

Aleksandar Jakir

## Workers' Self-Management in Tito's Yugoslavia Revisited

*“Socijalizam je bio grozno doba, rekao mi je jesenas kod Bibaća jedan dedo, ali boljeg mi nismo upamtili, zaključio je. Tako i jest. Nikada nije bilo gore i nikada nije bilo bolje nego u socijalizmu.”*

Miljenko Jergović *“Hajde, reci direktor, a ne pomisli na druga Dragutina Bracu Kosovca ili na druga Emerika Bluma”*

When thinking about the history of working class movement in Southeastern Europe, the question again comes to mind, what was workers' self-management in Tito's Yugoslavia? Actually, what was its role in the developments that led to the Yugoslav tragedy?<sup>1</sup> In theory the Yugoslav system was designed to place ownership into the hands of “society”, and workers should have the right (and duty) to manage the means of production. It was claimed that in such a system, where power and control would be found neither to be in the hands of individual capitalists nor state socialist bureaucrats, the state would ‘wither away’ and a more just society would follow with no alienation. So the question could be discussed, if the Yugoslav system had indeed been an attempt to establish “workers' control” in the sphere of production? Moreover, could it be interpreted as an outcome of the traditions of organised labour in the Balkans? Was self-management, as the official ideology in Yugoslavia repeated again and again, a “revolutionary practice”, as self-activity of the working class, which was supposed to have the historic mission of overcoming the remnants of class society and of bringing about the transition to classless society? Or was socialist self-management (*socijalističko samoupravljanje*), as it was claimed by its supporters, at least a step towards “democratisation of work”, a change in the technical as well as in the social division of labour in a given enterprise? Was it a change in power relations from authoritarianism to a more democratic and egalitarian work environment in a unique European state? Or is it just one of the popular myths about the former Yugoslavia that the self-management system provided workers with more rights and more power than elsewhere in the world, spread by people as diverse as neo-classical economists studying the “Yugoslav model”, leftist intellectuals, and, of course (until the 1980s), by official Yugoslav propagandists?<sup>2</sup>

Surely there is no need today to argue at length with obsolete definitions of workers' self-management “as the result of the struggle of the working class against the employers to en-

1 Still one of the best books on the break-up of Yugoslavia: Susan L. Woodward: *Balkan Tragedy. Chaos and Dissolution after the Cold War*, Washington 1995.

2 See Mihail Arandarenko: *Waiting for the Workers: Explaining Labor Quiescence in Serbia*, in: Stephen Crowley and David Ost (eds.): *Workers After Workers' States. Labor and Politics in Postcommunist Eastern Europe*, Lanham, MD 2001, pp. 159–180, here pp. 164–165.

large their base of power until they achieve full control over the production process.”<sup>3</sup> What if the system of self-management at all levels of society in the end was nothing else but a system imposed from above when the party-state leadership initiated a process of controlled decentralisation of power, to maintain that power as long as possible, which in times of economic crises went out of control – with fatal consequences for the whole country and the people living in that self-managed “market” socialism?

A country, in which self-management as a social and economic system were to be applied, was already at the end of the 1960s famously described by an Indian diplomat as a very much fragmented country with two alphabets, three religions, four languages, five nations, and six *states* (referring to the large extent of autonomy of the six then constituent Yugoslav republics).<sup>4</sup> Since the bloody disintegration of what once was Yugoslavia, the question how and why this polycentric etatism ended in national chauvinism in this country with all its well-known cultural, religious, historical, and socio-economic differences among its peoples is very much debated. In this debate, however, it can be noticed that workers’ self-management virtually does not play any role. In fact, it no longer seems to be a topic of interest among social scientists at all.<sup>5</sup> Generally, it can be concluded that studying the economic system of what once was Yugoslavia is not considered to be of great help when it comes to finding explanations for its disastrous demise at the beginning of the 1990s.<sup>6</sup> In fact it is hard to find any recently published work about the economic system of socialist Yugoslavia at all, although it was a system, which up to the 1980s was of high interest to scholars of various fields

3 See György Széll: Trend Report: Participation, Workers’ Control and Self-Management, in: *Current Sociology*, vol. 36, no. 3 (1988), on Yugoslavia, pp. 104–125, citation p. 108.

4 See Oskar Kovač: Foreign Economic Relations, in: Sabrina P. Ramet and Ljubiša Adamovich (eds.): *Beyond Yugoslavia. Politics, Economics, and Culture in a Shattered Community*, Boulder, CO 1995, pp. 281–300, quoting on p. 281; Branko Horvat: *The Economic System and Economic Policy of Yugoslavia*, Belgrade 1970, p. 5; for the historical developments see the reliable works of Holm Sundhausen: *Geschichte Jugoslawiens 1918–1980*, Stuttgart 1982, or, from the same author, *Experiment Jugoslawien*, Mannheim 1993.

5 To my knowledge, there are no recent works like Fred Singleton and Bernard Carter’s *Economy of Yugoslavia*, London 1982; furthermore, I have not found a newsgroup entry in the Internet, where workers’ self-management would have been discussed, nor have I succeeded in provoking *any* reaction after asking – for example through the Socialist Historians Message Board, sponsored by the London Socialist Historians Group or other e-mail-lists – if there is possibly something worth to be remembered from this decentralized system of production and distribution (with mixed socialist and capitalist features) introduced by Tito in 1953 and in one way or the other functioning until the 1980s.

6 As far as I can see, “self-management” is not mentioned at all in the “World Bibliography on the Crisis in Former Yugoslavia” of 1996 (Dobrila Stanković and Zlatan Maltarić: *Svetska bibliografija o krizi u bivšoj Jugoslaviji*, Belgrade 1996), containing 2.650 titles, and it is only mentioned once (Popović et al. (eds.): *Demokratija i samoupravljanje*, Belgrade 1989) in another bibliography, edited in 1997 by the Institute for Social Research in Hamburg, with 4.600 entries, listing books and articles published between 1989 and 1996: *Bibliographische Berichte der Bibliothek des Hamburger Instituts für Sozialforschung* (Hg.): *Krieg in Kroatien und Bosnien. Eine Bibliographie 1989–1996*, ed. by Natalija Bašić et al., Hamburg 1997.

of social research all around the world.<sup>7</sup> A lot of works in German, English or French on the "Yugoslav model"<sup>8</sup>, which were published during the Cold War, can still be found in the libraries, and it is quite obvious that many Western authors then were fascinated by the unique economic system between capitalism and a planned soviet-style economy.<sup>9</sup> For quite a long time workers' self-management in enterprises was considered as an alternative to both capitalistic and Soviet-style authoritarian work relations.<sup>10</sup> Thus ideas of workers' control and self-management have for a long time been a matter of public debate in the Scandinavian countries as well as in the so-called Third World.<sup>11</sup>

However, it seems that only at first glance it might appear today out of place to discuss the issue of workers' self-management in Yugoslavia. Obviously the collapse of socialist Yugosla-

- 7 See Széll, pp. 104–125, and bibliography, pp. 191–259; Hannelore Hamel (ed.): *Arbeiterselbstverwaltung in Jugoslawien. Ökonomische und wirtschaftspolitische Probleme*, München 1974; J. Krejci: *National Income and Outlay in Czechoslovakia, Poland and Yugoslavia*, New York 1982; Najdan Pašić: *The Socio-Political System of Yugoslavia*, Belgrade 1975; Martin Schrenk et al. (eds.): *Yugoslavia (Self-Management Socialism and the Challenges of Development)*, Baltimore 1979; Martin Schrenk/Cyrus Ardalan/Nawal El Tatawy: *Yugoslavia. Self-Management Socialism and the Challenges of Development – Report of a Mission Sent to Yugoslavia by the World Bank*, Baltimore 1979; Ljubo Sir: *The Yugoslav Economy Under Self-Management*, New York 1979; Jan Vanek: *Marktwirtschaft und Arbeiterselbstverwaltung*, Frankfurt/Main 1975 (With a supplement by F. Fitz Roy and H. G. Nutzinger: *Entfremdung, Selbstbestimmung und Wirtschaftsdemokratie*); H. M. Wachtel: *Workers, Management and Workers' Wages in Yugoslavia. The Theory and Practice of Participatory Socialism*, London 1973; Charles King and Mark van de Vall: *Models of Industrial Democracy. Consultation, Co-Determination and Workers' Management*, The Hague 1978.
- 8 Among many other works see Gudrun Lemån: *Das jugoslawische Modell. Wege zur Demokratisierung der Wirtschaft*, Frankfurt/Main 1976; Herwig Roggemann: *Das Modell der Arbeiterselbstverwaltung in Jugoslawien*, Frankfurt/Main 1970; Ekkehart Stein: *Arbeiterselbstverwaltung. Lehren aus dem jugoslawischen Experiment*, Frankfurt/Main 1980; Wolfgang Soergel: *Arbeiterselbstverwaltung oder Managersozialismus? Eine empirische Untersuchung in jugoslawischen Industriebetrieben*, München 1979; Robert K. Furtak: *Jugoslawien. Politik, Gesellschaft, Wirtschaft*, Hamburg 1975.
- 9 For example, Gabriele Herbert: *Das Einfache, das schwer zu machen ist*, Frankfurt/M. 1982. Self-management in other countries is described, always discussing the Yugoslav experiment and experience, for example, in the works of Mark Holmström: *Industrial Democracy in Italy. Workers Co-Ops and the Self-Management Debate*, Aldershot 1989; *Spain's New Social Economy. Workers, Self-Management in Catalonia*, Oxford 1993; Christopher E. Gunn: *Workers' Self-Management in the United States*, Ithaca/London 1994; without drawing parallels to the Yugoslav case: Mehmet Nezir Uca: *Workers' Participation and Self-Management in Turkey. An Evaluation of Attempts and Experiences*, The Hague 1983, whereas David L. Prychitko: *Marxism and Workers' Self-Management. The Essential Tension*, New York/Westport/London 1991, has a more theoretical approach and a chapter on the tensions in theory and practice of Yugoslav socialism (pp. 83–100).
- 10 See the works of Branko Horvat: *A New Social System in the Making: Historical Origins and Development of Self-Governing Socialism*, in: B. Horvat/M. Markovic/R. Supek (eds.): *Self-Governing Socialism*, New York 1975; *Establishing Self-Managing Socialism in a Less Developed Country*, in: *Economic Analysis and Workers' Management*, vol. XII, nos. 1–2 (1978); *Ethical Foundations of Self-Government*, in: *Economic and Industrial Democracy*, vol. 1, no. 1 (1980); *The Political Economy of Socialism: a Marxist Social Theory*, New York 1982.
- 11 See in detail Assef Bayat: *Work, Politics and Power. An International Perspective on Workers' Control and Self-Management*, New York and London 1991.

via did not mean the collapse of the idea of socialist self-management once and for all.<sup>12</sup> As long as present-day societies are organized on the basis of inequality in power and property, the desire of individuals to control their own lives and work is likely to remain. Workers' control and self-management thus may still represent an organizational form suitable to satisfy such a desire. In fact, some advocates of self-management can be found even in the recently created successor states of socialist Yugoslavia, who link this system to their vision of a society free of exploitation and domination.

Considerable nostalgia, for example, was evoked through the words of Ivan Fumić, head of the 'League of Anti-Fascist Fighters of Croatia', who publicly praised the "system of workers' self-management" at the beginning of May, 2002, at Tito's birthplace, Kumrovec, commemorating the 22<sup>nd</sup> anniversary of the charismatic former Yugoslav president's death. According to him, it was due to this system that "our whole country" has made fast progress. In the shadow of a huge bronze bust of the late marshal,<sup>13</sup> he added: "Under Tito workers had more rights than in any other country in the world. It is a pity that the people have forgotten this and that they squandered their rights in 1990!"<sup>14</sup> And, to give another example from Croatia, in the context of the actual problems of transition and privatization<sup>15</sup> the Catholic priest and publicist Zvonimir Šagi spoke of the "positive sides of self-management" and stressed what he called the "good features" of workers' self-management.<sup>16</sup> One remembers the huge amount of "official" Yugoslav literature on the topic which was published during the existence of socialist Yugoslavia.<sup>17</sup> But what can we learn when re-reading this literature now?

It seems to be important when reading this literature that the crucial role of the competition between "developed" and "underdeveloped" republics within the self-managed economy was recognized very soon. The competition (and the results of this competition) of the industries and enterprises located in the different parts of Yugoslavia, competing within the system of self-management, was recognized very early as a threat to the stability of the coun-

- 12 Surprisingly enough, the Yugoslav case is not discussed at all in John H. Moore (ed.): *Legacies of the Collapse of Marxism*, Fairfax, VA 1994.
- 13 A good discussion of Tito's role can be found in James Gow: *The People's Prince – Tito and Tito's Yugoslavia: Legitimation, Legend, and Linchpin*, in: Melissa K. Bokovoy/Jill A. Irvine/Carol S. Lilly (eds.): *State-Society Relations in Yugoslavia, 1945–1992*, New York 1997, pp. 35–60.
- 14 See Marina K. Sabolić: *U Kumrovcu obilježena 22. Obljetnica smrti Josipa Broza. "Druže Tito, Račan nije mnogo od tebe naučio"*, in: *Slobodna Dalmacija*, 5 May 2002, p. 5. The celebrations on Tito's 110<sup>th</sup> birthday in Kumrovec, at which thousands of followers praised their idol, are covered by the article: Tina Dispota: *Drugu "Titu" uručena štafeta*, in: *Slobodna Dalmacija*, 26 May 2002, p. 4.
- 15 See Ljubša Adamovich: *Economic Transformation in Former Yugoslavia, with Special Regard to Privatization*, in: Sabrina P. Ramet and Ljubiša Adamovich (eds.): *Beyond Yugoslavia. Politics, Economics, and Culture in a Shattered Community*, Boulder, CO 1995, pp. 253–279.
- 16 *Jutarnji list*, 1 June 2002, p. 2.
- 17 See the bibliographies: *Samoupravljanje u jugoslovenskoj teoriji i praksi. Građa za bibliografiju*, Belgrade 1978; Jovan Đorđević/Najdan Pašić et al. (eds.): *Teorija i praksa samoupravljanja u Jugoslaviji*, Belgrade 1972; Jovan Đorđević (ed.): *Društveno-politički sistem SFRJ*, Belgrade 1975; Miloško Družević: *Samoupravna demokratija*, Belgrade 1972; Branko Horvat: *Die Arbeiterselbstverwaltung. Das jugoslawische Wirtschaftsmodell*, München 1973.

try. But nonetheless, warnings did not fall on fertile ground. One example is the warning expressed in 1968 by Veljko Cvjetičanin from Zagreb, who belonged to the famous 'Praxis' group of critical neo-Marxist philosophers and sociologists, who stated that the "fate of socialism" depended on the solution of the antagonisms between the developed and the underdeveloped republics in Yugoslavia.<sup>18</sup> However, the importance of economic issues in the political debates, as long as socialist Yugoslavia existed, seems obvious to me. Most of the quarrels between the elites of the republic within the Communist party dealt with economic questions and the unequal distribution of wealth.<sup>19</sup> It is astonishing that this aspect is apparently underestimated in recent works on the break-up of Yugoslavia.<sup>20</sup> Susan Woodward seems to have a point when she states that in the first instance it was market socialism (as the Yugoslav system was often labelled) that failed; in the second it was decentralization – to the great disappointment of the many who continued to support both.<sup>21</sup>

Many authors emphasize the internal differences within Yugoslavia concerning traditions and culture, which could not be overcome by any integrationist ideas such as socialism, Yugoslavism or Titoism. Historical myths, different collective memories and stereotypes were indeed vital, as successful nationalist mobilization and war revealed<sup>22</sup>, but how can we be sure that the nationalism which exploded in the 1990s is not just the revival of the nationalist ideologies shaped in the 19<sup>th</sup> century? How can we be sure that the nationalisms which tore socialist Yugoslavia apart were identical to those which led to the failure of the first Yugoslav state between the World Wars? And was it only the consequence of communist repression which makes it hard to find any evidence for "nationalism" in socialist Yugoslavia in the 1950s and the beginning of the 60s?

Historical continuity seems to have played a less important role than is often assumed in the development of nationalisms in socialist Yugoslavia. It seems important to ask if perhaps

- 18 See the journal *Praxis*, No. 4/1968. Different members of the 'Praxis' group that edited this journal and organized summer schools on the island of Korčula in the 1960s were prosecuted for their criticism of the practice of self-management.
- 19 See Marijan Korošić: *Ekonomске nejednakosti u jugoslavenskoj privredi*, Zagreb 1983; Dorothea Kiefer: *Entwicklungspolitik in Jugoslawien. Ihre Zielsetzungen, Planungen und Ergebnisse*, München 1979; Singleton/Carter: *The Economy of Yugoslavia*, chapter "Regional economic inequalities", pp. 209–230.
- 20 See, for example, Lenard J. Cohen: *Broken Bonds. The Disintegration of Yugoslavia*, Boulder, CO 1993; John R. Lampe: *Yugoslavia as History. Twice There Was a Country*, Cambridge 1996; Dunja Melčić (ed.): *Der Jugoslawien-Krieg. Handbuch zu Vorgeschichte, Verlauf und Konsequenzen*, Opladen 1999.
- 21 See Susan L. Woodward: *Socialist Unemployment. The Political Economy of Yugoslavia, 1945–1990*, Princeton, NJ, 1995, p. 165. The book argues that it was neither workers' councils with their inability to impose wage restraint, nor the conflicts among the republics' political elites with their inability to agree on policy that was the cause of unemployment and disintegration; in her opinion, it was instead the result of contradictions in the leaders' strategy for development and national independence on economic policies, social organization, and political action.
- 22 On the question of war, collective memory and cultural remembrance see Wolfgang Höpken: *Kriegserinnerung und Kriegsverarbeitung auf dem Balkan. Zum kulturellen Umgang mit Kriegserfahrungen in Südosteuropa im 19. und 20. Jahrhundert*, in: *Südosteuropa Mitteilungen*, 2001/4, pp. 371–389.

the system itself created a new kind of nationalism in the different republics, for nationalist ideologies from the interwar years and from the 19<sup>th</sup> century practically played no role at all in the first decades of post-Second World War-Yugoslavia.<sup>23</sup> What can be said about the specific circumstances for the rise of nationalism in a country, where the leading party favoured above all a policy of “brotherhood and unity” and where the national elites of the first Yugoslav state actually disappeared<sup>24</sup> and a balance of power was established?<sup>25</sup>

Yugoslavia from the devolutions of the early 1960s until 1989 is described by Sabrina P. Ramet in a convincing model as a nine-actor balance-of-power system that consisted of a federal actor (the federal government or, alternatively, the League of Communists), six socialist republics (Bosnia-Herzegovina, Croatia, Macedonia, Montenegro, Serbia, and Slovenia), and two socialist autonomous provinces (Kosovo and Vojvodina). As is well known, within this system regional demands were aggregated along ethnic lines and articulated by republican and provincial authorities. In Tito’s Yugoslavia, the very stratagem of holding the country together by balancing national groups reaffirmed intra-Yugoslavian national identities at the same time that it temporarily held nationalist rivalries in check.<sup>26</sup> But what was the role of self-management, of self-managed enterprises and their directors in the different republics in shaping that system? Is self-management to blame for the process of disintegration? Socialist Yugoslavia evolved a particular system of conflict regulation and social integration through devolution, seeking to assure communal loyalty by abandoning nation-building and by granting far-reaching autonomy to the federal units. Given this structure, I would like to ask if there is a connection between the economic system of self-management and the emergence of nationalism in socialist Yugoslavia.

So as a first step I would like to take a brief look at economic developments and the establishment of workers’ management. According to the economist Branko Horvat, the “golden age of Yugoslavia” lasted from 1952 to 1965.<sup>27</sup> How and why did this age come to an end? What were the consequences of self-managed “market” socialism, implemented in the mid-

23 See the works listed in the bibliography of Bosiljka Milinković: *Bibliografija radova o nacionalnom pitanju i međunacionalnim odnosima* (= Projekt: Položaj naroda i međunacionalni odnosi Instituta za društvena istraživanja sveučilišta u Zagrebu), Zagreb 1992 and Veljko Vujačić: *Historical Legacies, Nationalist Mobilization and Political Outcomes in Russia and Serbia*, in: *Theory and Society* 26 (1996), pp. 763–801. A dissenting point of view is expressed in: *Politička misao. Croatian Political Science Review* 34 (1997), no. 2.

24 See Stefan Plaggenborg: *Die Entstehung des Nationalismus im kommunistischen Jugoslawien*, in: *Südost-Forschungen* 56 (1997), pp. 399–421.

25 See the thorough discussion in Sabrina P. Ramet: *Nationalism and Federalism in Yugoslavia, 1962–1991*, 2. ed., Bloomington/Indianapolis 1992, where the multinational state is defined as a balance-of-power system, in which no single actor has sufficient power to dictate terms unilaterally to the other actors and the pattern of relations among the actors tends to curb the ambitions or the opportunities of the chief rivals and to preserve an approximate equilibrium of power among them (definition from Stanley Hoffmann: “Balance of Power”, *International Encyclopedia of the Social Sciences*, London 1968, 1, p. 507; Ramet, p. 9). See also the pioneering work of Paul Shoup: *Communism and the Yugoslav National Question*, New York 1964.

26 See Ivo Banac: *The National Question in Yugoslavia: Origin, History, Politics*, Ithaca 1984.

27 Kovač, p. 282.

1960s, for the balance within the federation? Then I would like to ask what self-management actually meant at the level of enterprises for the popularization of national arguments. That, finally, leads to the third part, where further research on the topic is outlined by summarizing the assumptions given in this paper and by presenting a planned research project called "Socialist State Enterprises and the spread of national interests on a local level in Yugoslavia 1953–1974."

## I.

The evolution of the system of self-management began in 1950 (after the conflict with the USSR) when Tito declared the centralized Stalinist system of party control over the state and the economy to be an obstacle to the creation of a socialist society. The decentralization of decision-making and the transfer of governmental functions to non-governmental institutions were accompanied by the creation of workers' councils in enterprises and the gradual transfer of authority of economic decisions from governmental ministries to these councils.<sup>28</sup> The decentralization of economic power to the enterprises and the broadening of the self-management rights of workers' councils went hand in hand with higher decentralization of political power to the different territorial units of the Yugoslav federation. In my opinion, it can be argued that the different economic interests of the Yugoslav republics, on the basis of this ultimately decentralized system, were of vital importance in the process of Yugoslavia's disintegration.<sup>29</sup> As has been noted, contrary to popular belief Yugoslav decentralization dates very far back. Sabrina Ramet is probably right when she states that by the end of 1952 it was possible to speak of effective economic decentralization.<sup>30</sup> Thus a closer look at the controversies in the economic sector in the 1950s and 1960s within this fractured federalism seems necessary. The increasing importance of the republics and provinces as political and economic actors seems very clear.<sup>31</sup> But we need a still closer examination of the process of decision-making on the local level in the self-managed enterprises. In this way one could probably show how the system of workers' self-management helped to shape the path to fragmentation. (In fact it was a fragmentation and division of the working class as well, with

28 In June 1950 the Basic Law on the Management of State Economic Enterprises was enacted. See Savo Pujić (ed.): *Zakon o radničkom samoupravljanju (od 26. juna 1950. g.)*, in: *Samoupravljanje i socijalizam. Čitanka samoupravljača*, Sarajevo 1970, pp. 114–115.

29 See the article "Fractured Economy" by Ivo Bičanić, in: Dennison Rusinow (ed.): *Yugoslavia. A Fractured Federalism*, Washington 1988, pp. 120–141, and "Are Economic Fractures Widening?" by John Burkett and Borislav Škegro in the same volume (pp. 142–155).

30 See Ramet: *Nationalism and Federalism*, p. 71, and Ian Hamilton: *Yugoslavia: Patterns of Economic Activity*, New York 1968, p. 239.

31 See the discussion by Bičanić, *Fractured Economy*, pp. 133–139, who argues that the only way in which the Yugoslav economy could continue to operate in the face of a declining quality of administration was by introducing the minimum amount of flexibility required by a low level of structural integration in the economy.

long-term consequences for any kind of labour unity, as can be seen for example by the hundreds of trade unions currently existing in a small country like Croatia.<sup>32</sup>)

Often the implementation of the system of labour-managed firms in Yugoslavia and their independence in decision-making is seen only as an economic success story, merely implying the development of a market economy with high growth rates (around 9 percent yearly until the middle of the 1960s). As long as it was possible to develop the institutional structure of a market economy and economic democracy, the argument goes, the Yugoslav economy was highly successful and one of the fastest growing economies in the world, with a significant and continuous improvement in the welfare of the population. Reforms in the beginning of the 1960s opened the Yugoslav economy to world markets and the international division of labour, partly decentralized the financial system, and gave enterprises/workers a greater degree of control over wage determination. After the attempt in 1965 to introduce economic reform, which failed and was followed by some years of very slow growth with increasing inflation, the attitude of economic policy became that of *laissez faire*, of liberalization, the preconditions of which were, non-existent. Liberalization of an economy without the factor markets, the economist concludes, could not succeed. Unfortunately, writes Oskar Kovač in his analysis published in 1995, the reaction of the political establishment was “the worst possible”. But he does not explain the reasons for that. It was obvious that in “some federal units (republics), which never intended to remain in Yugoslavia, nationalism and economic egocentrism became the main determinants of behaviour. Nevertheless, [...] Yugoslavia entered the stage of polycentric etatism by 1971. [...] Yugoslavia became a loose confederation of primitively nationalistic small republics. [...] Strangely enough, the national bureaucracies succeeded in convincing their people that the other peoples of Yugoslavia are to blame for that.”<sup>33</sup>

Assuming that this is a correct description, what were the reasons? Who belonged to the “national bureaucracies”? Why did these functionaries take such a stand and how and through what kinds of institutions did they manage to communicate their attitudes? Can we trace back the roots of this development to the politics of the decentralization and the introduction of self-management in the beginning of the 1950s?<sup>34</sup> As early as 1953 a qualified work force from Slovenia, to mention just one example, lost their jobs in Macedonian enterprises because “domestic” Macedonian and not “foreign” Slovenes should be employed. It became obvious that in competition between territorial units, either local or regional, which came to be known as particularism, the differences very often took the form of national rivalries.<sup>35</sup> Since 1952 prices

32 See Marina Kokanović: *The Cost of Nationalism: Croatian Labor, 1990–1999*, in: Stephen Crowley and David Ost (eds.): *Workers After Workers’ States. Labor and Politics in Postcommunist Eastern Europe*, Lanham, MD 2001, pp. 141–157, here p. 144, where she speaks of 350(!) different trade unions in Croatia.

33 Kovač, p. 282.

34 See the critique of Svetozar Stojanović (*Critique et avenir du socialisme*, Paris 1971; *Between Ideals and Reality. A Critique of Socialism and its Future*, New York 1973), who warned of identifying decentralization with democratization.

35 Shoup: *Communism*, p. 238. Susan Woodward (*Unemployment*, pp. 325–326) concludes from different sources that it were governments (local and republican) rather than unions that acted to protect



were liberalized and the enterprises were given more and more right to decide what to do with their accumulation. Finally, in 1961, the working councils obtained the right to determine the workers wages.<sup>36</sup> In the aftermath, inflation went up and growth rates fell from 15,5 % in 1960 to 4,1 % in 1961.<sup>37</sup> Although Tito's criticism concerning nationalism within the party in 1953 tried to explain nationalism as the product of material inequalities between the more and less developed republics, no concrete action could be taken to curb the disproportions effectively. One merely heard Tito's call for more "brotherhood and unity" among the peoples of Yugoslavia.<sup>38</sup> But neither "Yugoslavism" nor "Titoism" nor Tito's frequent statements that the "national question" in Yugoslavia was "solved" could prevent the forthcoming of national debates and nationalist argumentation in the 1960s.<sup>39</sup> Were the economic debates in 1962 "the beginning of the end" of socialist Yugoslavia, as the editor of the now published debates at the session of the central committee in March 1962 suggests?<sup>40</sup> It seems of greatest importance that the republican party organisations had obtained control of economic organizations within their territories. The "conflict of interest" between the more advanced republics and the underdeveloped ones could not be overseen, and neither the partisan myth, nor promises of a brighter future or the coercive force of the ruling Communists could hide this fact.<sup>41</sup> Joseph Bombelles comes to the conclusion that it was no longer possible to "speak of a conscious government policy of aiding underdeveloped republics after 1956. Rather, the western republics were now supposed to subsidize the eastern republics without any regard to the level of development."<sup>42</sup> The determination of republican party apparatuses to pursue

social-sector wages and jobs by erecting formal or informal barriers between residents and immigrants, or by importing "foreign" labour on limited contract for specific projects. Confined to temporary work and dormitory housing, subjected to informal pressure where there were differences in language and culture, immigrants without familial connections often found it difficult to overcome initial disadvantages in residence and schooling.

36 Sundhaussen, p. 163.

37 *Ibid.*, p. 169, and Shoup: *Communism*, p. 228; for the role of economic arguments in Croatia, see George Schöpflin: *The Ideology of Croatian Nationalism*, in: *Survey* 19 (1973), pp. 123–146, here 128–129.

38 Shoup: *Communism*, p. 189. Josip Broz Tito on the National Question, in: *Yugoslav Survey* 19 (1978), pp. 3–34, here p. 17; on the failure of the concepts of Yugoslavism see: Aleksandar Jakir: *Gab es in Jugoslawien Jugoslawen? Das Scheitern der jugoslawischen Nationsbildung im 20. Jahrhundert*, in: Heiner Timmermann (ed.): *Nationalismus in Europa nach 1945*, Berlin 2001, pp. 305–321.

39 Othmar Nikola Haberl: *Parteiorganisation und nationale Frage in Jugoslawien*, Berlin 1976, p. 19; Jelena Milojković-Djurić: *Approaches to National Identities: Čosić's and Pirjevec's Debate on Ideological and Literary Issues*, in: *East European Quarterly* 30 (1996), pp. 63–73.

40 See Miodrag Zečević (ed.): *Početak kraja SFRJ. Stenogram i drugi prateći dokumenti proširene sednice Izvršnog komiteta CK SKJ održane od 14. do 16. marta 1962. godine*, Belgrade 1998, and Miodrag Zečević/Bogdan Lekić (eds.): *Izvori za istoriju Jugoslavije. Privredna politika Vlade FNRJ. Zapisnici Privrednog saveta Vlade FNRJ 1944–1953*, 4 vols., Belgrade 1995.

41 See Ramet: *Nationalism and Federalism*, pp. 29–39.

42 Joseph T. Bombelles: *Economic Development of Communist Yugoslavia, 1947–1964*, Stanford 1968, p. 148; also cited by Ramet, p. 30, who states that the entire system of investments was overhauled in the 1965 reforms, and profitability became the crucial criterion.

their own interests was demonstrated on various occasions since the 1960s. The republics viewed themselves as rival centres of legitimate interests.<sup>43</sup>

When the Central Committee member from Macedonia, Krste Crvenkovski, in 1968 stressed that “in the first place everyone must struggle for his own development” and that it is not possible to ask “the working class of Macedonia to fight for the development of the economy in Croatia or Serbia or elsewhere”, it became perfectly clear how the national gap, not to speak of antagonisms, had already widened.<sup>44</sup> Is it by coincidence that the different republics from the very start wanted to achieve economic independence in the industrialization process after World War II, which inevitably led to growing disparities? Can this be seen as the first step towards future fragmentation?<sup>45</sup> Clearly the forecast of the “father of the Yugoslav socialist economic system”, the Slovene Boris Kidrič, that the underdeveloped and the developed parts of Yugoslavia would reach the same level of development in 1964 turned out to be an “illusion”, as a Serbian journalist put it in April, 1969.<sup>46</sup> In fact the regional economic inequalities grew.<sup>47</sup> The political consequences were that Croatia and Slovenia transformed economic issues – decentralization of economic decision-making, dismantling of central planning, and curtailment of aid to unprofitable enterprises in the south – into political issues: opposition to Serbian hegemony and support of “liberalization”. The result was, as Sabrina Ramet notes, that Macedonia and Kosovo both took positions contrary to their eco-

43 See Ramet: *Nationalism and Federalism*, p. 72, citing also the famous quote of the Croatian communist leader Miko Tripalo, who, before his fall from power in 1971, said that Croatia as a federal unit within Yugoslavia is “a state; so it is necessary to behave like statesmen”.

44 Krste Crvenkovski in *Nova Makedonija*, 5 December 1968. Dennison I. Rusinow (*The Yugoslav Experiment, 1948–1974*, Berkeley and Los Angeles 1977, p. 136) recounts that by 1964 younger Macedonian leaders like Krsto Crvenkovski and Kiro Gligorov were as outspokenly in favour of decentralization as any Slovene or Croat.

45 From the vast body of literature on economic policy in Yugoslavia see: Nikola Čobeljić: *Politika i metodi privrednog razvoja Jugoslavije (1947–1956)*, Belgrade 1959; Ivo Vinski: *Procjena nacionalnog bogatstva po područjima Jugoslavije*, Zagreb 1959; Leon Geršković: *Social and Economic System in Yugoslavia*, Belgrade 1960; Guy Caire: *L'Economie yougoslave*, Paris 1962; Albert Waterston: *Planning in Yugoslavia*, Baltimore 1962; Ian Hamilton: *Yugoslavia. Patterns of Economic Activity*, London 1968; Bombelles: *Economic Development*; George Macesich: *Major Trends in Postwar Economy of Yugoslavia*, In: Wayne S. Vucinich (ed.): *Contemporary Yugoslavia. Twenty Years of Socialist Experiment*, Berkeley and Los Angeles 1969, pp. 203–235; from the same author: *Yugoslavia. The Theory and Practice of Development and Planning*, Charlottesville 1964; Deborah D. Milenkovitch: *Plan and Market in Yugoslav Economic Thought*, New Haven, Conn. 1971; Rudolf Bičanić: *Economic Policy in Socialist Yugoslavia*, Cambridge 1973; Dragan Mandrović: *Das jugoslawische Planungssystem – Entwicklung und Wirkungsweise*, in: *Osteuropa-Wirtschaft* 21 (1976), pp. 279–293; Fred Singleton/Bernard Carter: *The Economy of Yugoslavia*, New York 1982; Christopher Prout: *Market Socialism in Yugoslavia*, Oxford 1985. Fred B. Singleton: *Regional Economic Inequalities. Migration and Community Response, with Special Reference to Yugoslavia*, Bradford 1979; from the same author: *The Economic Background to Tensions between Nationalities in Yugoslavia*, in: Werner Gumpel/Dietmar Keese: *Probleme des Industrialismus in Ost und West. Festschrift für Hans Raupach*, München 1973, pp. 281–304.

46 See Ljubiša Ristović in “*Nedeljne informativne novine/NIN*”, April 6th 1969; quote also in Kiefer, p. 10 and Sundhaussen, p. 186.

47 See Singleton/Carter: *Yugoslav Economy*, pp. 209–230.

conomic interests. The position of the Vojvodina on the reforms was less clearly defined in the early stages, though by the late 1960s, the Vojvodina was unmistakably supporting Croatian economic proposals. Outgunned by the so-called liberal bloc, the Serbs had no choice but to acquiesce to far-reaching reforms. Although the first crisis (1963–65) had been precipitated as much by the Slovenes as by the Croats, the Croatian Communist party leadership took the lead in bringing on a second crisis in 1967. With their political motives then predominant, Croatian leaders concentrated on further decentralization of the party. Sabrina Ramet's observation is surely correct that, backed by the Slovenes and the Macedonians, the Croats were able to keep the momentum on their side. The Ninth Party Congress registered the victory of the Croatian-led national-liberal coalition by devolving further power to the republican parties. Members of the LCY presidium were henceforth to be selected by the republican party congresses rather than being hand-picked by Belgrade, and the republican parties were also granted the right to draw up their own party statutes.<sup>48</sup>

The hypothesis laid out in this paper is that these political developments were rooted in the decentralized Yugoslav self-management economy. In my opinion, the Yugoslav investment policy in particular has to be re-examined in that perspective.<sup>49</sup> Investment decisions had been taken completely on the basis of a centralized state plan (the Federal Investment Fund) and the delegates of republics in the fund had to find compromises. By 1965 the plan was abandoned. In the existing literature on the topic often a nationally biased approach can be noticed, with economists not rarely describing their "own" republic as always being exploited.<sup>50</sup> And the question still seems open, whether Western observers were right, when they stated at the end of the 1960s that economic policy in Yugoslavia meant "the reduction of the living-standard of the developed republics Slovenia and Croatia" to improve the situation in "the underdeveloped, more eastern republics".<sup>51</sup> Was wealth really redistributed from the more developed regions to the less developed, or was it in fact transferred from the less developed to the more developed? The mechanisms designed to compensate flows of income

48 Ramet: *Federalism*, pp. 17–18.

49 See Vladimir Pejovski: *Yugoslav Investment Policy*, Belgrade 1965; Hamilton: *Yugoslavia*, pp. 319–362; Čobeljčić: *Politika*, pp. 171–210; Milenkovič: *Plan*, p. 172; Macesich: *Yugoslavia*, pp. 123–138; Albin Orthaber: *Reduction of the Gap between Rich and Poor Regions within a Planned Economy: The Case of Yugoslavia*, In: Gustav Ranis (ed.): *The Gap between Rich and Poor Nations. Proceedings of a Conference held by the International Economic Association at Bled, Yugoslavia, London/Basingstoke 1972*, pp. 123–136; Caire: *L'Économie*, pp. 79–80; Thomas Eger: *Das regionale Entwicklungsgefälle in Jugoslawien*, Paderborn/München 1980, p. 68; T. Gačić/Z. Tomović: *Razvoj privredno nedovoljno razvijenih područja Jugoslavije*, Belgrade 1975, pp. 15–28; Ksente Bogoev: *Politika bržeg razvoja nerazvijenih republika i pokrajina*, in: *Ekonomist* 23 (1970), pp. 369–383; Bombelles: *Development*, pp. 99–101 and pp. 153–154; Borislav Srebrić: *Problem metoda privrednog razvoja nerazvijenih krajeva Jugoslavije*, in: *Ekonomist* 17 (1964), pp. 311–327; Shoup: *Communism*, pp. 235–236.

50 Branko Horvat: *Nacionalizam i nacija*, in: *Gledišta*, 5–6 (1971), pp. 770–788; Ljubomir Madžar: *Ko koga eksploatiše*. In: Nebojša Popov (ed.): *Srpska strana rata. Trauma i katarza u istorijskom pamćenju*, Belgrade 1996, pp. 171–200.

51 Viktor E. Meier: *Neuer Nationalismus in Südosteuropa*, Opladen 1968, p. 51.

through the federal fund for financing the development of the less developed republics and provinces were often changed, and it seems necessary to analyze them again in the context of the growing fragmentation within the Yugoslav federation. What can be said about the economic reforms of the 1960s in that respect?<sup>52</sup> The economic reforms of 1963–65 began the devolutionary process, which was largely completed by the constitutional amendments of 1967–71. In the early years of the 1960s, Serbia's hope was in fact to establish itself as the leader of a bloc of underdeveloped republics within Yugoslavia. Such a bloc would isolate Slovenia and Croatia and permit the pursuit of a policy of effective economic aid to the underdeveloped regions, the concentration of industries in Serbia, the centralization of the political system, and the reassertion of Serbian hegemony within a federal context. Since the autonomous provinces had, at that time, little authorized or institutionalized political power and since Montenegro was culturally close to Serbia, Serbian party bosses predicted a favourable alignment and assumed that policy debates could be kept at the economic level.<sup>53</sup> But that proved to be impossible.

Yugoslavia passed several constitutions, enacted in 1946, 1953, 1963 and, finally, in 1974. Each of these constitutional changes has been interpreted as a promise to establish a more advanced general system of socialist self-management, one that goes beyond workers' self-management to include self-management decision-making councils in every walk of life – social, political, and economic. Not only were production processes to be self-managed, so, too, were all aspects of civil society. And the 1974 constitution promised, alas, a smooth and complete blueprint of a *dogovorna ekonomija*, an agreement economy; in all spheres of Yugoslav life “social ownership” (*društvena svojina*) should solve all problems.<sup>54</sup> But instead, problems in all segments of Yugoslavia's society and economy increased.

In the 1980s, in the context of the general crisis of socialist Yugoslavia after Tito's death, the reassessment of self-management proceeded on different analytic levels.<sup>55</sup> But among all the questions posed about its efficiency, its autonomy from political and economic pressures, and its real contribution to the creation of a new society – and many “ordinary Yugoslavs

52 See Radmila Stojanović (ed.): *Yugoslav Economists on Problems of a Socialist Economy*, New York 1964; Madžar: *Ko koga eksploatiše*, pp. 171–200; Ivan Maksimović: *Yugoslav Economic Reform and Certain Problems in the Policy of Reform*, Belgrade 1968; Singleton/Carter: *Economy*, pp. 132–136; Bombelles: *Development*, pp. 115–174; Mihailović: *Regionalni aspekt*, p. 39.

53 Sabrina P. Ramet: *Nationalism and Federalism*, pp. 15–16.

54 See David Prychitko: *Perestroika in Yugoslavia: Lessons from Four Decades of Self-Management*, in: *Global Economic Policy*, 2, no. 2 (1990). In Prychitko: *Marxism*, p. 91 he is citing S. Stanić, “Ownership”, in: Bogdan Trifunović (ed.): *A Handbook of Yugoslav Socialist Self-Management*, Belgrade 1977, pp. 177–186, with the then current “official” definition: “Social ownership banishes all forms of exploitation, monopolistic appropriation and control over the means of production and products of social labour, encourages a rapid development of productive forces and creates the prerequisites for the implementation of Marx's idea about the association of free producers in a communist society” (ibid., pp. 178–179).

55 See Sharon Zukin: *Self-Management and Socialization*, in: Pedro Ramet (ed.): *Yugoslavia in the 1980s*, Boulder, CO and London 1985, pp. 76–99.

wondered whether self-management could work at all"<sup>56</sup> – one question was not asked: whether perhaps the system itself brought some unanticipated and dysfunctional consequences concerning the immense regional inequalities, as the following tables of indices of national income per capita and of indicators of underdevelopment reveal. (Of course the differences between regions within republics were sometimes as great as the inter-republican differences. The example is well-known that the per capita income of the four central communes of Zagreb in 1974 was four times higher than that of the communes of Vergin Most, Dvor and Gračac. These three communes were not only among the poorest in Croatia, their population consisted of over 75 % Serbs. Similarly in Macedonia, Skopje had a per capita income almost three times that of Gostivar, Tetovo and Debar, towns which have a majority of Albanians and Turks.<sup>57</sup>)

It seems necessary to re-examine the system of self-management in the light of the fact that the socio-political system was producing increasingly greater inequalities. And at the same time it provided the political and economic elites in all republics with the possibility of obtaining a kind of "legitimacy" from their "bases" by pointing at given contradictions and by stirring up national sentiments as the easiest way to explain why the results were far from expected. How was this development reflected at the level of self-managed enterprises?

### Indices of National Income per capita (Yugoslavia = 100)

	1947	1962	1976	1978
Slovenia	175.3	198.5	201.7	195.3
Croatia	107.2	121.3	124.3	129.2
Vojvodina	108.8	103.4	116.6	123.6
Serbia proper	95.6	96.0	98.3	96.6
Bosnia-Hercegovina	82.9	72.7	64.2	66.2
Montenegro	70.8	66.3	70.3	67.7
Macedonia	62.0	57.1	68.1	66.2
Kosovo	52.6	34.0	32.2	26.8

Source: Statistički godišnjak SFRJ, Singleton/Carter: *Economy of Yugoslavia*, p. 221.

<sup>56</sup> *Ibid.*, p. 77.

<sup>57</sup> Singleton/Carter: *Economy*, p. 217. Of course, as the authors state, one of the reasons for this great disparity between the capital cities and the outlying rural areas can be attributed to the policy of industrialization practised in the immediate post-war period, which encouraged industrial expansion in already existing centres, where the infrastructure already existed.

## Indicators of Underdevelopment

	Average net personal income (1976)	Productivity of labour in industry (1976)	% Illiteracy over 10 years (1971)	% with secondary school education (1976)	% force in agriculture (1977)
Yugoslavia	3.535	100,0	15.1	15	39.4
Slovenia	4.068	115.6	1.2	23	19.5
Croatia	3.763	105.4	9.0	19	33.3
Vojvodina	3.530	99.7	9.0	17	39.7
Serbia proper	3.395	100.3	17.6	15	45.8
Bosnia-Herc.	3.298	87.3	23.2	11	42.5
Montenegro	3.133	80.2	16.7	14	37.9
Macedonia	2.970	80.4	18.1	11	42.1
Kosovo	3.055	78.0	31.5	7	50.1

Source: Statistički godišnjak SFRJ, Singleton/Carter: Economy of Yugoslavia, p. 215.

## II.

It is not just a Marxist belief that work, that is, purposeful and imaginative activity to satisfy certain material and mental needs, is a major element in human life. It is hard to argue against the presumption that work is the source of every human construct, all forms of wealth around us, and every element of civilization and progress.<sup>58</sup> Material products, no matter what kind, are created in the context of a specific organizational framework or work organization. Thus, the organization of work defines the relationship between the people involved in work, the material being worked with, the instruments of work and the product. This relationship is not only technical, but also involves a social relationship. In socialist Yugoslavia the different social relationships connected with the place of work were specific. It was often said that the former Yugoslav system of self-management developed a relatively comfortable position for all employees. Without doubt, the firm, the *poduzete* or *preduzeće*, became the fundamental politico-economic unit in Yugoslav society<sup>59</sup> and played an important role in everyday life. It was associated with the working collective (*radni kolektiv*) and it is not easy to draw a line separating the private lives of individuals from the existence as a member of the *kolektiv*. The working place was not only important because one simply got paid monthly wages. Not only could one get a flat thanks to the firm, provided one had a high enough place on the *stambena lista*, but the enterprise one belonged to provided a great deal of social infrastructure too, including summer vacation for the whole family that was organized in a firm-owned

58 See Bayat, p. 3, who argues that since work relations are not merely technical but also social, the work site, by definition, becomes a political site. The relationship between people in the work site, he states, is characterized by relations of domination and subordination.

59 Officially the "basic organization of associated labour", *Osnovna organizacija udruženog rada* (OOUR); the work organisation *radna organizacija* (RO) was the framework within which individual OOURs interacted.

*odmaralište*, which could be a resort on the Adriatic coast or at a pretty spot somewhere in the mountainous regions of the country. In autumn fresh and pickled fruits and vegetables, the so-called *zimnica*, were distributed to all members of the working collective by the enterprise, to mention just a few things which were closely connected to the working place. No matter how impressive the rights of the workers were in theory in socialist Yugoslavia, I guess it is more likely that the above mentioned benefits connected with the place of work were considered by most workers as matters of far greater practical importance that were associated with the enterprise, than the fiction that within the system of self-management the workers were supposed to be in charge of the production. Surely it would be wrong to draw the conclusion from, for example, the attendance of workers at the meetings of the workers' council (*radnički savjet*) that industrial relations in the self-management system had led to fundamentally different power relationships within the enterprise. As sociological studies have shown, despite their enormous formal powers, workers' councils in fact played an insignificant role in the power structure. The reality of power in a Yugoslav enterprise was not workers' control, but managerial elitism.<sup>60</sup> The findings can be summarized as follows: the directors of the enterprises proved to be central in decision-making, and the majority of workers were passive. Mihail Arandarenko is apparently correct when he states that ordinary workers for whom these councils were supposed to be the collective voice, had virtually *no* power as compared to directors and managers. Actually those who were supposed to become "self-managers" showed a lack of interest in self-management institutions, a faulty knowledge of the way they work, and a seeming disregard of the official propaganda. Everyday experience made clear what the hierarchy within the firm was.

The management's dominant position in the hierarchy of power was based on connections with the party apparatus outside and above the enterprise. As long as the Communists were in power they tried to exert control in all major fields. But it is doubtful whether this control was really "ultimate", as Paul Shoup thinks.<sup>61</sup> The autonomous enterprise elites challenged this attempt by the Communists, and their numerical predominance among managers does not necessarily imply a complete identity of interests and attitudes between managers and the League hierarchy, especially on questions of managerial autonomy. But the Yugoslav system of self-management surely was not, and never became, a system of real workers' control.<sup>62</sup> As in other socialist countries, the Communist party in Yugoslavia – the League of

60 See Thomas A. Oleszczuk: *Managerial Elitism under Workers' Self-management: An Analysis of the Cause of Power Inequality in the Yugoslav Enterprise*, unpublished Ph.D. thesis, University of Wisconsin-Madison, 1977, and Elizer Rosenstein: *Ideology and Practice of Workers' Participation in Management: Israel, Yugoslavia, and England*, unpublished Ph.D. thesis, University of California-Berkeley, 1969.

61 See Paul Shoup: *The Limits of Party Control: The Yugoslav Case*, in: Andrew C. Janos (ed.): *Authoritarian Politics in Communist Europe: Uniformity and Diversity in One-Party-States*, Berkeley 1976, p. 190.

62 See Woodward: *Unemployment*, p. 166, where she makes clear that the concept of a labor-managed firm and an economy organized around labour-managed firms, on which an entire theoretical literature arose, does not accurately reflect the rights and powers assigned to production workers in Yugoslav enterprises or the purpose of worker participation in enterprise management.

Communists in the form of its national branches in the different republics – remained the ultimate and unchallenged arbiter in all important matters of social and economic life, including industrial relations. The Party did everything to maintain the so-called unity of management and the work force to create “harmony in the collective”, which could supposedly be threatened only by “anti-self-management forces” or “techno-managerial structures”. Empirical research on Yugoslav self-management from the 1960s to the 1980s left no doubt at all that an

“oligarchical power structures worked to the advantage of professional management and against the workers. Workers’ councils are under the management’s thumb. Therefore, both mental and manual workers express a feeling of powerlessness concerning the possibility of influencing events in the work collectives. [...] All the socio-political groups in the work organization have the same feeling of political impotence in the sense that the political system does not respond to people’s wishes and demands.”<sup>63</sup>

But whereas the progressive “socialization of the state and of economic functions” was clearly intended to give the Party a more important role in governance by resolving differences and “harmonizing” conflicts, the party itself was not immune to the divisive effects of decentralization and socialization. As Susan Woodward observes, the “socialization” of the party meant that members belonged to units at their place of work (which paid their salary) and were active there. The rank-and-file party members thus identified with and owed their first loyalty to their work collective.<sup>64</sup> Because officially there was no permanent conflict of interest between capital and labour, there was no institutional regulation of collective bargaining in social enterprises.<sup>65</sup> Of course that did not mean that strikes were not a common phenomenon in socialist Yugoslavia. In fact workers’ resistance had assumed various forms within the socialist state, ranging from absenteeism, sabotage and stoppages to occupations of plants to strikes. The first publicized strike was made by Trbovlje-Hrastnik miners in an anthracite mining enterprise in Slovenia in January 1958.<sup>66</sup> The 3,800 miners and 300 employees (in-

63 See Vladimir Arzenšek: *Sudbina radničkih saveta*, in: *Sociologija*, vol. 26, no. 1–2 (1984), p. 13, here cited from Zukin, p. 80.

64 Woodward: *Unemployment*, p. 334. The primary means of enforcing party policy was by influencing appointments to managerial positions, but the appointment and accountability of enterprise directors was an additional source of conflict between the commune and enterprise party committees. Conflicts between commune and enterprise party organizations over tax revenues and retained earnings might be resolved by common cause against the private sector, but the shift of taxes and fees was guided not by the prejudices of socialist ideology (as it was usually alleged) but by economic interest.

65 See Arandarenko, p. 165; Ellen Turkish Comisso: *Workers’ Control under Plan and Market: Implications of Yugoslav Self-Management*, New Haven 1979; N. Novaković: *Samoupravna moć u radnoj organizaciji*, Belgrade 1992, and the famous study (conducted in the 1960s) of Josip Županov: *Samoupravljanje i društvena moć. Prilozi za sociologiju samoupravne organizacije*, Zagreb 1969 (an abstract in English from the same author: *Employees, Participation and Social Power in Industry*, in: *Participation and Self-Management*, Vol. 1, Zagreb 1972, pp. 33–40) and Soergel: *Managersozialismus? Wolfgang Höpken, Sozialismus und Pluralismus in Jugoslawien*, München 1984.

66 See Nebojša Popov: *Štrajkovi u savremenom jugoslavenskom društvu*, in: *Sociologija*, 11/4 (1969), pp. 605–630 and Oleszczuk, pp. 66–75 “work stoppages”.



cluding 300 members of the League of Communists of Slovenia) not only "went on strike" for higher personal incomes, a bonus which they had missed, and for better safety regulations. They also demanded *government action* to improve the economic conditions of the entire industry. The leadership of the League of Slovenia had become very aware that the workers expected them to do their lobby work in Belgrade for the interests of Slovenian-based industries. Over ten years and hundreds of "work stoppages" later, a big strike on June 1, 1969, by the dockworkers in the Croatian coastal town of Rijeka showed how easily strikes could escalate to violence. The management building was occupied, the General Director and several of his associates (including the union president and League secretary) were beaten.<sup>67</sup> On the third day of the strike, 3,000 of the 4,600 people who worked at the Rijeka waterfront showed up at a strike meeting. The demands (restoration of pay cuts) were met by politicians with the aid of short-term bank loans granted by local banks *under pressure of city and republic officials* of the government and the League. Newspapers, radio and television carried lengthy accounts of the entire incident, the appointment of a new management team, and the dissolution of the League "*aktiv*" in the enterprise.

These two strikes in 1958 and 1969 in many ways typify the 1,732 reported strikes of the period (which peaked in 1964 with 273).<sup>68</sup> Although the key demands in both strikes were material, it should not be overlooked that the incidents in the republics were addressed and recognized as the relevant political actors. In this context it is important to note that government offices in Yugoslavia legally had several points of contact with enterprises and were expected to maintain socially protective functions.<sup>69</sup> When enterprise authorities (management and council) were targeted, local authorities and those in the republic often tried to play the role of arbiters in the struggle. Strikes seem to have been also a weapon of workers to replace some of the established elite via external intervention. Thomas Oleszczuk sees the significance of "protest work stoppages" in the fact that workers felt that they had no real power over enterprise affairs and that their demands were not being converted into policy by "their" council,<sup>70</sup> and he is surely right, but it could be added that the strikes could serve not only as an indicator of managerial elitism, but also as an indicator for the awareness of politicians on the level of the republics to show their consciousness for local and regional demands. In this paper the relationship between workers and management in connection with the question about how national issues were discussed within the enterprises is of interest. Is it possible that the absence of identification as "self-manager" led to a stronger national consciousness? A study in 1965 indicated that workers did not trust themselves to make economic decisions

67 See Oleszczuk, p. 68 and the Yugoslav sociological literature cited there; also Eugen Pusić (ed.): *Participation and Self-Management*, Zagreb 1972.

68 See Popov, pp. 609–610.; also Stevan K. Pavlowitch: *Yugoslavia*, London 1971, p. 366, fn. 34.

69 See the analysis of the local constitutions of five hundred local units (*općine*) by Dušan Josipović et al.: *Commune Statutes*, in: *Yugoslav Survey* 6 (20) (1965), pp. 2872–2875. In keeping with their responsibility for economic development, they usually had the right to interfere in enterprise production and to set outer limits for pay scales.

70 Oleszczuk, p. 73.

about the future of their enterprise.<sup>71</sup> Could it be that they put more trust in their “national representatives”? Was that a way to break “the vicious circle of apathy-powerlessness-apaty” that had led to the acceptance of managerial dominance, because that dominance seemed to lead to the fulfilment of material needs?<sup>72</sup> Is it surprising that when things turned bad in the fractured economy of a fractured country, the elites in the enterprises as well as on the republic level tried to find scapegoats elsewhere in the country but never in their midst? Unfortunately the rise of national arguments out of the economy during the 1950s and 1960s has hardly been researched in Yugoslavia. Surprisingly enough, it is often not even mentioned in the relevant literature examining the relationship of workers and managers in self-managed enterprises.<sup>73</sup> To my knowledge, no directly pertinent analysis of attitudinal data which could be looked upon as being representative is available.<sup>74</sup> In the final section of this paper I would like to outline a research project which would try to find evidence for the assumptions given above.

### III.

It was a common belief in post-war communist Yugoslavia that the dissolution of the first Yugoslav state during World War II was to be attributed to insurmountable national differences within the country. The second Yugoslav experiment also failed, although Yugoslavia, more than any other European state, promoted federalism and the autonomy of national units. The history of the disintegration of Yugoslavia shows clearly that despite certain aspects specific to the Yugoslav situation we are faced with a general problem which national integration processes entail practically everywhere, i.e., with issues stemming from the intricate connection between ethnic differentiation and different levels of prosperity or poverty. Clearly, one could gain important insights if one re-examined the economic reforms carried

71 Krsto Kilibarda: *Samoupravljanje i Savez komunista*, Belgrade 1966.

72 See chapter IV in Oleszczuk, pp. 194–264.

73 L. Benson: *Market Socialism and Class Structure: Manual Workers and Managerial Power in the Yugoslav Enterprise*, in: F. Parkin (ed.): *The Social Analysis of Class Structure*, London 1974; Miloško Drulović: *Arbeiterselbstverwaltung auf dem Prüfstand. Erfahrungen in Jugoslawien*, Berlin 1976, pp. 63–65; Richard P. Farkas: *Yugoslav Economic Development and Political Change. The Relationship between Economic Managers and Policy-Making Elites*, New York 1975; Soergel: *Managersozialismus?*

74 Unfortunately works by some sociologists (see below) are of no great help, because the respective survey questionnaires were designed for other purposes than to examine what is of interest here, i.e. the spread of national arguments out of economic debates: Mladen Zvonarević: *Javno mnijenje građana SRH o samoupravljanju*, Zagreb 1967; Pavle Novosel: *Politička kultura u SR Hrvatskoj*, Zagreb 1969; Rade Ničković: *Ispitivanje predznanja neposrednih proizvođača u oblasti društveno-ekonomskog obrazovanja*, in: *Sociologija*, 3 (1) 1961, pp. 88–97 or George Zaninovich: *The Case of Yugoslavia. Delineating Political Culture in a Multi-Ethnic Society*, in: *Studies in Comparative Communism*, 4 (1971); Gary K. Bertsch: *Nation-Building in Yugoslavia. A Study of Political Integration and Attitudinal Consensus*, Beverly Hills 1971; George Zaninovich and Gary K. Bertsch: *A Factor-Analytic Method of Identifying Different Political Cultures: The Multinational Yugoslav Case*, in: *Comparative Politics* 6 (1974), no. 2.

out in the 1960s, the various debates over the related policies, as well as the social relationships developing within economic enterprises.<sup>75</sup> But as indicated above, special attention should be paid within this context to the assumed linkage between economic development and the genesis of different forms of nationalism. Again, this appears necessary because the types of nationalism we are dealing with do not originate in the more traditional spheres of culture, language, history or religion but rather in the economic field. Although the communists resorted to various means – from granting autonomy to outright oppression – in the early post-war era in order to preclude nationalism, nationalist arguments reappeared already in the 1960s, particularly in the northern, more prosperous republics of Slovenia and Croatia, a fact that should not be ignored in any discussion of recent Yugoslav developments. Equally important is the question of why and how different forms of nationalism that developed within the economic context found a mass audience. In this regard, the genesis of the ethnic solidarity that increasingly came to the forefront since the 1970s and 1980s needs to be examined. In short, the period from the introduction of workers' self-administration in 1953 to the adoption of the constitution of 1974 should form the main focus of study.

Such an approach would, in the first place, try to establish the pivots of divergent national interests that reflected particular economic situations of industrial concerns in individual republics. A tough competition for the limited resources on the federal level was the result. In such circumstances, national rivalry found expression primarily in economic terms, subsequently to be emotionally charged with the rather familiar historical, linguistic and cultural arguments, as was evident during the "Croatian Spring of 1971". Hence a systematic analysis of the "offers" the Yugoslav model made to nationalisms of various actors within the federal framework seems to be essential. The question becomes even more urgent, when it is recognized that the necessary pre-conditions of a nationalist revival were practically absent, or of little importance, in the early post-war period. Actually, those pre-conditions had to be substituted: Should one not consider the republics, which were becoming increasingly decentralized to acquire quasi-state structures with their respective elite bodies, as a substitute for the factors of a socially organized national opposition, as can be observed in other countries? How was such elementary nationalism possible in a country which had gotten rid of its nationalist pre-war elite in order to replace it by people who, although not necessarily sworn communists with proven supranational credentials, were nevertheless firmly committed to the concept of "brotherhood and unity"? How did economic nationalism reach the population-at-large? The results of research we have conducted so far seem to support the view that a national mobilization took place only after economic conflicts had taken hold of large parts of the population. In other words, we are confronted here with an interesting case in which specialist debates on economic questions have primarily developed into issues of nationalism involving all segments of the population.

75 In this paper, I merely raise some basic questions connected with the workers' self-management in Tito's Yugoslavia, whereas the empirical findings of my archival research will be presented elsewhere in a more comprehensive manner.

