase of capitalism [1]. e

#### c) State model of exploitation

The state model has two classes of subjects as well: workers, who are exploited, and the state (politicians, 'influential' state bureaucracy), that exploits them. The first attempt to set such kind of models was performed around 1940 (A. Pannekoek, R. Dunayevskaya). In the 1970s, B. Horvat developed the theoretical state model as a specific of deviated socialistic society in which the state prevails over the workers as formal owners of the production means. The model can also be applied to other types of economies where the state acts as an exploiter [1].

#### d) Managerial models of exploitation

Despite the fact that theory had noted since the early 1930s that professional managers had become more influential than formal owners of enterprises [1] [3] [4], specific managerial models of exploitation were not conceived until the 1990s. In managerial models of exploitation the enterprise managers exploit the working class. There are different types of

managerial exploitation. In the general model only two groups of subjects exist: the exploited working class and managers. For the purpose of this paper it is helpful to mention also the three strata managerial models of exploitation, that we developed in 1992 [1]. This model consists of:

- non-influential workers (usually blue collar...) who are exploited;
- middle influential class of employees (usually experts, middle/low management...), who have social powers of resistance and are not exploited and do not exploit others;
- influential subjects (usually high management, but also influential owners...) who have social powers and exploit the non-influential workers.

The participation of managers in the exploitation of workers was noted in theory long before the advent of theoretical managerial models of exploitation, but it was treated as a function of capitalistic or state exploitation, subordinate to them. In managerial models of exploitation managers and even middle influential subjects (middle management, experts...) have a relatively independent position in respect to the owners and other subjects (they have much or at least some contractual powers). According to the theory, this is important in order to understand the real organisational behaviour, which could be much different from the expectation based on utilisation of main stream non-exploitative economic models or the classical (Marxist) exploitative model.

## 2. EMPIRICAL RESEARCH

The source of empirical data on exploitation presented in this paper are:

- a) our inquiry performed in 1995/96 including 1215 students; 236 of them from Italy and 386 irregular<sup>2</sup> students (students who pay by themselves and have shorter study courses; most of them have work experience) [1];
- b) Slovene public opinion research performed in 1998 in which 2031 Slovenes participated [5];
- c) our inquiry (preliminary results) begun in 2004; in its first phase 309 students of traffic participated, most of them (188) irregular students, mostly with work experience in the traffic sector.

Thus, the empirical results presented in this paper are based on the responses of 3555 subjects (most of them with work experience) who participated in the above mentioned inquiries.

### 2.1. Slovene public opinion

In 1998, the authors of the public opinion research study included in the questionnaire some indirect questions on exploitation. The answers indicated that possibly all three models of exploitation could be applied to the Slovene economic practice: first of all the state, but also the managerial (three strata) and classical capitalistic. The data are presented in Table 1.

According to the Slovenes, the groups who earn more than they should are people like ministers in the government (63% more than he should), directors of large businesses (38% more), and owners of large factories (31% more).

A constitutional court judge, lawyers, and medical doctors earn more or less as much as they should.

Qualified factory workers earn less than they should (34% less); so do unqualified workers (33% less) and saleswomen in shops (25% less) [5: 820].

Table 1 - Slovene public opinion regarding earnings of chosen professions

year: 1998

Profession	How much he /she earns (EURO)*	How much he/she should earn (EURO)*	Coefficient of earning unfairness
Column No:	1	2	3 = 1:2
Minister in the government	2,808	1,718	1.63
Director of a large business system	3,264	2,373	1.38
Owner of a large factory	3,978	3,044	1.31
Judge of a constitutional law court	2,196	1,906	1.15
Lawyer	1,568	1,417	1.11
Medical doctor of general practice	934	1,160	0.81
Saleswoman in a shop	365	489	0.75
Unqualified worker in a factory	263	392	0.67
Qualified worker in a factory	344	521	0.66
Somebody of your profession	564	725	0.78

\* - computed from original data in SIT (1 EURO = 186,2659 SIT); Source: [5:820];

General public view of the Slovene economy thus finds it to be exploitative.

## 2.2. Statements of regular students

Three years before the above mentioned public opinion research was conducted we had begun a specific inquiry regarding students' observations of exploitation. The basic sample consisted of 611 regular first-year students of the University of Ljubljana. This stratified representative sample consisted of students of the 12 biggest faculties. Within each strata the students were chosen randomly.

We had used different methodologies and asked different questions as did the later public opinion research, but substantially the answers to the question who exploits and who is exploited were quite similar. Let us see how the regular students answered the question regarding the position of the selected social groups in the process of exploitation (Table 2).

According to regular students the most exploitative social group are politicians and state managers (87%), just behind them are high managers of public enterprises (85%), then owners of private enterprises with many employees (71%). Also middle managers were placed in the group of exploiters (58%).

Regular students indicated that physical workers in public enterprises (82%), employees in private enterprises (62%) and farmers (57%) were the most exploited groups in Slovenia.

Analysing the data in Table 2, it is obvious that students perceive the Slovene economy as exploitative, as does the average Slovene, and that exploitation in Slovene practice "follows" all three models of exploitation: in the first place state and managerial (three strata) models but also the classical capitalistic model.

## 2.3. Statements of irregular students

Regular first year students have the least practical experience regarding exploitation. Therefore, we used a control group of 368 irregular students, who mostly (81%) have had work experience. With this sample we checked the credibility of the views of regular students. As we can see from the data in Table 3, the opinions of irregular students basically confirm those of regular students.

The irregular students' ranking of exploiters is the same as that of the less experienced regular students. Managers retain the second place (81%) behind politicians (87%). Thus the irregular students confirm that managers have a stronger position in the process of exploitation than the owners of enterprises (80%). Students with the most work experience (more than 10 years) have an even stronger opinion in this regard.

The difference between statements on enterprise models of exploitation between regular and irregular students is the role of the middle influential strata of employees. According to irregular students, experts and administrative workers are also exploited (two

Table 2 - Answers of regular students to the question "Who exploits and who is exploited"

year: 1995/96 N= 608

Group	Structure of answers (%)				Total
	Exploits	Doesn't exploit and is not exploited	Is exploited	I don't know, without answer	
<b>PUBLIC ENTERPRISES</b>					
– High management (directors)	85	6	2	8	100
– Middle management (department leaders...)	58	21	7	15	100
– Experts (without leading positions)	11	38	31	21	100
– Administrative workers	13	36	28	24	100
– Production workers	3	7	82	8	100
<b>STATE AND NON-PROFIT ORGANISATIONS</b>					
– State managers, politicians	87	4	1	8	100
– Workers in public services (school, public administration...)	21	37	21	21	100
<b>PRIVATE SECTOR</b>					
– Owners of enterprises with many employees	71	14	3	12	100
– Employees in private enterprises	7	19	62	12	100
– Artisans	36	38	8	19	100
– Independent experts	9	56	13	22	100
– Farmers	5	22	57	16	100

**Table 3 - Answers of irregular students to the question "Who exploits and who is exploited"**

year: 1995/96 N= 368

Group	Structure of answers (%)				Total
	Exploits	Doesn't exploit and is not exploited	Is exploited	I don't know, without answer	
<b>PUBLIC ENTERPRISES</b>					
– High management (directors)	81	9	1	8	100
– Middle management (department leaders...)	63	14	12	12	100
– Experts (without leading positions)	11	32	38	19	100
– Administrative workers	8	25	49	18	100
– Production workers	4	6	82	8	100
<b>STATE AND NON-PROFIT ORGANISATIONS</b>					
– State managers, politicians	87	4	0	9	100
– Workers in public services (school, public administration...)	25	27	26	23	100
<b>PRIVATE SECTOR</b>					
– Owners of enterprises with many employees	80	8	2	10	100
– Employees in private enterprises	8	10	70	12	100
– Artisans	47	27	7	19	100
– Independent experts	12	53	9	26	100
– Farmers	7	30	48	16	100

strata managerial model), meanwhile regular students perceived them more as a group that does not exploit and is not exploited (three strata managerial model).

#### 2.4. Statements of Italian students

Slovenia is in transition from socialism to capitalism. To compare its situation with productive processes in stable capitalistic countries, we chose a sample of 236 Italian students from the University of Udine (first year regular students of economy). The results are presented in Table 4.

Italian students also perceive their economy as exploitative, the type of exploitation basically very similar to that in Slovenia. From the data in Table 5 we can deduce the prevalence of the state model, but managerial (three strata) and the classic capitalistic models are reflected as well.

However, the comparison between statements of Italian students with statements of their Slovene fellows of the same age and type of study, presented in Table 4, shows some significant differences. It seems that Italian students perceive their economy to be less exploitative than the Slovenes do (less exploitative and more neutral, non-exploitative social groups).

The group of Italian students was not representative, just a control. Therefore, we cannot generalise their statements to cover the entire Italian student

population. Yet, they are likely to some degree to reflect the situation in a developed capitalistic country. Further research should give us the answer to the question whether the statements of Italian students can be used as an indicator of a possible future Slovene exploitation pattern.

#### 2.5. Statements of traffic students

As we showed elsewhere [1], the students of economy have among all regular students the least critical attitude towards exploitation. On the other hand, transport students are the most critical. Let us see also the statements of transport students regarding models of exploitation in the Slovene economy and specifically in traffic activities. Table 6 presents the data that were obtained by inquiries in the years 1995 and 2004. In 1995, 100, and in the year 2004, 121 regular traffic students participated in the research.

Regular traffic student statements about the type of exploitation that we have in 2004 are similar to those in 1995, but not quite the same. The ranking by students of traffic regarding exploited groups is the same as that of others students, but the ranking of exploiters is not: the traffic students put at the top of the list enterprise managers, politicians second. Another difference is the perception of the intensity of exploitation (very high percentages of agreement with statements that influential groups exploit and that blue collar workers are exploited). Weak positions of middle

**Table 4 - Answers of Italian regular students of economy (first year) to the question "Who exploits and who is exploited" year: 1995/96 N= 226**

Group	Structure of answers (%)				Total
	Exploits	Doesn't exploit and is not exploited	Is exploited	I don't know, without answer	
<b>PUBLIC ENTERPRISES</b>					
- High management (directors)	65	20	1	14	100
- Middle management (department leaders...)	47	31	7	16	100
- Experts (without leading positions)	16	59	10	15	100
- Administrative workers	8	48	26	18	100
- Production workers	2	19	71	8	100
<b>STATE AND NON-PROFIT ORGANISATIONS</b>					
- State managers, politicians	76	11	0	12	100
- Workers in public services (school, public administration...)	18	52	14	17	100
<b>PRIVATE SECTOR</b>					
- Owners of enterprises with many employees	59	17	3	21	100
- Employees in private enterprises	4	32	50	14	100
- Artisans	8	55	28	9	100
- Independent experts	20	54	17	9	100
- Farmers	8	54	24	15	100

**Table 5 - Answers of Slovene regular students of economy (first year) to the question "Who exploits and who is exploited" year: 1995/96 N= 112**

Group	Structure of answers (%)				Total
	Exploits	Doesn't exploit and is not exploited	Is exploited	I don't know, without answer	
<b>PUBLIC ENTERPRISES</b>					
- High management (directors)	79	6	2	13	100
- Middle management (department leaders...)	51	25	5	19	100
- Experts (without leading positions)	4	42	22	31	100
- Administrative workers	6	39	25	29	100
- Production workers	1	11	75	13	100
<b>STATE AND NON-PROFIT ORGANISATIONS</b>					
- State managers, politicians	89	2	2	7	100
- Workers in public services (school, public administration...)	23	33	21	22	100
<b>PRIVATE SECTOR</b>					
- Owners of enterprises with many employees	63	16	3	18	100
- Employees in private enterprises	4	11	67	18	100
- Artisans	27	46	4	24	100
- Independent experts	8	62	10	21	100
- Farmers	4	24	59	13	100

influential groups confirm the conclusion that the students of traffic perceive the Slovene economy to be very exploitative.

There are other differences in results that we obtained in 2004 and 1995. In 2004, traffic students indicated a weaker exploiting position of middle enter-

**Table 6 - Answers of Slovene regular traffic students (first year) to the question "Who exploits and who is exploited"**  
 N(1995) = 100      N(2004) = 121

Group	Structure of answers (%)									
	Exploits		Doesn't exploit and is not exploited		Is exploited		I don't know, without answer		Total	
	1995	2004	1995	2004	1995	2004	1995	2004	1995	2004
<b>PUBLIC ENTERPRISES</b>										
– High management (directors)	89	88	7	6	1	1	3	5	100	100
– Middle management (department leaders...)	70	57	16	20	6	13	8	10	100	100
– Experts (without leading positions)	14	15	29	29	40	42	17	14	100	100
– Administrative workers	9	11	35	21	35	38	21	30	100	100
– Production workers	2	1	4	7	91	88	3	4	100	100
<b>STATE AND NON-PROFIT ORGANISATIONS</b>										
– State managers, politicians	88	85	3	3	1	1	8	11	100	100
– Workers in public services (school, public administration...)	24	20	49	33	13	32	14	15	100	100
<b>PRIVATE SECTOR</b>										
– Owners of enterprises with many employees	74	82	12	6	5	3	9	9	100	100
– Employees in private enterprises	8	8	26	14	58	63	8	15	100	100
– Artisans	29	30	44	37	9	18	18	15	100	100
– Independent experts	10	10	56	59	14	13	19	18	100	100
– Farmers	3	10	23	26	62	49	11	15	100	100

prise management and a stronger exploiting position of private owners than in 1995. Because of the limited size of the samples in question it is not possible to say whether this is due to a real change in economic practice or just the influence of random statistical factors. At any rate, managerial, state and classic capitalist models of (exploitative) enterprise prevail over non-exploitative models in the perception of traffic students as well.

## 2.6. Are general exploitative economic models applicable to the traffic sector of the economy?

The question is whether this general view of practical economic life could be applied to traffic enterprises. In the inquiry that we realised in 1995/96 we did not ask questions regarding the specifics of exploitation in the traffic sector. But in our current research we are trying to obtain some data in this regard. As we already mentioned, in the first part of this new inquiry we have included 121 regular traffic students and 188 irregular students (309 traffic students). The majority of irregular traffic students have work experience (66%), mostly in traffic activities (37% of all irregular students). The research is ongoing. The initial results show that 33% of these students do not know if there

is a difference in exploitation in traffic activities and other parts of the economy. But the majority (71%) of these well-experienced students say that the exploitation in traffic activities and communication is similar to that in the overall economy.

We can therefore assume that the pattern of social exploitation in the traffic sector is more or less the same as it is in other productive sectors. General models of exploitation are thus suitable for traffic.

## 3. CONCLUSIONS

The Slovene public opinion research and our inquiries among students in Slovenia and Italy do not reject the thesis that exploitative enterprise models are applicable to today's economy. In all student samples, including those of students with work experience, the opinion prevails that there is state and/or managerial exploitation, as well as the classical capitalist exploitation at work in the economic sector. Well-experienced irregular traffic students expressed the opinion that exploitation in the traffic sector does not differ much from the general pattern. We can thus assume that state, managerial and classical capitalistic models are useful for the description of the traffic sector of the economy.

A hypothesis was set that state and managerial models of behaviour prevail over the capitalistic model (also in Italy). If the future research confirms this thesis, the finding could be important for explaining the organisational behaviour in the traffic sector and in the general economy. According to some managerial theories [1] based on managerial exploitative model problems like maximisation of costs, resistance to innovation and technological development and others are caused by the prevalence of particular managerial interests over those of legal owners of enterprises.

IZTOK OSTAN, D. Sc.

E-mail: iztok.ostan@fpp.edu

Univerza v Ljubljani

Fakulteta za pomorstvo in promet

Pot pomorščakov 4, Portorož, Republika Slovenija

#### POVZETEK

#### MODELI DRUŽBENEGA IZKORIŠČANJA S POSEBNIM Poudarkom NA SLOVENSKO PROMETNO GOSPODARSTVO

Za razumevanje organizacijskega vedenja v transportu je pomembno poznati v njem prevladujoče vzorce družbenega izkoriščanja. Preliminarni rezultati raziskave med delovno izkušenimi izrednimi študenti transporta so pokazali, da v Sloveniji po njihovem mnenju ni bistvenih razlik v izkoriščanju v transportu in drugih dejavnostih. Zato je pri razlagi obnašanja subjektov v transportu možno uporabiti splošne modele izkoriščanja. Raziskava stališč študentov o izkoriščanju v Sloveniji je v devetdesetih letih je pokazala, da, po mnenju študentov, v praksi prevladujejo izkoriščevalski modeli (zlasti etatiistični, managerski pa tudi kapitalistični). Pokazala je tudi, da se stališča rednih študentov glede tega vprašanja ne razlikujejo bistveno od splošnega javnega mnenja glede tega pojava, pa

tudi ne od stališč izrednih študentov, ki imajo več delovnih izkušenj. Tudi italijanski študentje opažajo prevladovanje omenjenih treh izkoriščevalskih modelov v njihovi praksi. Študentje prometa imajo podobno stališče glede vzorcev izkoriščanja v praksi, le da je njihov odnos do izkoriščanja še bolj kritičen kot pri drugih vzorcih študentov zlasti glede izkoriščanja, ki ga izvajajo managerji in politiki.

#### KLJUČNE BESEDE

ekonomija prometa, družbeno izkoriščanje, modeli podjetij

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1. A general definition of social exploitation could be the following »At the most general level, A exploits B when A takes unfair advantage of B.« [1:10]
2. The terms regular and irregular correspond nearly but not precisely to full time and part time.

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